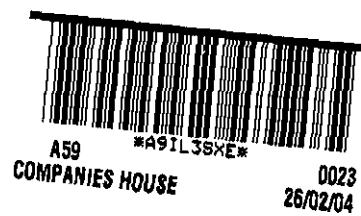


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Director's report

The director presents the annual report and the audited financial statements for the year ended 30 June 2003.

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 (2002: £Nil). Dividends proposed as at the year end are £Nil (2002: £Nil).

Directors and directors' interests

The directors of the company who served during the year were as follows:

FB Williams
RT Stokes (deceased 5 March 2003)

None of the directors who held office during the financial year had 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.

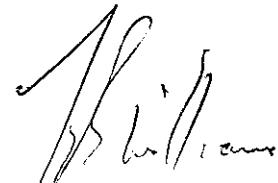
No director is beneficially interested in the share capital of any subsidiary undertaking.

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

Pensions disclosures

As explained in note 14, the financial statements do not contain the transitional disclosures required under FRS 17.

FRS 17 disclosures are required to assume that the schemes will continue and that full pensions will be provided to members in the future. As the trustees of the schemes are in the process of winding up the schemes this is not the case. The director considers the disclosures to be too onerous given that the schemes are expected to be fully wound up prior to the FRS 17 full implementation date of 30 September 2006.



FB Williams
Director



Home Farm
Footherley Lane
Lichfield
Staffordshire
WS14 0HQ

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 directors and auditors

The directors are responsible for preparing the directors' 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 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 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.

Qualified opinion arising from omission of disclosure information required under FRS 17 "Retirement benefits"

As explained in note 14 "Pension Schemes", the financial statements do not contain the transitional disclosures required under FRS 17. In the absence of the relevant actuarial information, it is not practicable for us to provide the missing disclosure.

Except for the failure to disclose this required transitional information, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2003 and of the loss the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

9 February 2004

Profit and loss account
for the year ended 30 June 2003

	<i>Note</i>	2003 £	2002 £
Other operating income		23,311	31,649
Administrative expenses		(86,112)	(114,627)
Operating loss		(62,801)	(82,978)
Loss on sale of investments		-	(1,057)
Income from fixed asset investments		32,383	32,054
Amounts credited to/(written off) investments		3,282	(16,467)
Bank interest receivable		7,033	10,303
Loss on ordinary activities before taxation	4	(20,103)	(58,145)
Tax on loss on ordinary activities	5	294	-
Loss on ordinary activities after taxation and for the financial year		(19,809)	(58,145)

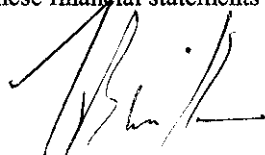
All operating results for the current and preceding years relate to continuing activities.

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

Balance sheet
as at 30 June 2003

	Note	2003	2002
		£	£
Fixed assets			
Tangible assets	6	453,439	453,435
Investment property	7	600,000	400,000
Investments	8	636,624	633,342
		<u>1,690,063</u>	<u>1,486,777</u>
Current assets			
Debtors	9	24,075	115
Cash at bank and in hand		305,293	336,173
		<u>329,368</u>	<u>336,288</u>
Creditors: amounts falling due within one year	10	(23,268)	(7,093)
Net current assets		<u>306,100</u>	<u>329,195</u>
Total assets less current liabilities		<u>1,996,163</u>	<u>1,815,972</u>
Capital and reserves			
Called up share capital	11	320,044	320,044
Revaluation reserve	12	200,000	-
Capital redemption reserve	12	80,639	80,639
Profit and loss account	12	1,395,480	1,415,289
Equity shareholders' funds	13	<u>1,996,163</u>	<u>1,815,972</u>

These financial statements were approved by the director on



9 Feb 04

FB Williams
Director

Statement of total recognised gains and losses
for the year ended 30 June 2003

	2003 £	2002 £
Loss for the financial year	(19,809)	(58,145)
Unrealised surplus on revaluation of investment property	200,000	-
Total recognised gains and losses relating to the financial year	180,191	(58,145)

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 prepared 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%
Plant and machinery	-	25%

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 directors consider 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	
	2003	2002
Management and administration	2	2

There were no payroll costs in respect of these persons (2002: £Nil).

3 Remuneration of directors

No director received any emoluments from the company in the year (2002: £Nil).

	Number	
	2003	2002
Number of directors who are members of a defined benefit pension scheme	-	1

4 Loss on ordinary activities before taxation

	2003 £	2002 £
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Rents receivable	(23,311)	(18,649)
Depreciation of tangible fixed assets	4,305	9,860
(Increase)/diminution in value of listed investments	(3,282)	18,007
Provisions released on disposal of listed investments	-	(1,540)
Auditors' remuneration and expenses:		
Audit	6,000	7,050
Other services	1,500	11,502

5 Tax on loss on ordinary activities

	2003 £	2002 £
Refund in respect of previous years	(294)	-

Notes (continued)

5 Tax on loss on ordinary activities (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2002: lower) than the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below:

	2003 £	2002 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(20,103)	(58,145)
	<hr/>	<hr/>
Current tax at 30% (2002: 30%)	(6,031)	(17,444)
<i>Effects of:</i>		
Depreciation in excess of capital allowances	-	1,145
Capital allowances in excess of depreciation	(690)	-
Expenses not deductible for tax purposes	8,088	365
Movement in provisions	-	4,940
Income not taxable	(2,106)	(4,553)
Losses carried forward	739	15,229
Other items	-	318
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

Factors affecting future charges

The company has unutilised tax losses of approximately £275,000 (2002: £240,000) and accelerated capital allowances of £980 (2002: £290). 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	620,086	53,085	673,171
Additions	4,309	-	4,309
	<hr/>	<hr/>	<hr/>
At end of year	624,395	53,085	677,480
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	169,002	50,734	219,736
Charge for the year	1,954	2,351	4,305
	<hr/>	<hr/>	<hr/>
At end of year	170,956	53,085	224,041
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 June 2003	453,439	-	453,439
	<hr/>	<hr/>	<hr/>
At 30 June 2002	451,084	2,351	453,435
	<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 £396,000 (2002: £392,000).

7 Investment property

	£
<i>Leasehold land and buildings at valuation:</i>	
At beginning of year	400,000
Revaluation	200,000
	<hr/>
At end of year	600,000
	<hr/>

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

8 Investments

	Listed Investments £
<i>Cost</i>	
At beginning and end of year	699,204
	<hr/>
<i>Provisions</i>	
At beginning of year	65,862
Movement during the year	(3,282)
	<hr/>
At end of year	62,580
	<hr/>
<i>Net book value</i>	
At 30 June 2003	636,624
	<hr/>
At 30 June 2002	633,342
	<hr/>

Listed investments

At 30 June 2003, investments with a cost of £699,204 (2002: £699,204) were listed on The Stock Exchange. The market value of these listed investments at 30 June 2003 was £789,397 (2002: £767,698).

9 Debtors

	2003 £	2002 £
Other debtors	23,342	-
Prepayments	733	115
	<hr/>	<hr/>
	24,075	115
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2003 £	2002 £
Other creditors	11,787	630
Accruals and deferred income	11,481	6,463
	<u>23,268</u>	<u>7,093</u>

11 Called up share capital

	2003 £	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 of year	-
Unrealised surplus on revaluation of investment property	<u>200,000</u>
At end of year	<u>200,000</u>

(c) Profit and loss account

	£
At beginning of year	1,415,289
Loss for the financial year	<u>(19,809)</u>
At end of year	<u>1,395,480</u>

Notes (continued)

13 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
At beginning of year	1,815,972	1,874,117
Loss retained for the year	(19,809)	(58,145)
Unrealised surplus on revaluation of investment property	200,000	-
	<hr/>	<hr/>
At end of year	1,996,163	1,815,972
	<hr/>	<hr/>

14 Pension schemes

The company is the principal employer of two defined benefit schemes; The Edward Williams Holdings Retirement Benefit Scheme and the ABMTM Limited Group (1970) Pension Fund. Both of these schemes continue to pay pensioners but have been closed to new members for a number of years and are in the process of winding up. The funds of both schemes are administered by trustees and are independent of the company's finances.

The contributions to the ABMTM Group (1970) Pension Fund have been determined by a qualified actuary.

This scheme's most recent valuation was at 30 September 2000 and performed on a discontinuance valuation basis. The actuarial valuation determined the funding level of the accrued benefits under the scheme at the valuation date to be between 117% and 160% of the scheme's accrued liabilities, dependent upon the approach applied.

The most recent actuarial valuation for the Edwards Williams Holdings Retirement Benefit Scheme was at 7 April 1993. The contributions were determined by a qualified actuary on the basis of triennial valuations assuming that the scheme continued as an ongoing concern. It was assumed that the investment returns would be 9% per annum, that salary increases would average 7% per annum and that future pensions would increase at the rate of 3% per annum.

The actuarial valuation showed that the market value of the scheme's assets were £2,143,400 and that the actuarial value of those assets represented 187% of the benefits that had accrued to members.

Both pension schemes are currently in surplus so no contributions have been made during either the current or previous year, in addition there are no amounts included within prepayments for either of these years.

Financial Reporting Standard No 17 "Retirement benefits" requires additional disclosure to be made in respect of defined benefit schemes for accounting periods ending on or after 22 June 2001. The director considers the disclosures to be too onerous given that the defined benefit schemes are expected to be fully wound up prior to the full FRS 17 implementation date of 30 September 2006.

15 Ultimate controlling party

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

This company is controlled by FB Williams, who is the director of Edward Williams Holdings Limited.