

Edward Williams Holdings Limited

**Director's report and financial
statements**

Registered number 98606

For the year ended 30 June 2004



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Director's report

The director presents the annual report and the audited financial statements for the year ended 30 June 2004.

Principal activity

The company acts as an investment company holding property and listed investments.

Business review

The results for the year are shown on page 4 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 (2003: £Nil). Dividends proposed as at the year end are £Nil (2003: £Nil).

Director and director's interests

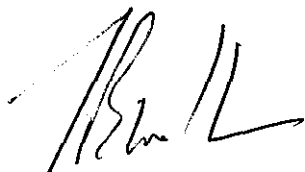
The director of the company who served during the year was FB Williams.

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

FB Williams is a director of the holding company, Brian Williams Holdings Limited, and his interests in the shares of that company are disclosed in the financial statements of Brian Williams Holdings Limited.

The director does not have a beneficial interest in the share capital of any subsidiary undertaking.

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.



FB Williams
Director

Home Farm
Fotherley Lane
Lichfield
Staffordshire
WS14 0HQ

31 March 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.



KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

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

We have audited the financial statements on pages 4 to 12.

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

The director is responsible for preparing the director's report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

We conducted our audit in accordance with 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 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

31 March 2005

Profit and loss account
for the year ended 30 June 2004

	<i>Note</i>	2004 £	2003 £
Other operating income		24,612	23,311
Surplus on pension fund	<i>14</i>	3,415,989	-
Administrative expenses		(90,603)	(86,112)
Operating profit/(loss)		3,349,998	(62,801)
Profit on sale of investments		15,450	-
Income from fixed asset investments		35,756	32,383
Amounts credited to investments		154	3,282
Bank interest receivable		9,944	7,033
Profit/(loss) on ordinary activities before taxation	<i>4</i>	3,411,302	(20,103)
Tax on profit/(loss) on ordinary activities	<i>5</i>	(1,195,596)	294
Profit/(loss) on ordinary activities after taxation and for the financial year		2,215,706	(19,809)

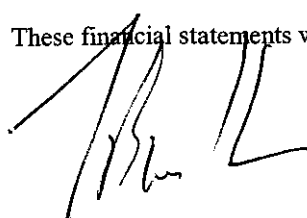
All operating results for the current and preceding years relate to continuing activities.

A statement of movements on reserves is given in note 12.

Balance sheet
as at 30 June 2004

	Note	2004	2003
		£	£
Fixed assets			
Tangible assets	6	451,464	453,439
Investment property	7	600,000	600,000
Investments	8	695,262	636,624
		<u>1,746,726</u>	<u>1,690,063</u>
Current assets			
Debtors	9	11,099	24,075
Cash at bank and in hand		2,487,333	305,293
		<u>2,498,432</u>	<u>329,368</u>
Creditors: amounts falling due within one year	10	(33,289)	(23,268)
Net current assets		<u>2,465,143</u>	<u>306,100</u>
Total assets less current liabilities		<u>4,211,869</u>	<u>1,996,163</u>
Capital and reserves			
Called up share capital	11	320,044	320,044
Revaluation reserve	12	200,000	200,000
Capital redemption reserve	12	80,639	80,639
Profit and loss account	12	3,611,186	1,395,480
Equity shareholders' funds	13	<u>4,211,869</u>	<u>1,996,163</u>

These financial statements were approved by the director on 31 March 2005


FB Williams
 Director

Statement of total recognised gains and losses
for the year ended 30 June 2004

	2004 £	2003 £
Profit/(loss) for the financial year	2,215,706	(19,809)
Unrealised surplus on revaluation of investment property	-	200,000
Total recognised gains and losses relating to the financial year	2,215,706	180,191

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 applied to cost or valuation less estimated residual value on a straight line basis are as follows:

Freehold buildings	-	2%
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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 on the valuation 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 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	
	2004	2003
Management and administration	1	2

There were no payroll costs in respect of these persons (2003: £Nil).

3 Director's remuneration

The director received no emoluments from the company in the year (2003: £Nil).

4 Profit/(loss) on ordinary activities before taxation

	2004	2003
	£	£
<i>Profit/(loss) on ordinary activities before taxation is stated</i>		
<i>after charging/(crediting)</i>		
Rents receivable	(23,368)	(23,311)
Depreciation of tangible fixed assets	1,975	4,305
Auditors' remuneration and expenses:		
Audit	6,000	6,000
Other services	1,500	1,500

5 Tax on profit/(loss) on ordinary activities

	2004	2003
	£	£
Current tax		
Current tax charge for the year	1,195,596	-
Refund in respect of previous years	-	(294)
	1,195,596	(294)

Notes (continued)

5 Tax on profit/(loss) on ordinary activities (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2003: higher) than the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are explained below:

	2004 £	2003 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	3,411,302	(20,103)
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	1,023,391	(6,031)
<i>Effects of:</i>		
Capital allowances in excess of depreciation	(7,412)	(690)
Expenses not deductible for tax purposes	16,581	8,088
Income not taxable	(1,855)	(2,106)
Losses carried forward	-	739
Utilisation of losses brought forward	(1,226)	-
Pension refund being taxed at a rate in excess of 30%	170,799	-
Capital gains not taxable	(4,682)	-
	<hr/>	<hr/>
Total current tax charge (see above)	1,195,596	-
	<hr/>	<hr/>

Factors affecting future charges

The company has unutilised tax losses of approximately £361,000 (2003: £365,000) and accelerated capital allowances of £9,063 (2003: £980). The net resulting deferred tax asset has not been recognised.

6 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
<i>Cost</i>			
At beginning of year	624,395	53,085	677,480
Disposals	-	(53,085)	(53,085)
	<hr/>	<hr/>	<hr/>
At end of year	624,395	-	624,395
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	170,956	53,085	224,041
Charge for the year	1,975	-	1,975
Disposals	-	(53,085)	(53,085)
	<hr/>	<hr/>	<hr/>
At end of year	172,931	-	172,931
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 June 2004	451,464	-	451,464
	<hr/>	<hr/>	<hr/>
At 30 June 2003	453,439	-	453,439
	<hr/>	<hr/>	<hr/>

Notes (continued)

6 Tangible fixed assets (continued)

The gross book value of tangible fixed assets on which depreciation has been provided amounts to £98,744 (2003: £396,000).

7 Investment property

Leasehold land and buildings at valuation:

	£
At beginning and end of year	600,000

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

8 Investments

	Listed investments £
Cost	
At beginning of year	699,204
Additions	182,861
Disposals	(124,377)
	<hr/>
At end of year	757,688
	<hr/>
Provisions	
At beginning of year	62,580
Movement during the year	(154)
	<hr/>
At end of year	62,426
	<hr/>
Net book value	
At 30 June 2004	695,262
	<hr/>
At 30 June 2003	636,624
	<hr/>

Listed investments

At 30 June 2004, investments with a cost of £757,688 (2003: £699,204) were listed on The Stock Exchange. The market value of these listed investments at 30 June 2004 was £840,488 (2003: £789,397).

9 Debtors

	2004 £	2003 £
Other debtors	11,099	23,342
Prepayments and accrued income	-	733
	<hr/>	<hr/>
	11,099	24,075
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2004 £	2003 £
Other creditors	7,705	11,787
Accruals and deferred income	25,584	11,481
	<u>33,289</u>	<u>23,268</u>

11 Called up share capital

	2004 £	2003 £
<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>

12 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 year	1,395,480
Profit for the financial year	2,215,706
	<u>3,611,186</u>
At end of year	

Notes (continued)

13 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
At beginning of year	1,996,163	1,815,972
Profit/(loss) retained for the year	2,215,706	(19,809)
Unrealised surplus on revaluation of investment property	-	200,000
At end of year	<u>4,211,869</u>	<u>1,996,163</u>

14 Pension schemes

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 in the directors opinion no surplus or deficit will arise.

The Edward Williams Holdings Retirement Benefit Scheme was wound up in June 2004. This resulted in a surplus before taxation of £3,415,989.

15 Related party transactions

During the year, a car was sold to FB Williams and Sons for £1,200 (at arms length). The balance was outstanding at the year end.

16 Ultimate controlling party

The company is a wholly owned subsidiary undertaking of Brian Williams Holdings Limited, incorporated in Great Britain.