

Registered No: 04038310
(England and Wales)

KELLANDS (BRISTOL) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



KELLANDS (BRISTOL) LIMITED

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KELLANDS (BRISTOL) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2005

DIRECTORS: S M C Kelland
M H Jacobs
P C Ball

SECRETARY: M H Jacobs

REGISTERED OFFICE: Kelland House
Quays Office Park
Conference Avenue
Portishead
Bristol
BS20 7LZ

REGISTERED NUMBER: 04038310 (England and Wales)

AUDITORS: T P Lewis & Partners (BOS) Limited
Chartered Accountants
& Registered Auditors
3/5 College Street
Burnham on Sea
Somerset
TA8 1AR

BANKERS: Barclays Bank plc
Bristol Business Centre
P O Box 415
14 - 16 Queen Square
Bristol
BS99 2DG

KELLANDS (BRISTOL) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of independent financial advisors.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

An interim dividend of £375 per share was paid on 7 November 2005. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2005 will be £37,500.

FUTURE DEVELOPMENTS

The board remain confident about the future of the company and see no reason to believe that 2006 will be anything other than a year of growth and progress.

DIRECTORS

The directors during the year under review were:

S M C Kelland
M H Jacobs
P C Ball

The beneficial interests of the directors holding office on 31 December 2005 in the issued share capital of the company were as follows:

	31.12.05	1.1.05
Ordinary £1 shares		
S M C Kelland	49	49
M H Jacobs	22	10
P C Ball	22	20

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- 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.

KELLANDS (BRISTOL) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 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.

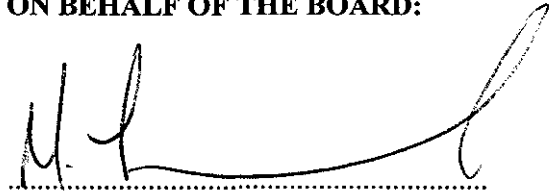
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, T P Lewis & Partners (BOS) Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'M H Jacobs', written over a dotted line.

M H Jacobs - Secretary

Date: 22 June 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF KELLANDS (BRISTOL) LIMITED

We have audited the financial statements of Kellands (Bristol) Limited for the year ended 31 December 2005 on pages six to sixteen. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 directors and auditors

As described on pages two and three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Report of the Directors 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

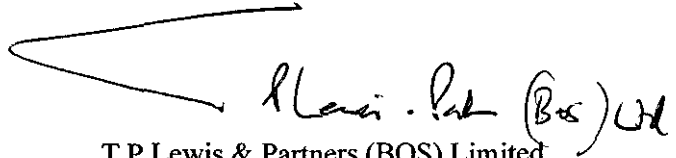
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
KELLANDS (BRISTOL) LIMITED**

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 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



T P Lewis & Partners (BOS) Limited
Chartered Accountants
& Registered Auditors
3/5 College Street
Burnham on Sea
Somerset
TA8 1AR

Date: 30 June 2006

KELLANDS (BRISTOL) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

		2005	2004
	Notes	£	£
TURNOVER		1,264,025	1,379,668
Cost of sales		833,737	1,042,118
GROSS PROFIT		430,288	337,550
Administrative expenses		346,113	222,154
OPERATING PROFIT	3	84,175	115,396
Interest receivable and similar income		3,161	1,234
		87,336	116,630
Interest payable and similar charges	4	278	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87,058	116,630
Tax on profit on ordinary activities	5	19,266	31,723
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		67,792	84,907
Retained profit brought forward		112,256	27,349
		180,048	112,256
Dividends	6	(37,500)	-
RETAINED PROFIT CARRIED FORWARD		£142,548	£112,256

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

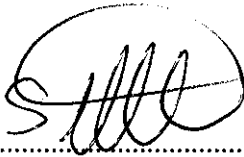
The notes form part of these financial statements

KELLANDS (BRISTOL) LIMITED

BALANCE SHEET 31 DECEMBER 2005

		2005		2004	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	7		75		80
Tangible assets	8		15,276		2,171
			<u>15,351</u>		<u>2,251</u>
CURRENT ASSETS:					
Debtors	9	59,660		118,896	
Cash at bank and in hand		212,216		314,655	
		<u>271,876</u>		<u>433,551</u>	
CREDITORS: Amounts falling due within one year	10	143,593		323,148	
		<u>143,593</u>		<u>323,148</u>	
NET CURRENT ASSETS:			<u>128,283</u>		<u>110,403</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>143,634</u>		<u>112,654</u>
PROVISIONS FOR LIABILITIES:	12		986		298
			<u>£142,648</u>		<u>£112,356</u>
CAPITAL AND RESERVES:					
Called up share capital	13		100		100
Profit and loss account			142,548		112,256
			<u>142,648</u>		<u>112,356</u>
SHAREHOLDERS' FUNDS:	14		<u>£142,648</u>		<u>£112,356</u>

ON BEHALF OF THE BOARD:



.....
S M C Kelland - Director

Approved by the Board on June 2006

The notes form part of these financial statements

KELLANDS (BRISTOL) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

		2005	2004
	Notes	£	£
Net cash (outflow)/inflow from operating activities	1	(21,539)	267,447
Returns on investments and servicing of finance	2	2,883	1,234
Taxation		(31,909)	(1,358)
Capital expenditure	2	(16,050)	(1,020)
Equity dividends paid		(37,500)	-
(Decrease)/Increase in cash in the period		<u>£(104,115)</u>	<u>£266,303</u>
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(104,115)</u>	<u>266,303</u>
Change in net funds resulting from cash flows		<u>(104,115)</u>	<u>266,303</u>
Movement in net funds in the period		<u>(104,115)</u>	<u>266,303</u>
Net funds at 1 January		<u>314,259</u>	<u>47,956</u>
Net funds at 31 December		<u>£210,144</u>	<u>£314,259</u>

The notes form part of these financial statements

KELLANDS (BRISTOL) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	84,175	115,396
Depreciation charges	2,949	1,402
Decrease/(Increase) in debtors	59,237	(41,152)
(Decrease)/Increase in creditors	(167,900)	191,801
Net cash (outflow)/inflow from operating activities	(21,539)	267,447

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2005 £	2004 £
Returns on investments and servicing of finance		
Interest received	3,161	1,234
Interest paid	(278)	-
Net cash inflow for returns on investments and servicing of finance	2,883	1,234
Capital expenditure		
Purchase of tangible fixed assets	(16,050)	(1,020)
Net cash outflow for capital expenditure	(16,050)	(1,020)

The notes form part of these financial statements

KELLANDS (BRISTOL) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.05 £	Cash flow £	At 31.12.05 £
Net cash:			
Cash at bank and in hand	314,655	(102,439)	212,216
Bank overdraft	(396)	(1,676)	(2,072)
	<u>314,259</u>	<u>(104,115)</u>	<u>210,144</u>
 Total	 <u>314,259</u>	 <u>(104,115)</u>	 <u>210,144</u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 314,655		 212,216
Bank overdraft	(396)		(2,072)
	<u>314,259</u>		<u>210,144</u>

The notes form part of these financial statements

KELLANDS (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the amount derived from the provision of services, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of the business, is being written off evenly over its expected useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2005	2004
	£	£
Wages and salaries	247,381	149,102
Social security costs	23,354	15,080
Other pension costs	1,830	2,205
	<u>272,565</u>	<u>166,387</u>

The average monthly number of employees during the year was as follows:

	2005	2004
Management & administration	<u>12</u>	<u>6</u>

KELLANDS (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

3. OPERATING PROFIT

The operating profit is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	2,944	1,397
Goodwill written off	5	5
Auditors' remuneration	<u>5,171</u>	<u>5,400</u>
Directors' emoluments	<u>70,441</u>	<u>62,775</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Corporation tax interest	<u>278</u>	<u>-</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	18,578	31,909
Deferred taxation	<u>688</u>	<u>(186)</u>
Tax on profit on ordinary activities	<u>19,266</u>	<u>31,723</u>

KELLANDS (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>87,058</u>	<u>116,630</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	26,117	34,989
Effects of:		
Expenses not deductible for tax purposes	4,359	240
Capital allowances for year in excess of depreciation	(1,143)	298
Marginal tax relief	-	(3,618)
Small companies tax rate	<u>(10,755)</u>	<u>-</u>
Current tax charge	<u>18,578</u>	<u>31,909</u>

6. DIVIDENDS

	2005 £	2004 £
Equity shares:		
Interim	<u>37,500</u>	<u>-</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST:	
At 1 January 2005	
and 31 December 2005	<u>100</u>
AMORTISATION:	
At 1 January 2005	20
Charge for year	<u>5</u>
At 31 December 2005	<u>25</u>
NET BOOK VALUE:	
At 31 December 2005	<u>75</u>
At 31 December 2004	<u>80</u>

KELLANDS (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

8. TANGIBLE FIXED ASSETS

	Office equipment
	£
COST:	
At 1 January 2005	6,138
Additions	16,049
At 31 December 2005	22,187
DEPRECIATION:	
At 1 January 2005	3,967
Charge for year	2,944
At 31 December 2005	6,911
NET BOOK VALUE:	
At 31 December 2005	15,276
At 31 December 2004	2,171

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	48,662	103,432
Prepayments	10,900	15,366
Called up share capital not paid	98	98
	59,660	118,896

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank loans and overdrafts (see note 11)	2,072	396
Trade creditors	105,203	246,727
Other creditors	-	14,731
Social security & other taxes	8,112	5,265
Taxation	18,578	31,909
Accrued expenses	9,628	24,120
	143,593	323,148

KELLANDS (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2005 £	2004 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,072</u>	<u>396</u>

12. PROVISIONS FOR LIABILITIES

	2005 £	2004 £
Deferred tax	<u>986</u>	<u>298</u>

	Deferred tax £
Balance at 1 January 2005	298
Transfer to profit and loss account	688
	<u>—</u>
Balance at 31 December 2005	<u>986</u>

	2005 £	2004 £
Deferred tax provision		
Capital allowances in excess of depreciation	<u>986</u>	<u>298</u>
	<u>986</u>	<u>298</u>

13. CALLED UP SHARE CAPITAL

Authorised:			2005	2004
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

Allotted and issued:			2005	2004
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

KELLANDS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Profit for the financial year	67,792	84,907
Dividends	(37,500)	-
	<u>30,292</u>	<u>84,907</u>
Net addition to shareholders' funds	30,292	84,907
Opening shareholders' funds	112,356	27,449
	<u>112,356</u>	<u>27,449</u>
Closing shareholders' funds	142,648	112,356
	<u>142,648</u>	<u>112,356</u>
Equity interests	142,648	112,356
	<u>142,648</u>	<u>112,356</u>