

REGISTERED NUMBER: 444951

SWIFFEN & SONS LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006



K.S. CARMICHAEL CBE FCA

117 Newberries Avenue

Radlett, Hertfordshire WD7 7EN

SWIFFEN & SONS LIMITED

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SWIFFEN & SONS LIMITED

OFFICERS AND ADVISERS

DIRECTOR:

K.S. Carmichael CBE FCA

SECRETARY:

Derek Larder FCA

AUDITORS:

Edmund Carr
146 New London Road
CHELMSFORD
Essex CM2 0AW

BANKERS:

Barclays Bank PLC
P.O. Box 34
15 Colmore Row
BIRMINGHAM B3 2BY

Lloyds Bank PLC
P.O. Box 44
125 Colmore Row
BIRMINGHAM B3 3AD

Lloyds Bank PLC
Pall Mall/St James's Street Branch
8/10 Waterloo Place
LONDON SW1Y 4BE

REGISTERED OFFICE:

117 Newberries Avenue
RADLETT
Hertfordshire WD7 7EN

SWIFFEN & SONS LIMITED

REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31 MARCH 2006

The Director submits his report together with the financial statements for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES & BUSINESS REVIEW

The principal activities of the company continued to be the holding and making of investments.

The director is satisfied with the results for the year and the performance of investments made and the income arising therefrom. One property was sold in the year giving rise to a profit of £62,288 (2005 loss - £7,927). Listed investments realised in the year gave rise to profits of £163,104 (2005 profit - Investments £52,115). The unquoted investment in Baroque Ventures Limited preference shares was redeemed in the year to which was attached an amount in respect of dividend receivable on the investment.

RESULTS AND DIVIDENDS

The profit for the year after a taxation charge of £181,273 (2005 - £25,688), was £222,486 (2005 £147,490).

The dividends paid in the year on the ordinary shares of the company were in respect of the proposed dividends included in the company's accounts for the year ended 31 March 2005.

With effect from 1 January 2005 proposed dividends are not recognised as a liability at the balance sheet date. Dividends are accounted for in the year in which they are paid.

No dividends were paid on the preference shares.

DIRECTOR

K.S. Carmichael acted as the company's sole director for the year under review.

K.S. Carmichael has no interest in the share capital of the company.

SWIFFEN & SONS LIMITED

REPORT OF THE DIRECTOR (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 of the company for that year.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on pages 8 & 9 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also 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 to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

In so far as the director is aware:

there is no relevant audit information of which the company's auditors are unaware; and

the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

DONATIONS

The company made donations of £11,100 to charitable organisations in the year to 31 March 2006.

TAX STATUS

The company is a Close Company within the meaning of the provisions of the Corporation Taxes Act 1988.

AUDITOR

Edmund Carr have expressed their willingness to continue in office as auditors to the company and a resolution will be proposed at the Annual General Meeting to re-appoint them in accordance with Section 384(1) of the Companies Act 1985.

Approved by the Board of Directors on 20 December 2006
and signed on their behalf.

David Larder

Secretary

SWIFFEN & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS YEAR ENDED 31 MARCH 2006

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

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 Director and Auditors

The company's director 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 Director's Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 the information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 director 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 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 in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 March 2006 and of the profit of the company for the year then ended; the financial statements have been properly prepared in accordance with the Companies Act 1985; and the information given in the Director's Report is consistent with the financial statements for the year ended 31 March 2006.

146 New London Road
CHELMSFORD, Essex CM2 0AW

EDMUND CARR
Chartered Accountants
& Registered Auditors

29th December 2006

Edmund Carr

SWIFFEN & SONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 £
Income from fixed asset investments	1	531,890	243,253
Administrative expenses	2	(69,966)	(72,791)
		<hr/>	<hr/>
Profit on Ordinary Activities before Interest Payable		461,924	170,462
Interest payable	3	(10,165)	-
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		451,759	170,462
Tax charge on profit on ordinary activities	4	(181,273)	(22,972)
		<hr/>	<hr/>
Profit for the Financial Year		270,486	147,490
Balance brought forward		5,117,040	4,969,550
Dividends paid (FRS 25)	5	(48,000)	-
		<hr/>	<hr/>
Balance carried forward	10	£5,339,526	£5,117,040
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than those included in the Profit and Loss Account.

The notes on pages 8 to 14 form an integral part of these financial statements.

SWIFFEN & SONS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2006

	Note	2006	2005
		£	£
Fixed Assets			
Investments	6	4,725,789	4,561,151
Current Assets			
Debtors	7	1,813	5,958
Cash at bank and in hand		882,668	716,445
		<u>884,481</u>	<u>722,403</u>
Creditors: Amounts			
falling due within one year	8	140,744	36,514
		<u>140,744</u>	<u>36,514</u>
Net Current Assets		<u>743,737</u>	<u>685,889</u>
Total Net Assets		<u>£5,469,526</u>	<u>£5,247,040</u>
Capital and Reserves			
Called up Share Capital	9	130,000	130,000
Profit and Loss Account	10	5,339,526	5,117,040
		<u>5,469,526</u>	<u>5,247,040</u>
Equity Shareholders Funds	11	<u>£5,469,526</u>	<u>£5,247,040</u>
(including non-equity interests)			

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the Board on the 20 December 2006
and signed on its behalf

RSCamichael

Director

The notes on pages 8 to 14 form an integral part of these financial statements.

SWIFFEN & SONS LIMITED

ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the company:

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985 and with applicable Accounting Standards.

b) Depreciation

Depreciation is provided on all fixed assets, other than freehold properties, at rates calculated to write off cost, less estimated residual value of each asset, evenly over its expected useful life, which is revised annually.

c) Investment Properties

Freehold properties are held for their rental income and are therefore classed as investment properties. The Director is satisfied the present market values of all properties are in excess of cost.

d) Bank and Short Term Loan Interest

Interest credited to the profit and loss account is the actual amount received during the period.

e) Other Investment Income

Rent is accounted for on a receivable basis. Dividends are accountable on a received basis.

f) Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation is provided on the timing differences only where a liability for the payment of such taxation is expected to arise in the foreseeable future.

g) Operating Lease Agreements

Rentals under operating leases have been credited to the Profit & Loss account on a straight line basis.

h) Exchange Rates

Foreign investments acquired in foreign currency are included in the balance sheet at the sterling equivalent on the date of purchase. Other assets and liabilities in foreign currencies are included at the rate ruling at the balance sheet date. *Income and expenditure in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.* Exchange differences are taken into account in arriving at the profit in ordinary activities.

SWIFFEN & SONS LIMITED

ACCOUNTING POLICIES (Continued)

i) Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

j) FRS 25 "Financial Instruments: Disclosure and Presentation (IAS 32)"

The adoption of FRS 25 has resulted in a change to the presentation of equity dividends, which are disclosed on the face of the profit and loss account.

k) Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SWIFFEN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

	2006	2005
	£	£
1. Income from Fixed Asset Investments		
Income from U.K. companies listed in U.K.	131,639	101,613
Income from overseas companies listed in U.K. and/or overseas	121,879	79,088
Surplus on sale of investments	163,104	52,116
Surplus/(Loss) on sale of property	62,288	(7,927)
Bank and short term deposits interest	20,488	18,574
Rents received under operating leases	9,728	6,649
Exchange differences	22,764	(6,859)
	<hr/>	<hr/>
	£531,890	£243,254
	<hr/>	<hr/>
2. Administrative Expenses Include		
Auditors remuneration	£1,680	£1,604
	<hr/>	<hr/>
Staff Costs:		
Wages and Salaries	-	12,682
Social Security costs	-	1,124
	<hr/>	<hr/>
	-	£13,806
	<hr/>	<hr/>
	Number	Number
The average monthly number of persons employed during the year, including the director, was:-	2	3
	<hr/>	<hr/>
Directors' Emoluments and Interests in Transactions		
The director received no salary.		
During the year, Mr Carmichael invoiced the company £54,344 (2005 - £50,055), inclusive of VAT charge, in respect of accountancy and other financial services provided as part of his practice as Chartered Accountant, and provision of the services of the secretary.		
3. Interest Payable		
Interest on overdue tax	£10,165	£ -
	<hr/>	<hr/>

SWIFFEN & SONS LIMITED

**NOTES TO THE FINANCIAL
STATEMENTS (Continued)**

FOR THE YEAR ENDED 31 MARCH 2006

	2006 £	2005 £
4. Tax Charge/(Credit) on Profit on Ordinary Activities		
U.K. Corporation Tax at 30% on the profit for the year (2005 - 30%)	86,354	16,500
Less: Relief for income tax and overseas tax deducted at source	(7,804)	(6,032)
	<hr/>	<hr/>
	78,550	10,468
Under provision in respect of previous year	94,919	6,472
	<hr/>	<hr/>
	173,469	16,940
Other tax:		
Overseas tax	7,804	6,032
	<hr/>	<hr/>
	£181,273	£22,972
	<hr/>	<hr/>

The under provision has arisen as a result of the company now being deemed a close investment company.

5. Dividends		
Ordinary shares		
Paid - first interim dividend @ 40p per share	28,960	-
'A' Ordinary shares		
Paid - first interim dividend @ 40p per share	19,040	-
	<hr/>	<hr/>
	£48,000	-
	<hr/>	<hr/>

6. Fixed Asset Investments	Freehold land and properties £	UK listed investments £	Overseas listed investments £	Unlisted Investment £	Total £
Cost:					
At beginning of year	569,667	1,736,439	2,108,257	160,000	4,574,363
Purchases	-	574,731	247,312	-	822,043
Disposals	(158,800)	(184,928)	(153,677)	(160,000)	(657,405)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	£410,867	£2,126,242	£2,201,892	-	£4,739,001
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Provision for diminution in value:					
At 1 April 2005 and 31 March 2006	-	£13,212	-	-	£13,212
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 March 2006	£410,867	£2,113,030	£2,201,892	-	£4,725,789
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 March 2005	£596,667	£1,723,227	£2,108,257	£160,000	£4,561,151
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

SWIFFEN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

	2006 £	2005 £
6. Fixed Asset Investments (Continued)		
Land and properties comprise:		
Land	18,886	18,886
Woodland	14,018	14,018
Investment property	377,963	536,763
	<hr/>	<hr/>
	£410,867	£569,667
	<hr/>	<hr/>

The Investment Property shown above is held for use in operating leases at 31 March 2006.
The Investment Property was acquired in September 2003 and June 2004. The director considers that the valuation of the property at the year end was not materially different to its cost price.

Listed Investments

Market value of investments:

U.K. listed investments	4,165,239	3,009,052
Overseas listed investments	4,074,857	3,224,321
	<hr/>	<hr/>
	£8,240,096	£6,233,373
	<hr/>	<hr/>

If the portfolio were realised at market value, the company would have approximate tax liabilities of:

£1,056,230	£630,098
<hr/>	<hr/>

Unlisted investment

The unquoted investment of 160,000 7% Non-Cumulative Redemption Preference shares of £1 each in Baroque Ventures Limited, was redeemed during the year.

7. Debtors

Rentals receiveable	1,813	985
Other debtors	-	4,973
	<hr/>	<hr/>
	£1,813	£5,958
	<hr/>	<hr/>

8. Creditors: Amounts falling due within one year

Other creditors	33,798	9,776
Corporation tax	93,418	10,468
Accruals	13,528	16,270
	<hr/>	<hr/>
	£140,744	£36,514
	<hr/>	<hr/>

SWIFFEN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2006

	Shares	2006 £	Shares	2005 £
9. Share Capital				
Authorised				
6% Preference shares of £1 each	20,000	20,000	20,000	20,000
Ordinary shares of £1 each	72,400	72,400	72,400	72,400
'A' Ordinary shares of £1 each	47,600	47,600	47,600	47,600
		<u>£140,000</u>		<u>£140,000</u>
Allotted and fully paid up				
6% Preference shares of £1 each	10,000	10,000	10,000	10,000
Ordinary shares of £1 each	72,400	72,400	72,400	72,400
'A' Ordinary shares of £1 each	47,600	47,600	47,600	47,600
		<u>£130,000</u>		<u>£130,000</u>

Preference shares carry the right to receive a fixed dividend at the rate of 4.2% to 5 April 1999 and 6% thereafter and to have first call on the company's capital on winding up. Ordinary shares carry the right to dividends in preference to 'A' Ordinary shares. 'A' Ordinary shares only have dividend rights when the dividend on the Ordinary shares reaches 40p per share. The 'A' Ordinary shares rank pari passu with Ordinary shares in any capital distribution. Arrears of Preference shares amount to £4,470.

10. Profit and Loss Account

Balance at beginning of year	5,117,040	4,969,550
Profit for the financial year	222,486	147,490
	<u>£5,339,526</u>	<u>£5,117,040</u>

11. Reconciliation of Movement in Shareholders Funds

Profit for the year after tax	270,486	147,490
Less dividends	(48,000)	-
	<u>222,486</u>	<u>147,490</u>
Net addition to shareholders' funds	222,486	147,490
Opening shareholders funds	5,247,040	5,099,550
	<u>£5,469,526</u>	<u>£5,247,040</u>

Shareholders funds include an amount of £10,000 which represents non-equity interests.

SWIFFEN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **(Continued)**

FOR THE YEAR ENDED 31 MARCH 2006

12. Capital Commitments

The company had no capital commitments at the balance sheet date. (2005 £ Nil).

13. Contingent Liabilities

The company had no contingent liabilities other than those relating to potential capital gains tax arising on the profit on any future disposal of assets. An estimate of the tax liability arising on a notional disposal of the company's fixed asset listed investments at their market value at the Balance Sheet date is given in Note 6 to the financial statements.

14. Ultimate Controlling Party

Mr A. Swiffen is the ultimate controlling party.