

Edward Williams Holdings Limited

Director's report and financial
statements

Registered number 98606
For the year ended 30 June 2005



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Director's report

The director presents the annual report and the audited financial statements for the year ended 30 June 2005.

Statement of director's responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 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 that 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.

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 £50,000. (2004: £Nil). Dividends proposed as at the year end are £nil (2004: £nil).

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 holding company, Brian Williams Holdings Limited, and his interest in the shares of that company are disclosed in the financial statements of that company.

According to the register of director's interests, the director had no rights to subscribe for shares or debentures of the company or of any group undertaking at any time during the financial year.

Auditors

On 7 December 2005 KPMG of 2 Cornwall Street, Birmingham, B3 2DL resigned as auditors of the company and Bentley Jennison of Charterhouse, Legge Street, Birmingham, B4 7EU were appointed in their place. 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
Fotherley Lane
Lichfield
Staffordshire
WS14 0HQ

6 January 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 2005 set out on pages 3 to 10. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 5.

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 the director and auditors

As described in the statement of Directors 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 United Kingdom accounting 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 to you if, in our opinion, the Director's 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications of our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

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 far view of the state of the affairs of the company as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

6 January 2006

Profit and loss account
for the year ended 30 June 2005

	<i>Note</i>	2005 £	2004 £
Other operating income		52,379	24,612
Surplus on pension fund	<i>15</i>	-	3,415,989
Administrative expenses		<u>(195,794)</u>	<u>(90,603)</u>
Operating (loss)/profit	<i>2</i>	(143,415)	3,349,998
Profit on sale of fixed asset investments		31,977	15,450
Income from fixed asset investments		35,434	35,756
Amounts credited to investments		62,426	154
Bank interest receivable		<u>107,586</u>	<u>9,944</u>
Profit on ordinary activities before taxation		94,008	3,411,302
Tax on profit on ordinary activities	<i>5</i>	<u>-</u>	<u>(1,195,596)</u>
Profit on ordinary activities after taxation		94,008	2,215,706
Dividends	<i>6</i>	<u>(50,000)</u>	<u>-</u>
Retained profit for the financial year		<u>44,008</u>	<u>2,215,706</u>

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

There were no recognised gains & losses for 2005 and 2004 other than these included in the profit and loss account.

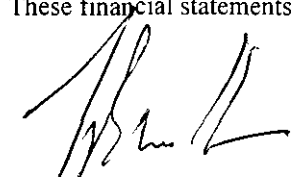
A statement of movements on reserves is given in note 13.

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

Balance sheet
as at 30 June 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Tangible assets	7	455,266		451,464	
Investment property	8	600,000		600,000	
Investments	9	<u>799,663</u>		<u>695,262</u>	
			1,854,929		1,746,726
Current assets					
Debtors	10	38,935		11,099	
Cash at bank and in hand		<u>2,471,451</u>		<u>2,487,333</u>	
			2,510,386		2,498,432
Creditors: amounts falling due within one year	11	<u>(109,438)</u>		<u>(33,289)</u>	
Net current assets			<u>2,400,948</u>		<u>2,465,143</u>
Total assets less current liabilities			<u>4,255,877</u>		<u>4,211,869</u>
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	<u>3,655,194</u>		<u>3,611,186</u>	
Equity shareholders' funds	14		<u>4,255,877</u>		<u>4,211,869</u>

These financial statements were approved by the director on 6 January 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 the revaluation of freehold land and buildings and the inclusion of 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 - 2% straight line/ 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 and leasehold investment properties with over 20 years to run.

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.

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)/Profit

2005	2004
£	£

The operating (loss) / profit is stated after charging / (crediting)

Rents receivable	(51,312)	(23,368)
Depreciation of tangible fixed assets	2,279	1,975
Auditors' remuneration and expenses		
Audit	3,500	6,000
Other	2,500	1,500
	<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	
	2005	2004
Management and administration	1	1
	<hr/>	<hr/>

There were no payroll costs in respect of these persons (2004: £Nil)

4 Director's remuneration

The director received no emoluments from the company in the year (2004: £Nil)

5 Tax on profit/(loss) on ordinary activities

2005	2004
£	£

Current tax		
Current tax charge for the year	-	1,195,596
	<hr/>	<hr/>

Notes (continued)

5 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2004: higher) than the standard rate of corporation tax in the UK of 19% (2004: 30%). The differences are explained below:

	2005 £	2004 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	94,008	3,411,302
Current tax at 19% (2004: 30%)	17,862	1,023,391
<i>Effects of:</i>		
Capital allowances in excess of depreciation	(130)	(7,412)
Expenses not deductible for tax purposes	16,166	16,581
Income not taxable	(17,937)	(1,855)
Utilisation of losses brought forward	(15,802)	(1,226)
Pension refund being taxed at a rate in excess of 30%	-	170,799
Capital gains not taxable	(1,468)	(4,682)
Timing difference	1,547	-
Franked investment income	(238)	-
Total current tax charge (see above)	-	1,195,596

Factors affecting future charges

The company has unutilised tax losses of approximately £303,000 (2004: £361,000) and accelerated capital allowances of £nil (2004: £9,063). The net resulting deferred tax asset has not been recognised.

6 Dividends

	2005 £	2004 £
Ordinary dividends paid	50,000	-

7 Tangible fixed assets

	Freehold land & buildings £
<i>Cost</i>	
At beginning of year	624,395
Additions	6,081
Disposals	(174,820)
At end of year	455,656
<i>Depreciation</i>	
At beginning of year	172,931
Charge for the year	2,279
Disposals	(174,820)
At end of year	390
<i>Net book value</i>	
At 30 June 2005	455,266
At 30 June 2004	451,464

Notes (continued)

7 Tangible fixed assets (continued)

The gross book value of tangible fixed assets on which depreciation has been provided amounts to £104,825 (2004: £98,744).

8 Investment property

	£
<i>Leasehold land and buildings at valuation:</i>	
At beginning and end of year	600,000

The investment property valuation was reviewed by the director during the year.

9 Investments

	Listed investments £
<i>Cost</i>	
At beginning of year	757,688
Additions	300,127
Disposals	(258,152)
At end of year	799,663
<i>Provisions</i>	
At beginning of year	62,426
Movement during the year	(62,426)
At end of year	-
<i>Net book value</i>	
At 30 June 2005	799,663
At 30 June 2004	695,262
<i>Listed investments</i>	

At 30 June 2004, investments with a cost of £799,663 (2004: £757,688) were listed on The Stock Exchange. The market value of these listed investments at 30 June 2005 was £954,767 (2004: £840,488).

10 Debtors

	2005 £	2004 £
Other debtors	38,935	11,099
	38,935	11,099

Notes (continued)

11 Creditors: amounts falling due within one year

	2005 £	2004 £
Other creditors	85,754	7,705
Accruals and deferred income	<u>23,684</u>	<u>25,584</u>
	<u>109,438</u>	<u>33,289</u>

12 Called up share capital

	2005 £	2004 £
<i>Authorised:</i> 1,680,000 ordinary shares of 25p each	<u>420,000</u>	<u>420,000</u>
<i>Allotted, called up and fully paid:</i> 1,280,177 ordinary shares of 25p each	<u>320,044</u>	<u>320,044</u>

13 Reserves

(a) Capital redemption reserve

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

(b) Revaluation reserve

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

(c) Profit and loss account

	£
At beginning of the year	3,611,186
Profit for the financial year	<u>44,008</u>
At end of year	<u>3,655,194</u>

Notes (continued)

14 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
At beginning of year	4,211,869	1,996,163
Profit retained for the year	94,008	2,215,706
Dividends	(50,000)	-
At end of year	4,255,877	4,211,869

15 Pension scheme

In April 2004, the funds of the ABMTM Limited (Group) Pension Fund were used to purchase annuities for the members, resulting in neither a surplus nor a deficit. The scheme is in the final stages of being wound up and a price has been agreed with an insurance provider that will neither result in a deficit or surplus

The Edward Williams Holdings Retirement Benefit Scheme was wound up in June 2004. This resulted in a surplus before taxation of £nil (2004: £3,415,989), and a final payment approved by OPRA of £1,067 in the year ended 30 June 2005.

16 Related party transactions

During the year ended 30 June 2005, motor expenses were recharged by F B Williams and Sons for £2,520 (at arms length), a business in which F B Williams is a partner.

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

	2005 £	2004 £
F B Williams and Sons	(630)	(1,200)

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

17 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.