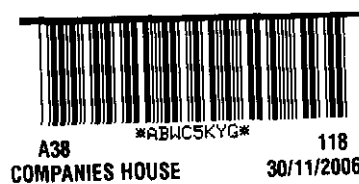


Edward Williams Holdings Limited

Director's report and financial
statements

Registered number 98606
For the year ended 30 June 2006



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Director's report

The director presents the annual report and the audited financial statements for the year ended 30 June 2006.

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure the financial statements comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The director confirms that there is no relevant information that he knows of and which he knows the auditors are unaware of.

Principal activity

The company acts as a trading investment company, holding property for the purposes of rental and listed investments.

Business review

The results for the year are shown on page 3 of the financial statements. The director is satisfied with the results of the company.

Dividends and transfers to reserves

The dividend paid during the year was £ nil (2005: £50,000).

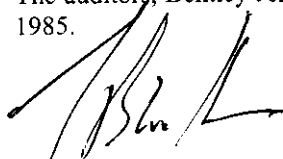
Director and director's interests

The director who held office during the financial year was F B Williams, who did not have any disclosable interest in the shares of the company during the financial year.

F B Williams is a director of the parent undertaking, Brian Williams Holdings Limited, and his interest in the shares of the parent undertaking are disclosed in the financial statements of that company.

Auditors

The auditors, Bentley Jennison will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.



F B Williams
Director

Home Farm
Footherley Lane
Lichfield
Staffordshire
WS14 0HQ

Date: 7 November 2006

Independent auditor's report to the members of Edward Williams Holdings Limited

We have audited the financial statements of Edward Williams Holdings Limited for the year ended 30 June 2006 set out on pages 3 to 10. These financial statements have been prepared in accordance with 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 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As described in the statement of Director's responsibilities on page 1, the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. 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 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 director's remuneration and transactions with the company is not disclosed.

We report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

Basis of opinion

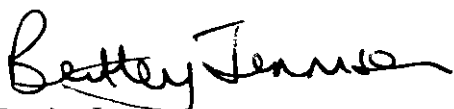
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the director's report is consistent with the financial statements.



Bentley Jennison
Chartered Accountants and Registered Auditors
Charterhouse
Legge Street
Birmingham
B4 7EU

7 November 2006

Profit and loss account
for the year ended 30 June 2006

	<i>Note</i>	2006 £	2005 £
Other operating income		65,321	52,379
Administrative expenses		<u>(106,559)</u>	<u>(195,794)</u>
Operating loss	2	(41,238)	(143,415)
Profit on sale of fixed asset investments		33,901	31,977
Income from fixed asset investments		44,729	35,434
Amounts credited to investments		-	62,426
Bank interest receivable		<u>98,560</u>	<u>107,586</u>
Profit on ordinary activities before taxation		135,952	94,008
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		135,952	94,008
Dividends	6	<u>(1,245,129)</u>	<u>(50,000)</u>
Retained (loss)/profit for the financial year		<u>(1,109,177)</u>	<u>44,008</u>

All operating results for the current and preceding year relate to continuing activities.

There were no recognised gains & losses for 2006 and 2005 other than these included in the profit and loss account.

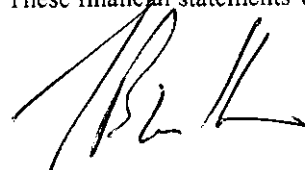
A statement of movements on reserves is given in note 13.

The notes on pages 5 to 10 form part of these financial statements.

Balance sheet
as at 30 June 2006

	Note	2006	2005
		£	£
Fixed assets			
Tangible assets	7	452,425	455,266
Investment properties	8	1,382,937	600,000
Investments	9	-	799,663
		1,835,362	1,854,929
Current assets			
Debtors	10	15,102	38,935
Cash at bank and in hand		1,392,213	2,471,451
		1,407,315	2,510,386
Creditors: amounts falling due within one year	11	(95,977)	(109,438)
Net current assets		1,311,338	2,400,948
Total assets less current liabilities		3,146,700	4,255,877
Capital and reserves			
Called up share capital	12	320,044	320,044
Revaluation reserve	13	200,000	200,000
Capital redemption reserve	13	80,639	80,639
Profit and loss account	13	2,546,017	3,655,194
Equity shareholders' funds	14	3,146,700	4,255,877

These financial statements were approved by the director on 7 November 2006



F B Williams
Director

The notes on pages 5 to 10 form part of the financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with the applicable accounting standards and under the historical cost convention, modified to include investment properties at open market value.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Fixed assets and depreciation

The annual rates of depreciation where applied to cost or valuation less estimated residual value are as follows:

Freehold buildings acquisition	- 2% straight line
Improvements to freehold buildings	- 15% reducing balance

Investment properties

In accordance with Statement of Standard Accounting Practice No 19 "Accounting for investment properties":-

- (i) Investment properties are revalued annually at open market values with Guidance Notes of assets issued by the Royal Institute of Chartered Surveyors. Surpluses and deficits arising are generally taken directly to revaluation reserve except where there is a permanent diminution in the value of an investment property. In this case, the deficit is taken to the profit and loss account for the year; and
- (ii) no depreciation or amortisation is provided in respect of freehold investment properties.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act 1985 concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the director considers that systematic annual depreciation would be inappropriate. The accounting policy adopted is, therefore, necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Other fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

Notes (continued)

2 Operating loss

2006	2005
£	£

The operating loss is stated after (crediting) / charging

Rents receivable	(65,319)	(51,312)
Depreciation of tangible fixed assets	9,341	2,279
Auditor's remuneration and expenses	2,750	6,000
	<hr/>	<hr/>

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

Number of employees
2006
2005

Management and administration	1	1
	<hr/>	<hr/>

There were no payroll costs in respect of these persons (2005: £Nil)

4 Director's remuneration

The director received no emoluments from the company in the year (2005: £Nil)

5 Tax on profit on ordinary activities

No liability to corporation tax arose during this year or the preceding year due to the utilisation of tax losses brought forward.

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2005: lower) than the standard rate of corporation tax in the UK of 19% (2005: 19%). The differences are explained below:

	2006 £	2005 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	135,952	94,008
	<hr/>	<hr/>
Current tax at 19% (2005: 19%)	25,831	17,862
<i>Effects of:</i>		
Capital allowances in excess of depreciation	-	(130)
Expenses not deductible for tax purposes	11,371	16,166
Utilisation of excess management charges	(15,953)	(17,937)
Utilisation of losses brought forward	(18,196)	(15,802)
Indexation allowance	(1,959)	(1,468)
Timing difference	-	1,547
Franked investment income	(1,094)	(238)
	<hr/>	<hr/>
Total current tax charge (see above)	-	-

Notes (continued)

6 Dividends

	2006 £	2005 £
Ordinary dividends paid	1,245,129	50,000

7 Tangible fixed assets

	Freehold land & buildings £
<i>Cost</i>	
At beginning and end of year	455,656
<i>Depreciation</i>	
At beginning of year	390
Charge for the year	2,841
At end of year	3,231
<i>Net book value</i>	
At 30 June 2006	452,425
At 30 June 2005	455,266

The gross book value of tangible fixed assets on which depreciation has been provided amounts to £104,825 (2005: £104,825).

8 Investment properties

	£
<i>Freehold land and buildings at valuation:</i>	
At beginning of year	600,000
Additions	782,937
At end of year	1,382,937

The investment property valuations were reviewed by the director during the year, and in his opinion the carrying value in the accounts is not materially different from the open market value of the properties at the balance sheet date.

Notes (continued)

9 Investments

	Listed investments £
Cost	
At beginning of year	799,663
Additions	210,252
Disposals	(164,786)
Transfer to parent undertaking	(845,129)
At end of year	-
Provisions	
At beginning of year	-
Movement during the year	-
At end of year	-
Net book value	
At 30 June 2006	-
At 30 June 2005	799,663

Listed investments

At 30 June 2006, investments with a cost of £nil (2005: £799,663) were listed on The London Stock Exchange. The market value of these listed investments at 30 June 2006 was £nil (2005: £954,767).

10 Debtors

	2006 £	2005 £
Other debtors	15,102	38,935

11 Creditors: amounts falling due within one year

	2006 £	2005 £
Other creditors	79,710	85,754
Accruals and deferred income	16,267	23,684
	95,977	109,438

Notes (continued)

12 Called up share capital

	2006 £	2005 £
<i>Authorised:</i>		
1,680,000 ordinary shares of 25p each	420,000	420,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
1,280,177 ordinary shares of 25p each	320,044	320,044
	<hr/>	<hr/>

13 Reserves

(a) Capital redemption reserve

	£
At beginning and end of year	80,639
	<hr/>

(b) Revaluation reserve

	£
At beginning and end of year	200,000
	<hr/>

(c) Profit and loss account

	£
At beginning of the year	3,655,194
Loss for the financial year	<u>(1,109,177)</u>
At end of year	<hr/> 2,546,017 <hr/>

14 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
At beginning of year	4,255,877	4,211,869
Profit for the year	135,952	94,008
Dividends	<u>(1,245,129)</u>	<u>(50,000)</u>
At end of year	<hr/> 3,146,700 <hr/>	<hr/> 4,255,877 <hr/>

Notes (continued)

15 Related party transactions

On 28 June 2006, the entire portfolio of listed investments was transferred to the parent undertaking, Brian Williams Holdings Limited for a consideration equivalent to the carrying value of the portfolio at that date. The carrying value of the portfolio at this date was £845,129. The market value of these investments at this date was £1,011,614.

During the year ended 30 June 2006, motor expenses were recharged by F B Williams and Sons for £2,574 (at arms length), a business in which F B Williams is a partner.

The balance due to F B Williams and Sons is as follow:-

	2006 £	2005 £
F B Williams and Sons	630	630

There were no other related party transactions as defined by Financial Reporting Standard 8.

16 Ultimate controlling party

The company is a wholly owned subsidiary undertaking of Brian Williams Holdings Limited, incorporated in England and Wales.

There is no controlling party of Brian Williams Holdings Limited as defined by the Financial Reporting Standard 8.