

Registered No. 3403963

# **EGG INVESTMENTS LIMITED**

## **Annual Report and Accounts 2005**



## **EGG INVESTMENTS LIMITED**

<b><u>CONTENTS</u></b>	<b><u>Page</u></b>
Company Information	3
Directors' Report	4-5
Statement of Directors' Responsibilities	6
Independent Auditors' Report	7
Income Statement	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Accounts	12-23

# **EGG INVESTMENTS LIMITED**

## **Company Information**

Incorporated and registered in England and Wales.

Registered office: 1 Waterhouse Square. 138-142 Holborn, London EC1N 2NA.

## **Directors**

M J S Nancarrow  
K M Coleman

## **Secretary**

S D Windridge

## **Auditors**

KPMG Audit Plc

# **EGG INVESTMENTS LIMITED**

## **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

### **Principal activity**

The principal activity of the Company is the intermediation of investment products to the public via a web-based supermarket. During 2004 a decision was made to transfer all the customer investments to Fidelity plc, with an effective date of 1 January 2005. The transfer of customer investments to Fidelity plc was completed on 23 January 2005. The Directors do not expect any further business to be undertaken at present.

### **Accounts and dividends**

The company adopted International Financial Reporting Standards (IFRS) from 1 January 2005, and the 2005 accounts are prepared on that basis. The 2004 comparative figures are also on an IFRS basis, although no adjustments were required from the UK GAAP amounts for the figures to be consistent with IFRS.

The state of affairs of the Company at 31 December 2005 is shown in the balance sheet on page 9. The income statement is shown on page 8.

The directors do not recommend the payment of a dividend (2004 - £nil).

### **Results for the year**

The Company made a loss after tax of £667,000 for the year ended 31 December 2005 (2004 - £3.6m loss). This profit was consistent with the directors' expectations, based on the forecast for the year.

### **Directors**

The present directors of the Company are shown on page 3.

The following changes took place during the year:

#### **Resignations**

D C Doyle  
A M Deller

#### **Date**

16 May 2005  
24 December 2005

The following changes took place after the year end:

#### **Appointments**

K M Coleman

#### **Date**

30 January 2006

#### **Resignations**

P R Gratton

#### **Date**

30 January 2006

## **EGG INVESTMENTS LIMITED**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)**

#### **Supplier Payment Policy**

The Company does not follow any code or standard on payment practice with its suppliers but it is the policy of the Company to agree terms of payment when orders for goods or services are placed and to pay in accordance with those terms. Trade creditor days for Egg plc Group, based on the ratio of Group trade creditors at the year end to the amounts invoiced by trade creditors during the year, were 22 days (2004:15 days). All supplier amounts outstanding are settled by Egg Banking plc, a fellow subsidiary member of the Egg plc Group.

#### **Employees**

Company policy is to recruit, develop and employ staff on the basis of the suitability of their qualifications and experience to the work to be performed, regardless of sex, marital status, creed, race, nationality or disability. Full consideration is given to continuing the employment of staff who become disabled and to provide training and career development opportunities to disabled employees. The requirements of the Disability Discrimination Act 1996 have been put into effect.

The Company has effective communication channels whereby information on the Company's affairs is passed to employees and through which employees' views can be sought on issues that concern them.

Following the transfer of the Company's business to Fidelity, after a full consultation process, all employees of the Company were offered alternative employment within the Egg Group.

#### **Directors' interests**

No fees were paid to directors in relation to their services as directors of the Company during the year. The interests of Mr P R Gratton and Mr M J S Nancarrow, who were also directors at the end of the year of the parent company Egg plc, are shown in the annual report and accounts of that company.

No director held any beneficial interest in the shares of the Company.

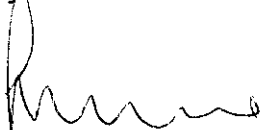
#### **Auditors**

A resolution has been passed to dispense with the need to re-appoint the auditors annually.

#### **Going Concern**

The Board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future. The Company's financial statements have accordingly been prepared on a going concern basis.

By order of the board



**S D Windridge**  
Secretary

**26<sup>th</sup> October 2006**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare company financial statements for each financial year. Under that law the directors have elected to prepare company financial statements in accordance with IFRSs as adopted by the EU.

The company financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the company and the performance for that period; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **EGG INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EGG INVESTMENTS LIMITED**

We have audited the financial statements of Egg Investments Limited for the year ended 31 December 2005 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you 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 other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2005 and of the company's loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc* /

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*  
26<sup>th</sup> October 2006

# EGG INVESTMENTS LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 £'000	2004 £'000
Revenue	2	1,050	985
<b>Gross profit</b>		<u>1,050</u>	<u>985</u>
Administrative expenses net of utilisation of provisions	3	(1,328)	(6,271)
<b>Operating loss</b>		<u>(278)</u>	<u>(5,286)</u>
Interest receivable and similar income		797	1,102
Interest payable and similar charges		(249)	(1,024)
<b>Profit/(loss) before tax</b>		<u>270</u>	<u>(5,208)</u>
Tax	5	(937)	1,597
<b>Loss for the year</b>		<u>(667)</u>	<u>(3,611)</u>

The notes on pages 12 to 23 are an integral part of these financial statements.

All of the above profit/(loss) arose from discontinued operations.

There are no recognised gains and losses for the year other than in the income statement.



# **EGG INVESTMENTS LIMITED**

## **BALANCE SHEET AS AT 31 DECEMBER 2005**

	Note	2005 £'000	2004 £'000
<b>Non-current assets</b>			
Property, plant and equipment	6	-	240
Intangible assets	7	-	-
		<u>-</u>	<u>240</u>
<b>Current assets</b>			
Cash at hand and in bank		-	31,103
Amounts owed by group undertakings		17,992	-
Prepayments and Accrued Income		-	2
Deferred tax asset	9	-	2,088
Other assets	8	588	7,729
		<u>18,580</u>	<u>40,922</u>
<b>Total assets</b>		<u>18,580</u>	<u>41,162</u>
<b>Current liabilities</b>			
Bank overdraft		1	-
Amounts owed to group undertakings		851	20,085
Accruals and deferred income		-	11
Taxation and social security liabilities		5	501
Other liabilities		-	12
		<u>857</u>	<u>20,609</u>
<b>Net current assets</b>		<b>17,723</b>	<b>20,313</b>
<b>Non- current liabilities</b>			
Provisions	11	-	2,163
<b>Total liabilities</b>		<u>857</u>	<u>22,772</u>
<b>Net assets</b>		<u>17,723</u>	<u>18,390</u>
<b>Equity</b>			
Share capital	12	70,000	70,000
Accumulated losses		(52,277)	(51,610)
<b>Total Equity</b>		<u>17,723</u>	<u>18,390</u>

The financial statements and associated notes on pages 12 to 23 were approved by the board of directors on 2006 and were signed on its behalf by:



**Kieran Coleman**

**Director**

**26<sup>th</sup> October 2006**

The notes on pages 12 to 23 are an integral part of these financial statements.

# **EGG INVESTMENTS LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2005**

	Called up share capital	Accumulated losses	Total Equity
Notes	£'000	£'000	£'000
<b><i>Changes in equity for the year ended</i></b>			
<b><i>31 December 2004:</i></b>			
<b>Balance at 1 January 2004</b>	70,000	(47,999)	22,001
Loss for the year	-	(3,611)	(3,611)
<b>Total recognised expense for the year</b>	-	(3,611)	(3,611)
<b>Balance at 31 December 2004</b>	70,000	(51,610)	18,390
<b><i>Changes in equity for the year ended</i></b>			
<b><i>31 December 2005:</i></b>			
Profit for the year	-	(667)	(667)
<b>Total recognised income for the year</b>	-	(667)	(667)
<b>Balance at 31 December 2005</b>	70,000	(52,277)	17,723

The notes on pages 12 to 23 are an integral part of these financial statements.

# **EGG INVESTMENTS LIMITED**

## **CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005 £'000	2004 £'000
<b>Cash flows from operating activities</b>			
Profit/(loss) before taxation		270	(5,208)
Depreciation of property, plant and equipment		-	315
Impairment loss on property, plant and equipment		-	85
Amortisation of intangible assets		-	272
Impairment of intangible assets		-	335
Net (increase)/decrease in operating assets:			
Amounts owed by group companies		(17,992)	5
Prepayments and accrued income		2	(2)
Other assets		7,141	(1,794)
Net increase/(decrease) in operating liabilities:			
Amounts owed to group undertaking		(19,234)	5,201
Accruals, deferred income and other liabilities		(11)	(372)
Other liabilities		(508)	2
Finance leases		-	(3,173)
Taxation relief received		1,151	1,173
(Decrease)/increase in provision		(2,163)	2,163
<b>Net cash outflow operating activities</b>		<b>(31,344)</b>	<b>(998)</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of property, plant and equipment		240	-
Proceeds on disposal of software		-	4,170
Purchases of software		-	(1,110)
Purchases of property, plant and equipment	12	-	(52)
<b>Cash inflow from investing activities</b>		<b>240</b>	<b>3,008</b>
<b>Movement in cash and cash equivalents in the period</b>		<b>(31,104)</b>	<b>2,010</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>31,103</b>	<b>29,093</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>(1)</b>	<b>31,103</b>

The notes on pages 12 to 23 are an integral part of these financial statements.

## **EGG INVESTMENTS LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **1) Significant accounting policies**

The following is a list of the Company's key accounting policies under IFRS.

##### **(a) Statement of compliance**

The Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the International Accounting Standards Board (IASB). This is the Company's first set of IFRS financial statements and IFRS 1 'First-time Adoption of IFRS' has been applied but no elections were required from the standard regarding first time adoption.

There were no significant adjustments to equity holders' funds as at 1 January 2004 or 31 December 2004 arising from transition to IFRS.

##### **(b) Basis of preparation**

The consolidated financial statements have been prepared in accordance with IFRSs adopted for use in the European Union.

The preparation of financial statements in accordance with IFRS requires management to make use of certain estimates and assumptions. It also requires the use of judgement in applying the accounting policies to the Company. In determining the estimates and associated assumptions to be used, management apply the knowledge gained from historical experiences and where reasonable and relevant, modifies them for current circumstances. The actual results may differ from those results generated from those estimated.

The accounting policies set out in this note have been applied in the preparation of the financial statements for the year ended 31 December 2005, to the comparative information contained in these financial statements for the year ended 31 December 2004, and to the Company's opening balance sheet as at 1 January 2004, this being the Company's date of transition to IFRS.

##### **(c) Segment reporting**

A business segment is defined by the Company as being a component that engages in providing products or services that are subject to risks and returns that are different from those of other business segments.

The Company operates solely in the UK and therefore does not disclose geographical segments.

##### **(d) Revenue**

Revenue comprises annual management fees receivable and initial commission receivable on the sale of units, and is recognised on the basis of work done.

##### **(e) Interest receivable/payable and similar income/charges**

Interest receivable/payable is recognised in the income statement as it accrues.

# **EGG INVESTMENTS LIMITED**

## **NOTES TO THE ACCOUNTS**

### **1. Significant accounting policies (continued)**

#### **(f) Property, plant and equipment**

Computer equipment, fixtures and fittings and other tangible assets are stated at cost, less any accumulated depreciation and accumulated impairment losses. The Company recognises in the carrying amount of an item if property, plant and equipment the cost of replacing part of such an item when the cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as incurred.

#### ***i) Depreciation***

Costs capitalised are depreciated over their estimated residual value by equal instalments over their estimated useful life, as follows:

Fixtures and fittings	10 years
Plant and equipment	3 years

#### ***ii) Impairment***

An asset's carrying amount may not be recovered from future business activity. Wherever indicators of impairment exist, a review for impairment will be carried out at that time, and also on an annual basis at year end. Where impairment is identified, a write-down of the carrying value to the recoverable amount will be charged as an immediate expense in the income statement.

#### **(g) Intangible assets**

Internally-generated or externally-purchased intangible assets in connection with the Company's software development are recognised only if all of the following conditions are met:

- An asset is created that can be identified
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

The software is classified as an intangible asset where it is not an integral part of the related hardware and is amortised on a straight-line basis over its estimated useful life which is 3 years. Where no intangible asset can be recognised, development expenditure is recognised as an expense in the income statement in the period in which it is incurred.

Expenditure on research activities is recognised as an expense in the income statement in the period in which it is incurred.

#### **(h) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks.

#### **(i) Provisions**

The Company recognises a provision when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount has been reliably estimated.

## **EGG INVESTMENTS LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **1. Significant accounting policies (continued)**

##### **(j) Taxation**

Income tax payable is charged on all taxable profits arising in the accounting period.

Deferred tax is calculated on all taxable temporary differences arising on the differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets and liabilities are recognised at gross on the balance sheet and deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred taxes are determined using the rates enacted or substantively enacted at the balance sheet date.

The deferred tax charge or credit is recognised in the income statement unless the deferred tax relates to adjustments for amounts taken directly to equity. In these circumstances the deferred tax charge or credit will also be recognised in equity and recycled to the income statement at the same time as when the originating entry is recycled from equity to the income statement.

Group relief receivable from the parent company is included in other assets.

##### **(k) Employee benefits**

The Company accounts for its pension schemes and other non share-based employee benefits under IAS 19 'Employee Benefits'.

The main pension scheme, which covers all of the employees who have taken up their right to contribute to a pension scheme, is a defined contribution scheme. For this scheme the cost is charged to the income statement as contributions become due. The assets of the Scheme are held in a separately administered fund.

Other employee benefits are recognised in the income statement as incurred.

# **EGG INVESTMENTS LIMITED**

## **NOTES TO THE ACCOUNTS**

<b>2. Revenue</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Management fees – all of which arose in the UK	<u>1,050</u>	<u>985</u>
<b>3. Administrative expenses</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
<i>Staff costs:</i>		
Salaries and accrued incentive payments	54	502
Social security costs	7	52
Pension costs: Defined contribution scheme	4	21
Other staff costs	<u>13</u>	<u>143</u>
	78	718
Depreciation and amortisation	-	587
Other	3,413	2,803
Provision for costs of disposal of discontinued operation net of utilisation of provision	(2,163)	2,163
Total	<u>1,328</u>	<u>6,271</u>

Other staff costs include temporary staff costs, training, recruitment, medical health insurance, social welfare costs and other sundry staff costs.

The statutory audit fee was borne by the immediate parent company during the year. The Company paid £nil (2004 £19,000) in respect of non-audit fees to the current auditors, KPMG Audit Plc. This cost was inclusive of value added tax.

## EGG INVESTMENTS LIMITED

### NOTES TO THE ACCOUNTS

#### **4. Average number of employees**

The average number of persons employed by the Company up to the closure of the Company in January 2005, excluding temporary staff, was 16 (2004: 16).

#### **5. Taxation**

	2005		2004	
	£'000	£'000	£'000	£'000
Corporation tax:				
Current year	458		1,199	
Prior years	693		(26)	
Current year tax credit		1,151		1,173
Deferred tax:				
Current year	(1,242)		356	
Prior years	(846)		68	
		(2,088)		424
Tax (charge)/credit		(937)		1,597

Group relief is receivable in full from the ultimate parent company, Prudential plc and is dependent on Prudential plc holding indirectly a stake in the Company of at least 75% of the Company's ordinary shares.

The tax credit assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained as follows:



# **EGG INVESTMENTS LIMITED**

## **NOTES TO THE ACCOUNTS**

<b>5. Taxation (cont'd)</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) before tax	<u>270</u>	<u>(5,208)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	(81)	1,562
<i>Effects of:</i>		
Permanent differences	(2)	(7)
Adjustment for prior years	<u>(153)</u>	<u>42</u>
	<u>(236)</u>	<u>1,597</u>

## **6. Property, plant and equipment**

<b>2004</b>	<b>Fixtures and Fittings</b>	<b>Plant and Equipment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>			
At beginning of the year	4	3,732	3,736
Additions at cost	-	52	52
At end of the year	<u>4</u>	<u>3,784</u>	<u>3,788</u>
<b>Accumulated depreciation</b>			
At beginning of the year	4	3,144	3,148
Charge for year	-	315	315
Impairment on discontinued operation	-	85	85
At end of the year	<u>4</u>	<u>3,544</u>	<u>3,548</u>
Net book value at 31 December 2004	<u>-</u>	<u>240</u>	<u>240</u>
Net book value at 31 December 2003	<u>-</u>	<u>588</u>	<u>588</u>

# EGG INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

### 6. Property, plant and equipment (cont.)

2005	Fixtures and Fittings	Plant and Equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At beginning of the year	4	3,784	3,788
Disposals in year	(4)	(3,784)	(3,788)
At end of the year	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated depreciation</b>			
At beginning of the year	4	3,544	3,548
Depreciation on disposals	(4)	(3,544)	(3,548)
At end of the year	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value at 31 December 2005</b>	<u>-</u>	<u>-</u>	<u>-</u>

# **EGG INVESTMENTS LIMITED**

## **NOTES TO THE ACCOUNTS**

### **7. Intangible assets**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
At beginning of the year	12,551	15,611
Disposals during the year	(12,551)	(4,170)
Additions at cost	-	1,110
At end of the year	<u>-</u>	<u>12,551</u>
<b>Accumulated amortisation</b>		
At beginning of the year	12,551	11,944
Charge for year	-	272
Amortisation on disposals	(12,551)	-
Impairment on discontinued operation	-	335
At end of the year	<u>-</u>	<u>12,551</u>
<b>Net book value at end of the year</b>	<u>-</u>	<u>-</u>

Intangible assets consist entirely of computer software.

## **EGG INVESTMENTS LIMITED**

### **NOTES TO THE ACCOUNTS**

<b>8. Other assets</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Tax recoverable from the ultimate parent undertaking	-	6,310
Other assets	588	1,419
	<u>588</u>	<u>7,729</u>

<b>9. Deferred tax asset</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Balance at the beginning of the year	2,088	1,664
(Debit)/credit to profit and loss account (note 5)	(2,088)	424
Balance at the end of the year	<u>-</u>	<u>2,088</u>
Analysed as follows:		
Depreciation in excess of capital allowances	-	2,004
Short-term timing differences	-	84
	<u>-</u>	<u>2,088</u>

Deferred tax provided in the financial statements has been computed using the year-end tax rate of 30 % (2003: 30%).

# **EGG INVESTMENTS LIMITED**

## **NOTES TO THE ACCOUNTS**

### **10. Accruals and Deferred Income**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Other accruals	-	11
	<u>-</u>	<u>11</u>

### **11. Provision for closure**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Provision for closure of discontinued operation:		
Balance at beginning of year	2,163	-
Charged in year	-	3,016
Utilised in year	(2,163)	(853)
Balance at end of year	<u>-</u>	<u>2,163</u>

### **12. Called up share capital**

	<b>2005</b>	<b>2005</b>	<b>2004</b>	<b>2004</b>
	<b>Value</b>	<b>Number</b>	<b>Value</b>	<b>Number</b>
	<b>£</b>		<b>£</b>	
Ordinary Shares of £1 each:				
Authorised	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid	<u>70,000,001</u>	<u>70,000,001</u>	<u>70,000,001</u>	<u>70,000,001</u>

## **EGG INVESTMENTS LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **13. Directors' and key management personnel emoluments**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	-	437
Company pension contributions	-	30
	<hr/>	<hr/>
	-	467

The table shows emoluments received in respect of qualifying services provided by the directors to Egg Investments Limited. All of these costs were borne by the immediate parent company. All of the directors were remunerated by Egg plc. The full emoluments of Mr D C Doyle, Mr M J Nancarrow and Mr P R Gratton who were also directors of the immediate parent, are disclosed in the financial statements of Egg plc.

The emoluments of the highest paid director were £nil (2004: £179k). The highest paid director also received payments of £nil (2004: £7k) in respect of pension contributions paid under a defined benefit pension scheme.

No emoluments were received or are receivable by any key management personnel in respect of services during the year (2004:£nil)

#### **14. Immediate and ultimate parent company**

The immediate parent company is Egg plc, which prepares group accounts. Copies of these can be obtained from the Company Secretary, Egg plc, 1 Waterhouse Square, 138-142 Holborn , London EC1N 2NA.

The ultimate parent company and controlling party is Prudential plc which also prepares accounts. Copies of these accounts can be obtained from the Company Secretary, Prudential plc, Laurence Pountney Hill, London, EC4R OHH.

## **EGG INVESTMENTS LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **15. Related party transactions**

During the year the Company carried out the following transactions with related parties in the normal course of business and on an arm's length basis.

	Value of transactions		Amounts outstanding	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Transactions with Lost Wax Media Limited in which Mike Harris (former director of the parent company Egg plc), Tom Ilube (former Chief Information Officer of the parent) and Prudential plc (the ultimate parent company) each had a minority shareholding.				
- Consultancy fees paid for information technology and internet services provided	(144)	(796)	-	-
Transactions with Egg Banking plc a fellow wholly owned subsidiary of Egg plc				
- Costs recharged to Egg Investments Limited	(2,961) 280	(9,392) 4,170	-	-
- Transfer of fixed assets to Egg Banking plc at cost	7,461	-	-	-
- Corporation tax relief paid from Egg Banking plc	32,617	-	-	-
- Cash received by Egg Banking plc on behalf of Egg Investments Limited	(89)	(815)	17,846	(19,462)
- Charge and capitalisation of loan interest on outstanding loan balance				
Transactions with Egg Financial Products Limited a fellow wholly owned subsidiary of Egg plc				
- Charge and capitalisation of loan interest on outstanding loan balance	(29)	(33)	(826)	(797)