

Quellyn Roberts & Co Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2005



Quellyn Roberts & Co Limited

FINANCIAL STATEMENTS

| CONTENTS | PAGE |
|--|------|
| Officers and professional advisers | 1 |
| The directors' report | 2 |
| Statement of directors' responsibilities | 3 |
| Independent auditor's report to the members | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Accounting policies | 7 |
| Notes to the financial statements | 8 |
| The following pages do not form part of the financial statements | |
| Detailed profit and loss account | 14 |
| Notes to the detailed profit and loss account | 15 |

Quellyn Roberts & Co Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Quellyn Roberts
J A Mathias

SECRETARY

P Quellyn Roberts

REGISTERED OFFICE

21 Watergate Street
Chester
Cheshire
CH1 2LB

AUDITORS

Baker Tilly
Chartered Accountants
Steam Mill
Steam Mill Street
Chester
CH3 5AN

Quellyn Roberts & Co Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Quellyn Roberts & Co Limited for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of property ownership

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

| | | At 31 March 2005 | At 1 April 2004 |
|-------------------|-------------------|---------------------|--------------------|
| P Quellyn Roberts | Ordinary shares | 27,698 | 27,698 |
| | Preference shares | <u>30,000</u> | <u>30,000</u> |

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

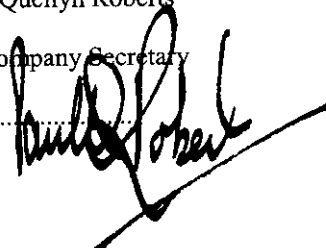
SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By order of the board

P Quellyn Roberts

Company Secretary


23 January 2006

Quellyn Roberts & Co Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUELLYN ROBERTS & CO LIMITED

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

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing 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 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.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 disagreement about accounting treatment

Included on the balance sheet is an amount of £300,000 relating to an Investment Property which has not been revalued since 1995. This treatment is not in accordance with SSAP 19 Accounting for Investment Properties.

Except for the absence of this revaluation, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly
BAKER TILLY

Registered Auditor
Chartered Accountants
Steam Mill
Steam Mill Street
Chester CH3 5AN

27/1/06

Quellyn Roberts & Co Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2005

| | | 2005 | 2004 |
|---|--------------|----------|---------|
| | <i>Notes</i> | £ | £ |
| TURNOVER | | 25,191 | 37,939 |
| Administrative expenses | | 22,469 | 16,619 |
| OPERATING PROFIT | 1 | 2,722 | 21,320 |
| Interest payable and similar charges | | 140 | 711 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,582 | 20,609 |
| Taxation | 2 | 491 | - |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 2,091 | 20,609 |
| Dividends (including non-equity) | 3 | 27,260 | 27,260 |
| LOSS FOR THE FINANCIAL YEAR | | (25,169) | (6,651) |

Quellyn Roberts & Co Limited

BALANCE SHEET

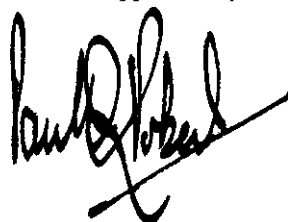
31 March 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 200 | 200 |
| Investments | 5 | 421,299 | 421,299 |
| | | <u>421,499</u> | <u>421,499</u> |
| CURRENT ASSETS | | | |
| Debtors | 6 | 212,252 | 210,601 |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | 147,584 | 120,764 |
| NET CURRENT ASSETS | | <u>64,668</u> | <u>89,837</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>486,167</u> | <u>511,336</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 57,700 | 57,700 |
| Revaluation reserve | | 272,411 | 272,411 |
| Other reserves | | 130,146 | 130,146 |
| Profit and loss account | 11 | 25,910 | 51,079 |
| SHAREHOLDER'S FUNDS (INCLUDING NON-EQUITY INTERESTS) | | <u>486,167</u> | <u>511,336</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 23/1/06 and are signed on their behalf by:

P Quellyn Roberts
Director



Quellyn Roberts & Co Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

CONSOLIDATION

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

TURNOVER

The turnover shown in the profit and loss account represents rent and insurance income relating to the Investment property. Last year this was not the case and rental income was included under Other Operating Income but transferred this year, as a prior year adjustment, to Turnover.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|---------------------|---------------|
| Fixtures & Fittings | - 15% on cost |
|---------------------|---------------|

INVESTMENT PROPERTIES

In accordance with accounting reporting standards for smaller entities, investment properties are not depreciated. They are revalued annually by the directors, if considered necessary. Surpluses or deficits on revaluation are taken to the revaluation reserve via the statement of recognised gains or losses unless it is expected that a permanent diminution of value will arise. Permanent diminution in value are written off to the profit and loss account.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Quellyn Roberts & Co Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

1 OPERATING PROFIT

Operating profit is stated after charging:

| | 2005 | 2004 |
|----------------|--------------|------------|
| | £ | £ |
| Auditors' fees | <u>1,215</u> | <u>950</u> |

2 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2005 | 2004 |
|--|------------|----------|
| | £ | £ |
| Current tax: | | |
| UK Corporation tax based on the results for the year at 19% (2004 - 19%) | 491 | - |
| Total current tax | <u>491</u> | <u>-</u> |

(b) Factors affecting current tax charge

| | 2005 | 2004 |
|---|--------------|---------------|
| | £ | £ |
| Profit on ordinary activities before taxation | <u>2,582</u> | <u>20,609</u> |
| Profit/(loss) on ordinary activities by rate of tax | 491 | 3,916 |
| Nil rate band | - | (633) |
| Group relief | - | (3,283) |
| Total current tax (note 3(a)) | <u>491</u> | <u>-</u> |

3 DIVIDENDS

The following dividends have been paid in respect of the year:

| | 2005 | 2004 |
|--|---------------|---------------|
| | £ | £ |
| Dividend paid on ordinary shares | 26,000 | 26,000 |
| Dividend paid on 4.2% Cumulative Preference shares of £1 each. | 1,260 | 1,260 |
| | <u>27,260</u> | <u>27,260</u> |

Quellyn Roberts & Co Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

4 TANGIBLE FIXED ASSETS

| | Leasehold Property £ | Fixtures & Fittings £ | Total £ |
|-----------------------------------|----------------------------|-----------------------------|--------------|
| Cost or valuation | | | |
| At 1 April 2004 and 31 March 2005 | <u>200</u> | <u>3,241</u> | <u>3,441</u> |
| Depreciation | | | |
| At 1 April 2004 | <u>—</u> | <u>3,241</u> | <u>3,241</u> |
| At 31 March 2005 | <u>—</u> | <u>3,241</u> | <u>3,241</u> |
| Net book value | | | |
| At 31 March 2005 | <u>200</u> | <u>—</u> | <u>200</u> |
| At 31 March 2004 | <u>200</u> | <u>—</u> | <u>200</u> |

5 INVESTMENTS

| | £ | £ | £ |
|-----------------------------------|----------------------------------|------------------------|----------------|
| Cost or Valuation | | | |
| | Investment in Group companies | Investment property | |
| At 1 April 2004 and 31 March 2005 | <u>121,299</u> | <u>300,000</u> | <u>421,299</u> |
| Net book value | | | |
| At 31 March 2005 | <u>121,299</u> | <u>300,000</u> | <u>421,299</u> |
| At 31 March 2004 | <u>121,299</u> | <u>300,000</u> | <u>421,299</u> |

Quellyn Roberts & Co Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2005

5 INVESTMENTS (continued)

The company's investment at the balance sheet date in the share capital of unlisted companies include the following:

Quellyn Roberts (Wine Merchants) limited
Nature of business: Wine Merchants

| Class of shares: | % holding | 2005 | 2004 |
|--------------------------------|--------------|----------|----------|
| Ordinary | 99.00 | £ | £ |
| Aggregate capital and reserves | | (98,158) | (95,876) |
| Loss for the year | | (2,282) | (23,082) |

Eastwater Limited
Nature of business: Ownership, management and development of properties

| Class of shares: | % holding | 2005 | 2004 |
|--------------------------------|--------------|-----------|-----------|
| Ordinary | 99.80 | £ | £ |
| Aggregate capital and reserves | | 2,010,711 | 1,982,106 |
| Profit for the year | | 28,605 | 62,443 |

Investments (neither listed nor unlisted) were as follows:

| | 2005 | 2004 |
|---------------------|---------|---------|
| | £ | £ |
| Investment property | 300,000 | 300,000 |

Total fixed asset investments comprise:

| | 2005 | 2004 |
|---|---------|---------|
| | £ | £ |
| Investments in group companies at cost | 121,299 | 121,299 |
| Investment property at directors' valuation | 300,000 | 300,000 |
| | 421,299 | 421,299 |

The directors' valuation is at open market value on an existing use basis.

If the fixed asset investment property had not been revalued it would have been included at the following historical cost:-

| | 2005 | 2004 |
|---------------------------------|---------|---------|
| | £ | £ |
| Fixed Asset Investment Property | 170,254 | 170,254 |

The Fixed Asset Investment Property was valued on an open market basis on 31/03/95 by the directors.

Quellyn Roberts & Co Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

6 DEBTORS

| | 2005 | 2004 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Directors current accounts | 180,941 | 179,290 |
| ACT recoverable | 31,311 | 31,311 |
| | <u>212,252</u> | <u>210,601</u> |

7 CREDITORS: Amounts falling due within one year

| | 2005 | 2004 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts owed to group undertakings | 137,174 | 119,324 |
| Corporation tax | 490 | — |
| Deferred Income | 8,750 | — |
| Accruals | 1,170 | 1,440 |
| | <u>147,584</u> | <u>120,764</u> |

8 TRANSACTIONS WITH THE DIRECTORS

The following loan to a director subsisted during the year ended 31 March 2005: P Quellyn Roberts £180,941 (2004 £179,290)

9 RELATED PARTY TRANSACTIONS

The company was under the control of Mr Paul Quellyn Roberts throughout the current and previous year. Mr Paul Quellyn Roberts is the managing director and majority shareholder.

Related parties are identified as the directors, their family and subsidiary companies. Transactions during the year were as follows:

| | |
|---|-------------------------|
| <u>Quellyn Roberts (Wine Merchants) Limited</u> | 2005 |
| | £ |
| Balance brought forward debit / (credit) | (1,505) |
| Directors fees | 37,503 |
| Corporation tax refund | 1,073 |
| Management fee | (7,500) |
| Other income (expenses) recharged | <u>(463)</u> |
| Balance carried forward debit / (credit) | <u>29,108</u> |
| <u>Eastwater Limited</u> | 2005 |
| | £ |
| Balance brought forward debit / (credit) | (117,819) |
| Management fee | 7,500 |
| Directors expenses and drawings | (60,400) |
| Rent received | 22,633 |
| Corporation tax | (5,666) |
| Other income (expenses) recharged | <u>(12,530)</u> |
| Balance carried forward debit / (credit) | <u>(166,282)</u> |

Quellyn Roberts & Co Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

10 SHARE CAPITAL

| | 2005 £ | 2004 £ |
|-------------------------------------|---------------|---------------|
| Authorised: | | |
| 27,700 Ordinary shares of £1 each | 27,700 | 27,700 |
| 30,000 Preference shares of £1 each | 30,000 | 30,000 |
| | <u>57,700</u> | <u>57,700</u> |
| | | |
| | 2005 £ | 2004 £ |
| Allotted, called up and fully paid: | | |
| 27,700 Ordinary shares of £1 each | 27,700 | 27,700 |
| 30,000 Preference shares of £1 each | 30,000 | 30,000 |
| | <u>57,700</u> | <u>57,700</u> |

11 PROFIT AND LOSS ACCOUNT

| | 2005 £ | 2004 £ |
|---|---------------|---------------|
| At 1 April 2004 | 51,079 | 57,730 |
| Accumulated loss for the financial year | (25,169) | (6,651) |
| At 31 March 2005 | <u>25,910</u> | <u>51,079</u> |

12 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There is a legal charge over the Investment property (note 5), in favour of Eastwater Limited, a subsidiary company.