

Report of the Directors

—Additional disclosures

Share capital

The Company was authorised at the Annual General Meeting held on 17 July 2008 to repurchase in the market ordinary shares representing up to approximately 10% of the issued share capital at that time with such authority to expire at the 2009 Annual General Meeting. No shares were repurchased in the year to 31 March 2009 and following repurchases in earlier periods, the Company currently holds 5,896,000 shares in treasury. A resolution to renew this authority in respect of an amount equal to the nominal value of the unissued ordinary share capital will be proposed at the 2009 Annual General Meeting.

Substantial shareholders

At 12 May 2009 the interests in issued share capital which had been notified to the Company under Part VI of the Companies Act 1985 are shown in [Table 61](#).

Table 61

Which shareholders own over 3% of the Company's shares

	Number of shares	%
Albright Investments	44,197,650	5.85
Legal and General Investment Management Limited	35,247,506	4.67
M&G Investment Management Limited	26,605,507	3.52
ABP Investments	24,113,374	3.19

Directors' indemnities

On 5 May 2006 the Company agreed in writing to indemnify each of the Directors against any liability incurred by the Director in respect of acts or omissions arising in the course of their office. The indemnity only applies to the extent permitted by law. A copy of the deed of indemnity is available for inspection at the registered office and at the Annual General Meeting.

Auditors and disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

Provisions on change of control

There are a number of agreements which take effect, alter or terminate upon a change of control; none of these are considered significant in relation to the Company. The Company's share schemes contain provisions which take effect in the event of a change of control. The provisions in relation to share schemes do not entitle participants to a greater interest in the shares of the Company than that created by the initial grant or award under the relevant scheme.

Payment policy

The Group is a registered supporter of the CBI's Better Payment Practice Code to which it subscribes when dealing with all of its suppliers. The Code requires a clear and consistent policy that payments are made in accordance with contract or as required by law; that payment terms are agreed at the outset of a transaction and adhered to; that no amendments to payment terms are made without the prior agreement of suppliers; and that there is a system which deals quickly with complaints and disputes to ensure that suppliers are advised accordingly without delay when invoices or parts are contested. The Company has no trade creditors as at 31 March 2009. The Group's creditor payment days as at 31 March 2009 represented 20 days' purchases.

Annual General Meeting

Accompanying this report is the Notice of the Annual General Meeting which sets out the resolutions for the meeting. These are explained in a letter which accompanies the Notice.

By order of the Board

Peter Dudgeon
Secretary
12 May 2009