

**Edward Williams Holdings Limited**

**Directors' report and financial  
statements**

**Registered number 98606**

**For the year ended 30 June 2002**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2002.

### 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 directors are satisfied with the results of the company.

### Dividends and transfers to reserves

The dividend paid during the year was £Nil (2001: £44,679). Dividends proposed as at year end are £Nil (2001: £Nil).

### Directors and directors' interests

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

FB Williams (chairman)  
RT Stokes

The director retiring by rotation is RT Stokes who, being eligible, offers himself for re-election.

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.

### Auditors

KPMG were re-appointed auditors at the last annual general meeting. However, since that date their business was transferred to a limited liability partnership, KPMG LLP. Accordingly, KPMG resigned as auditors on 13 June 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



FB Williams  
Chairman

15 Bainbrigge Avenue  
Droitwich Spa  
Worcestershire  
WR9 7AT

1 oct 02

## **Statement of directors' responsibilities**

Company law requires the directors 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 directors are 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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 11.

### ***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 group'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 affairs of the company as at 30 June 2002 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG LLP**  
Chartered Accountants  
Registered Auditor

**Profit and loss account**  
*for the year ended 30 June 2002*

	<i>Note</i>	<b>2002</b> £	2001 £
Other operating income		31,649	115,735
Administrative expenses (including exceptional bad debt credit of £Nil (2001: £100,000))		(114,627)	(104,545)
<b>Operating (loss)/profit</b>		<b>(82,978)</b>	11,190
Profit on sale of tangible fixed assets		-	2,000
(Loss)/profit on sale of investments		(1,057)	593
Income from fixed asset investments		32,054	30,714
Amounts written off investments		(16,467)	(16,579)
Bank interest receivable		10,303	14,017
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>4</b>	<b>(58,145)</b>	41,935
Taxation on (loss)/profit on ordinary activities	<b>5</b>	-	22,870
<b>(Loss)/profit on ordinary activities after taxation being the (loss)/profit for the financial year</b>		<b>(58,145)</b>	64,805

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

There are no recognised gains or losses during the current and preceding years other than those disclosed in the profit and loss account.

In both the current and preceding years, there was no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis.

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

**Balance sheet**  
*as at 30 June 2002*

	Note	2002	2001
		£	£
<b>Fixed assets</b>			
Tangible assets	6	453,435	463,295
Investment property	7	400,000	400,000
Investments	8	633,342	642,638
		<hr/>	<hr/>
		1,486,777	1,505,933
<b>Current assets</b>			
Debtors	9	115	5,170
Cash at bank and in hand		336,173	377,831
		<hr/>	<hr/>
		336,288	383,001
<b>Creditors: amounts falling due within one year</b>	10	(7,093)	(14,817)
		<hr/>	<hr/>
<b>Net current assets</b>		329,195	368,184
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,815,972	1,874,117
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	12	320,044	320,044
Capital redemption reserve	13	80,639	80,639
Profit and loss account	13	1,415,289	1,473,434
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	14	1,815,972	1,874,117
		<hr/>	<hr/>

These financial statements were approved by the board of directors on ..... *1 Oct 02* ..... and were signed on its behalf by:



**FB Williams**  
Chairman

## 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 group's financial statements:

#### *Basis of preparation*

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities 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.

The company is exempt by virtue of S248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

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	
	2002	2001
Management and administration	2	2

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	-	88,875
Social security	-	12,903
	-	101,778

### 3 Remuneration of directors

	2002	2001
	£	£
Emoluments	-	88,875

	Number	
	2002	2001
Number of directors who are members of a defined benefit pension scheme	1	1

### 4 (Loss)/profit on ordinary activities before taxation

	2002	2001
	£	£
<i>(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Rents receivable	(18,649)	(114,056)
Depreciation of tangible fixed assets	9,860	9,860
Diminution in value of listed investments	18,007	20,580
Provisions released on disposal of listed investments	(1,540)	(4,001)
Auditors' remuneration and expenses:		
Audit	7,050	7,275
Other services	11,502	13,054

## Notes (continued)

### 5 Tax credit on profit on ordinary activities

	2002 £	2001 £
Adjustment from previous years	-	22,870

No tax was due in respect of the current and previous years as all taxable profits were relieved by tax losses either brought forward or generated in that year. The company has £240,000 (2001: £220,000) trading losses available for offset against future trading profits.

### 6 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At beginning of year	620,086	133,888	753,974
Disposals	-	(80,803)	(80,803)
At end of year	620,086	53,085	673,171
<b>Depreciation</b>			
At beginning of year	161,490	129,189	290,679
Charge for the year	7,512	2,348	9,860
Disposals	-	(80,803)	(80,803)
At end of year	169,002	50,734	219,736
<b>Net book value</b>			
At 30 June 2002	451,084	2,351	453,435
At 30 June 2001	458,596	4,699	463,295

The gross book value of tangible fixed assets on which depreciation has been provided amounts to £400,000 (2001: £509,491).

### 7 Investment property

	£
Leasehold land and buildings at valuation:	
At beginning and end of year	400,000

The investment property valuation was reviewed by the directors during the year, and is stated at its considered market value, based on a professional valuation in 1989.

## Notes (continued)

### 8 Investments

	Listed investments £
<b>Cost</b>	
At beginning of year	692,033
Additions	17,171
Disposals	(10,000)
	<hr/>
At end of year	699,204
	<hr/>
<b>Provisions</b>	
At beginning of year	49,395
Movement during the year	18,007
Disposals	(1,540)
	<hr/>
At end of year	65,862
	<hr/>
<b>Net book value</b>	
At 30 June 2002	633,342
	<hr/>
At 30 June 2001	642,638
	<hr/>

#### Listed investments

At 30 June 2002, investments with a cost of £699,204 (2001: £692,032) were listed on The Stock Exchange. The market value of these listed investments at 30 June 2002 was £767,698 (2001: 808,495).

### 9 Debtors

	2002 £	2001 £
Trade debtors	-	2,988
Other debtors	115	2,182
	<hr/>	<hr/>
	115	5,170
	<hr/>	<hr/>

## Notes (continued)

### 10 Creditors: amounts falling due within one year

	2002 £	2001 £
Other creditors	630	630
Accruals and deferred income	6,463	5,875
Dividends payable	-	8,312
	<u>7,093</u>	<u>14,817</u>

### 11 Provisions for liabilities and charges

The company has an asset in respect of accelerated capital allowances of £3,600 (2001: £12,000). This asset is not recognised in these financial statements.

### 12 Called up share capital

	2002 £	2001 £
<b>Authorised:</b>		
1,680,000 ordinary shares of 25p each	<u>420,000</u>	<u>420,000</u>
<b>Allotted, called up and fully paid:</b>		
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) Profit and loss account

	£
At beginning of year	1,473,434
Loss for the financial year	(58,145)
At end of year	<u>1,415,289</u>

### 14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
At beginning of year	1,874,117	1,809,312
(Loss)/profit retained for the year	(58,145)	64,805
At end of year	<u>1,815,972</u>	<u>1,874,117</u>

## **Notes (continued)**

### **15 Pensions**

The company is the principal employer of The Edward Williams Holdings Retirement Benefit Scheme. The funded scheme continues to pay pensioners but has been closed to new members for a number of years and is in the process of winding up. The funds of the scheme are administered by trustees and are independent of the company's finances.

The most recent actuarial valuation for the Edwards Williams Holdings Retirement Benefit Scheme was at 7 April 1993. There have been no actuarial valuations on an ongoing basis since then as the scheme is in the process of winding up. 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. The directors understand that the scheme continues to have a significant surplus, but have no information regarding the precise size of that surplus as at the year end.

The pension scheme is 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.

### **16 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 a director of Edward Williams Holdings Limited.