

**Edward Williams Holdings Limited**

**Directors' report and financial  
statements**

Registered number 98606

For the year ended 30 June 2001



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2001.

### 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 5 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 £44,679 (2000: £2,221,195). Dividends proposed as at year end are £Nil (2000: £44,679).

### 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 FB Williams who, being eligible, offers himself for re-election.

The interests of the directors and connected persons in the 25p ordinary shares of the company were as follows:

	At 30 June 2001 and 2000	
	Beneficial	Trustee
FB Williams	-	-

The interests of the directors in the shares of Brian Williams Holdings Limited are disclosed in the financial statements of that company.

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

## **Directors' report** *(continued)*

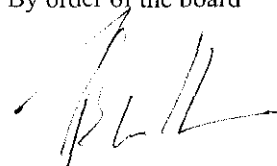
### **Directors and directors' interests** *(continued)*

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**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG 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

29 November 2001

## 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

## **Report of the auditors to the members of Edward Williams Holdings Limited**

We have audited the financial statements on pages 5 to 12.

### ***Respective responsibilities of the directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 3, 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. 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 2001 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

29 November 2001

**Profit and loss account**  
*for the year ended 30 June 2001*

	<i>Note</i>	<b>2001</b> £	2000 £
Other operating income		<b>115,735</b>	122,077
Administrative expenses (including exceptional bad debt credit of £100,000, 2000: £88,400)		<b>(104,545)</b>	(108,956)
<b>Operating profit</b>		<b>11,190</b>	13,121
Profit on sale of tangible fixed assets		<b>2,000</b>	32,904
Profit on sale of investments		<b>593</b>	48,756
Income from fixed asset investments		<b>30,714</b>	40,180
Amounts written off investments		<b>(16,579)</b>	(28,778)
Bank interest receivable		<b>14,017</b>	82,821
<b>Profit on ordinary activities before taxation</b>	<b>4</b>	<b>41,935</b>	189,004
Taxation on profit on ordinary activities	<b>5</b>	<b>22,870</b>	13,991
<b>Profit on ordinary activities after taxation</b>		<b>64,805</b>	202,995
Dividends paid and proposed	<b>6</b>	<b>-</b>	(2,265,874)
<b>Profit/(loss) for the financial year</b>		<b>64,805</b>	(2,062,879)

A statement of movements on reserves is given in note 14.

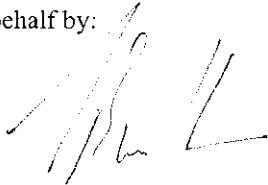
In both the current and preceding years, there was no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis.

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

**Balance sheet**  
*as at 30 June 2001*

	<i>Note</i>	<b>2001</b>	<b>2000</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	7	463,295	473,155
Investment property	8	400,000	400,000
Investments	9	642,638	513,275
		<hr/>	<hr/>
		1,505,933	1,386,430
<b>Current assets</b>			
Debtors	10	5,170	94,126
Cash at bank and in hand		377,831	386,264
		<hr/>	<hr/>
		383,001	480,390
<b>Creditors: amounts falling due within one year</b>	11	(14,817)	(57,508)
		<hr/>	<hr/>
<b>Net current assets</b>		368,184	422,882
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,874,117	1,809,312
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	320,044	320,044
Capital redemption reserve	14	80,639	80,639
Profit and loss account	14	1,473,434	1,408,629
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	15	1,874,117	1,809,312
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 29 November 2001 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 are prepared in accordance with 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.

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	-	10% to 100%

#### *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. All surpluses and deficits arising are taken directly to revaluation reserve except that any permanent diminution in the value of an investment property is taken to 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*

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

## 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	
	2001	2000
Management and administration	2	2

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	88,875	118,500
Social security	12,903	14,457
	<u>101,778</u>	<u>132,957</u>

### 3 Remuneration of directors

	2001 £	2000 £
Emoluments	88,875	118,500

### 4 Profit on ordinary activities before taxation

	2001 £	2000 £
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*Profit on ordinary activities before taxation is stated*

*after charging/(crediting)*

Rents receivable	(114,056)	(122,077)
Depreciation of tangible fixed assets	9,860	20,782
Diminution in value of listed investments	20,580	21,278
Auditors' remuneration and expenses:		
Audit	7,275	11,163
Other services	13,054	6,815

### 5 Tax credit on profit on ordinary activities

	2001 £	2000 £
Adjustment from previous years	(22,870)	(13,991)

## Notes (continued)

### 6 Dividends

	2001 £	2000 £
Final dividend paid on equity shares	-	2,221,195
Final dividends proposed on equity shares	-	44,679
	<hr/>	<hr/>
	-	2,265,874
	<hr/>	<hr/>

### 7 Tangible fixed assets

	Freehold land and buildings £	Plant and Machinery £	Total £
<b>Cost</b>			
At beginning of year	620,086	177,085	797,171
Additions	-	-	-
Disposals	-	(43,197)	(43,197)
	<hr/>	<hr/>	<hr/>
At end of year	620,086	133,888	753,974
	<hr/>	<hr/>	<hr/>
<b>Depreciation and amortisation</b>			
At beginning of year	153,978	170,038	324,016
Charge for the year	7,512	2,348	9,860
Disposals	-	(43,197)	(43,197)
	<hr/>	<hr/>	<hr/>
At end of year	161,490	129,189	290,679
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 June 2001	458,596	4,699	463,295
	<hr/>	<hr/>	<hr/>
At 30 June 2000	466,108	7,047	473,155
	<hr/>	<hr/>	<hr/>

The gross book value of tangible fixed assets on which depreciation has been provided amounts to £509,491 (2000: £552,688).

### 8 Investment property

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

The investment property was valued by the directors at open market value on 30 June 1989.

## Notes (continued)

### 9 Investments

	Investment in group undertakings	Listed investments	Total
	£	£	£
<b>Cost</b>			
At beginning of year	1	546,089	546,090
Additions	-	152,902	152,902
Disposals	(1)	(6,958)	(6,959)
At end of year	-	692,033	692,033
<b>Provisions</b>			
At beginning of year	-	32,815	32,815
Movement during the year	-	20,580	20,580
Disposals	-	(4,000)	(4,000)
At end of year	-	49,395	49,395
<b>Net book value</b>			
At 30 June 2001	-	642,638	642,638
At 30 June 2000	1	513,274	513,275

#### Listed investments

At 30 June 2001, investments with a cost of £692,032 (2000: £546,090) were listed on The Stock Exchange. The market value of these listed investments at 30 June 2001 was £808,495 (2000: 701,411).

#### Shares in group undertakings

On 10 April 2001, Souter Shipyard Limited was dissolved. The company, therefore, has no subsidiaries at the year end.

### 10 Debtors

	2001 £	2000 £
Trade debtors	2,988	52,592
Other debtors	2,182	36,000
Taxation recoverable	-	5,534
	<b>5,170</b>	<b>94,126</b>

## Notes (continued)

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

	2001 £	2000 £
Other creditors including taxation and social security	630	4,829
Accruals and deferred income	5,875	8,000
Dividends payable	8,312	44,679
	<u>14,817</u>	<u>57,508</u>

Other creditors including taxation and social security comprises:

	£	£
Social security	-	4,829
Other creditors	630	-
	<u>630</u>	<u>4,829</u>

### 12 Provisions for liabilities and charges

The company has an asset in respect of accelerated capital allowances of £12,000 (2000: £10,000). This asset is not recognised in these financial statements.

### 13 Called up share capital

	2001 £	2000 £
<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>

### 14 Reserves

#### (a) Capital redemption reserve

	£
At beginning and end of year	80,639

#### (b) Profit and loss account

	Company £
At beginning of year	1,408,629
Retained profit for the financial year	64,805
At end of year	<u>1,473,434</u>

## Notes (continued)

### 15 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
At beginning of year	1,809,312	3,872,191
Profit/(loss) retained for the year	64,805	(2,062,879)
At end of year	1,874,117	1,809,312

### 16 Pensions

The pension scheme operated by the company is of the defined benefit type, the assets of which are held in a trustee administered fund separate from those of the company.

At the date of the latest actuarial valuation, 30 September 1991, the market value of the assets was £3.0 million which was significantly in excess of the amount required to cover the benefits that had accrued to members after allowing for expected future increases in earnings.

Since 1997, personal pension plans have been established for all scheme members, with transfer values from the scheme being calculated by the scheme actuaries prior to being paid to each individual's personal pension plans.

No FRS 17 disclosures have been made in these financial statements due to the uncertainty of the future of the scheme. The directors are currently in the process of obtaining a full valuation prior to winding up the scheme.

### 17 Related party transactions

During the period, FB Williams Farm purchased a motor vehicle from the company at its market value of £2,000. The amount owed at the balance sheet date in relation to this transaction is £2,000.

### 18 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.