

New Union Holdings

Annual Report and Accounts

31 December 2004

**Registered number
2477437**



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COMPANIES HOUSE 27/10/2005

New Union Holdings Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities and review of the business

On 11 December 2002, the Company sold its shareholdings in its remaining subsidiaries to a fellow group undertaking, de-registered as a limited company and registered as an unlimited company. The Company did not trade during the current or prior year.

Future developments

It is not anticipated that there will be any changes to the Company's activities in the foreseeable future.

Results and dividends

The Company did not recognise any income or expenditure during the current or prior year and accordingly no profit and loss account or statement of total recognised gains and losses is presented.

No dividends were paid during the year (2003: £nil), and the directors do not recommend a final dividend (2003: £nil).

Directors

The directors who served throughout the year were as follows:

C J R Gleave
J R Russell

Directors' interests

No director held any interest in the shares of the Company or any other group company requiring disclosure under the Companies Act 1985, except as disclosed below, during the year.

The interests of the directors and their connected persons in the shares and securities of the ultimate holding company and intermediate parent company, Guinness Peat Group plc ("GPG") and GPG (UK) Holdings plc ("GPGUKH") respectively, are set out below. All holdings are beneficial.

Ordinary shares of 5p each in GPG

C J R Gleave held 530,944 shares at the year end (2003: 205,600 shares).

J R Russell held 47,969 shares at the year end (2003: nil).

On 8 March and on 6 May 2004, before the 2004 Capitalisation Issue took effect, CJR Gleave exercised two options, both for 140,103 GPG shares, at an average price of 25.34p per share. On both those dates, the average market price was 74.00p. On 18 October 2004, after the 2004 capitalisation Issue took effect, he exercised 124,862 options at an average price of 28.83p per GPG share, when the average market price was 79.50p per share.

On 4 April 2005 options over a further 100,000 shares in GPG were awarded to CJR Gleave.

On 3 March 2004, before the 2004 Capitalisation Issue took effect, JR Russell exercised 104,778 options for GPG shares, at an average price of 28.63p per share, when the average market price was 74.00p per share.

On 4 April 2005 options over a further 150,000 shares in GPG were awarded to JR Russell.

8% Convertible subordinated unsecured loan notes of 10p (31 December 2003: 20p) each due 2005 of GPGUKH

C J R Gleave held 13,567 loan notes at the year end (2003: 11,930 loan notes).

J R Russell held no loan notes at the year end (2003: nil).

New Union Holdings
Directors' Report (cont)

Statement of Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 2004. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint *Deloitte & Touche LLP* as auditors will be put to the members at the Annual General Meeting.

By order of the Board



CJR Gleave
Director
12 July 2005

**Independent auditors' report
to the member of New Union Holdings**

We have audited the financial statements of New Union Holdings for the year ended 31 December 2004 which comprise the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely for the Company's member, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

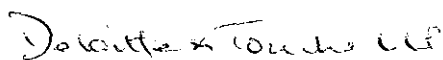
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
12 July 2005

New Union Holdings
Balance Sheet
as at 31 December 2004

	Notes	2004 £	2003 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	4	2,327,002	2,327,002
NET CURRENT ASSETS		<u>2,327,002</u>	<u>2,327,002</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,327,002	2,327,002
NET ASSETS		<u>2,327,002</u>	<u>2,327,002</u>
 CAPITAL AND RESERVES			
Called up share capital	5	2	2
Profit and loss account	6	2,327,000	2,327,000
Equity shareholder's funds	7	<u>2,327,002</u>	<u>2,327,002</u>

The accounts were approved by the Board of Directors on 11 July 2005 and signed on their behalf by:



CJR Gleave
Director

The Company did not recognise any income or expenditure during the current or preceding year and accordingly no profit and loss account or statement of total recognised gains and losses is presented.

The notes on pages 5 to 6 form part of these accounts.

New Union Holdings
Notes to the Accounts
for the year ended 31 December 2004

1. STATEMENT OF ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The accounting policies adopted in preparing these financial statements have been consistently applied throughout the current and preceding year.

Taxation

Provision is made for taxation assessable on the profit for the year as adjusted for disallowable and non-taxable items.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. DIRECTORS' EMOLUMENTS

None of the company's directors received any emoluments from the company during the year (2003: nil). Their remuneration was paid by the parent company for their services to the group as a whole.

The company had no employees during the year (2003: nil).

3. AUDITOR'S REMUNERATION

Audit fees are borne by the Company's parent undertaking for 2004 and 2003.

4. DEBTORS: amounts falling due within one year	2004	2003
	£	£
Amount due from group undertaking	<u>2,327,002</u>	<u>2,327,002</u>
5. SHARE CAPITAL	2004	2003
	£	£
Authorised :		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
Allotted, called up and fully paid :		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
6. PROFIT AND LOSS ACCOUNT		
	£	£
At 1 January 2004 and 31 December 2004	<u>2,327,000</u>	<u>2,327,000</u>

New Union Holdings
Notes to the Accounts (continued)
for the year ended 31 December 2004

7. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2004	2003
	£	£
At the beginning of the year	2,327,002	2,327,002
Profit for the financial year	-	-
At the end of the year	<u>2,327,002</u>	<u>2,327,002</u>

8. CASH FLOW STATEMENT

A cash flow statement has not been prepared since the Company is a wholly owned subsidiary of GPG, a body corporate which publishes consolidated financial statements that are publicly available. Consequently the Company is exempt under the terms of Financial Reporting Standard 1 (revised) from publishing a cash flow statement.

9. RELATED PARTIES

The Company has taken advantage of the exemption in Financial Reporting Standard 8(3) not to disclose transactions with entities 90% or more of whose voting rights are controlled within the Group.

10. CONTROLLING PARTIES

The Company is controlled by NUH No. 2 Ltd (formerly Speed 9411 Limited), a company incorporated in Great Britain and registered in England and Wales, which owns 100% of the issued share capital. GPG is the ultimate holding company of the Company, and copies of that company's accounts for the year ended 31 December 2004 are available from the Company Secretary, First Floor, Times Place, 45 Pall Mall, London SW1Y 5GP, England.

GPGUKH and GPG are the parent undertakings of the smallest and largest groups respectively to consolidate the Company's financial statements.