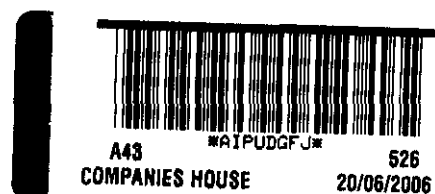


Alexander Ash & Co. Ltd.
Report of the Directors and
Audited Financial Statements
for the year ended 31 August 2005

Carston Chartered Accountants
Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ



Alexander Ash & Co. Ltd.

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for the year ended 31 August 2005**

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Alexander Ash & Co. Ltd.

**Company Information
for the year ended 31 August 2005**

DIRECTORS:

Mr P Dell
Mr P Winship

SECRETARY:

Mrs J H Dell

REGISTERED OFFICE:

1st Floor
Bristol & West House
100 Crossbrook Street
Cheshunt
Hertfordshire
EN8 8JJ

REGISTERED NUMBER:

4217621 (England and Wales)

AUDITORS:

Carston Chartered Accountants
Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Alexander Ash & Co. Ltd.

Report of the Directors for the year ended 31 August 2005

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation of a Chartered Accountancy Practice.

REVIEW OF BUSINESS

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

DIVIDENDS

Interim dividends per share were paid as follows:

	2005	2004
Ordinary A £1 shares	30,692	22,800
Ordinary B £1 shares	23,400	46,400

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 31 August 2005 amounted to £54,092 (2004 £69,200).

DIRECTORS

The directors during the year under review were:

Mr P Dell
Mr P Winship

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

	31.8.05	1.9.04
Ordinary A £1 shares		
Mr P Dell	40,000	40,000
Mr P Winship	-	-
Ordinary B £1 shares		
Mr P Dell	50	50
Mr P Winship	50	50

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 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;
- 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 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.

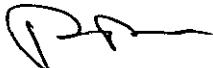
Alexander Ash & Co. Ltd.

**Report of the Directors
for the year ended 31 August 2005**

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.

ON BEHALF OF THE BOARD:



Mr P Dell - Director

9 June 2006

Report of the Independent Auditors to the Shareholders of Alexander Ash & Co. Ltd.

We have audited the financial statements of Alexander Ash & Co. Ltd. for the year ended 31 August 2005 on pages five to fifteen. These financial statements have been prepared under the historical cost convention and 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 page two 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 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 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 transactions with the company 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 United Kingdom 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Carston Chartered Accountants
Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

9 June 2006

Alexander Ash & Co. Ltd.

**Profit and Loss Account
for the year ended 31 August 2005**

	Notes	2005 £	2004 £
TURNOVER		354,009	362,601
Cost of sales		<u>102,476</u>	<u>101,065</u>
GROSS PROFIT		251,533	261,536
Distribution costs		-	4,979
Administrative expenses		<u>155,518</u>	<u>158,883</u>
		155,518	163,862
OPERATING PROFIT	3	96,015	97,674
Interest receivable and similar income		<u>391</u>	<u>198</u>
		96,406	97,872
Interest payable and similar charges	4	<u>2,546</u>	<u>5,476</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		93,860	92,396
Tax on profit on ordinary activities	5	<u>17,371</u>	<u>18,031</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		76,489	74,365
Dividends (including non-equity shares)	6	<u>54,092</u>	<u>69,200</u>
RETAINED PROFIT FOR THE YEAR		<u>22,397</u>	<u>5,165</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

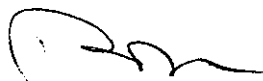
The notes form part of these financial statements

Alexander Ash & Co. Ltd.

**Balance Sheet
31 August 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	7	200,040	200,040
Tangible assets	8	10,238	20,140
		<u>210,278</u>	<u>220,180</u>
CURRENT ASSETS			
Stocks	9	1,667	1,000
Debtors	10	51,488	41,072
Cash at bank and in hand		5,682	6,157
		<u>58,837</u>	<u>48,229</u>
CREDITORS			
Amounts falling due within one year	11	93,631	77,938
NET CURRENT LIABILITIES		<u>(34,794)</u>	<u>(29,709)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>175,484</u>	<u>190,471</u>
CREDITORS			
Amounts falling due after more than one year	12	73,416	110,800
NET ASSETS		<u>102,068</u>	<u>79,671</u>
CAPITAL AND RESERVES			
Called up share capital	16	40,100	40,100
Profit and loss account	17	61,968	39,571
SHAREHOLDERS' FUNDS (including non-equity interests)	21	<u>102,068</u>	<u>79,671</u>

ON BEHALF OF THE BOARD:



Mr P Dell - Director

Approved by the Board on 9 June 2006

The notes form part of these financial statements

Alexander Ash & Co. Ltd.

Notes to the Financial Statements for the year ended 31 August 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents services rendered exclusive of value added tax.

Goodwill

Goodwill has not been amortised during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2005	2004
	£	£
Wages and salaries	140,752	138,375
Social security costs	9,981	12,163
Other pension costs	-	1,200
	<u>150,733</u>	<u>151,738</u>

Alexander Ash & Co. Ltd.

**Notes to the Financial Statements - continued
for the year ended 31 August 2005**

2. STAFF COSTS - continued

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

	2005	2004
Fee earners	5	5
Administration	3	3
	<u>8</u>	<u>8</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2005 £	2004 £
Hire of plant and machinery	1,779	1,853
Other operating leases	15,825	17,085
Depreciation - owned assets	4,364	1,578
Depreciation - assets on hire purchase contracts	-	5,560
(Profit)/Loss on disposal of fixed assets	(3,750)	1,799
Auditors' remuneration	1,600	1,500
	<u>13,065</u>	<u>17,178</u>
Directors' emoluments	<u>13,065</u>	<u>17,178</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Bank interest	1,718	1,344
Bank loan interest	828	1,516
Hire purchase	-	2,616
	<u>2,546</u>	<u>5,476</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	17,371	18,031
Tax on profit on ordinary activities	<u>17,371</u>	<u>18,031</u>

UK corporation tax has been charged at 19% (2004 - 19%).

Alexander Ash & Co. Ltd.

Notes to the Financial Statements - continued for the year ended 31 August 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>93,860</u>	<u>92,396</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2004 - 19%)	17,833	17,555
Effects of:		
Expenses not deductible for tax purposes	232	233
Depreciation in excess of capital allowances	<u>(694)</u>	<u>243</u>
Current tax charge	<u>17,371</u>	<u>18,031</u>

Factors that may affect future tax charges

There are no factors that may affect future tax charges

6. DIVIDENDS

	2005 £	2004 £
Equity shares:		
Ordinary A shares of £1 each		
Interim	<u>30,692</u>	<u>22,800</u>
Non-equity shares:		
Ordinary B shares of £1 each		
Interim	<u>23,400</u>	<u>46,400</u>
	<u>54,092</u>	<u>69,200</u>

Alexander Ash & Co. Ltd.

**Notes to the Financial Statements - continued
for the year ended 31 August 2005**

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 September 2004 and 31 August 2005	<u>208,375</u>
AMORTISATION	
At 1 September 2004 and 31 August 2005	<u>8,335</u>
NET BOOK VALUE	
At 31 August 2005	<u>200,040</u>
At 31 August 2004	<u>200,040</u>

Goodwill has not been amortised during the year following an impairment review carried out by the directors.

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2004	-	29,653	6,314	35,967
Additions	10,493	-	650	11,143
Disposals	-	(29,653)	-	(29,653)
At 31 August 2005	<u>10,493</u>	<u>-</u>	<u>6,964</u>	<u>17,457</u>
DEPRECIATION				
At 1 September 2004	-	12,973	2,855	15,828
Charge for year	2,623	-	1,741	4,364
Eliminated on disposal	-	(12,973)	-	(12,973)
At 31 August 2005	<u>2,623</u>	<u>-</u>	<u>4,596</u>	<u>7,219</u>
NET BOOK VALUE				
At 31 August 2005	<u>7,870</u>	<u>-</u>	<u>2,368</u>	<u>10,238</u>
At 31 August 2004	<u>-</u>	<u>16,680</u>	<u>3,459</u>	<u>20,139</u>

Alexander Ash & Co. Ltd.

**Notes to the Financial Statements - continued
for the year ended 31 August 2005**

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 September 2004	29,653
Disposals	(29,653)
	<u> </u>
At 31 August 2005	-
	<u> </u>
DEPRECIATION	
At 1 September 2004	12,973
Eliminated on disposal	(12,973)
	<u> </u>
At 31 August 2005	-
	<u> </u>
NET BOOK VALUE	
At 31 August 2005	-
	<u> </u>
At 31 August 2004	16,680
	<u> </u>

9. STOCKS

	2005 £	2004 £
Work-in-progress	1,667	1,000
	<u> </u>	<u> </u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	46,999	36,721
Bad debt provision	(815)	(1,962)
Prepayments and accrued income	5,304	6,313
	<u>51,488</u>	<u>41,072</u>

Alexander Ash & Co. Ltd.

**Notes to the Financial Statements - continued
for the year ended 31 August 2005**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Bank loans and overdrafts (see note 13)	17,789	17,805
Other loans (see note 13)	15,026	-
Hire purchase contracts (see note 14)	-	4,653
Trade creditors	8,372	7,812
Tax	17,350	17,981
Social security and other taxes	5,171	3,490
VAT	11,654	12,242
Credit cards	7,782	7,033
Directors loan ac	1,464	-
Accruals and deferred income	9,023	6,922
	<u>93,631</u>	<u>77,938</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005	2004
	£	£
Other loans (see note 13)	13,750	13,844
Hire purchase contracts (see note 14)	-	17,290
Practice purchase account	59,666	79,666
	<u>73,416</u>	<u>110,800</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2005	2004
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	12,789	16,556
Bank loans	5,000	1,249
Other loans	15,026	-
	<u>32,815</u>	<u>17,805</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	-	13,844
	<u>-</u>	<u>13,844</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	13,750	-
	<u>13,750</u>	<u>-</u>

Alexander Ash & Co. Ltd.

**Notes to the Financial Statements - continued
for the year ended 31 August 2005**

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2005	2004
	£	£
Net obligations repayable:		
Within one year	-	4,653
Between one and five years	-	17,290
	<u>-</u>	<u>21,943</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2005	2004
	£	£
Expiring:		
Between one and five years	<u>17,084</u>	<u>15,750</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2005	2004
	£	£
Hire purchase contracts	<u>-</u>	<u>21,943</u>

The hire purchase liabilities are secured on the assets concerned.

Alexander Ash & Co. Ltd.

**Notes to the Financial Statements - continued
for the year ended 31 August 2005**

16. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2005 £	2004 £
900,000	Ordinary A	£1	900,000	900,000
100,000	Ordinary B	£1	100,000	100,000
			<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2005 £	2004 £
40,000	Ordinary A	£1	40,000	40,000
100	Ordinary B	£1	100	100
			<u>40,100</u>	<u>40,100</u>

17. RESERVES

	Profit and loss account £
At 1 September 2004	39,571
Retained profit for the year	<u>22,397</u>
At 31 August 2005	<u>61,968</u>

18. PENSION COMMITMENTS

The company operated defined contribution pension schemes for certain members of the team. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost represents contributions paid to the funds during the year and amounted to £Nil (2004 £1,200). There were no outstanding contributions due at the balance sheet date (2004 £Nil).

19. TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the year ended 31 August 2005:

	£
Mr P Dell	
Balance outstanding at start of year	13,844
Balance outstanding at end of year	1,464
Maximum balance outstanding during year	<u>13,844</u>

Alexander Ash & Co. Ltd.

**Notes to the Financial Statements - continued
for the year ended 31 August 2005**

20. RELATED PARTY DISCLOSURES

Mr P Dell, a director of the company, has given a personal guarantee to Lloyds TSB plc in support of the company's overdraft facilities.

At the balance sheet date there was a loan owing to Mr P Dell of £1,464 (2004 £13,844).

During the year, the company received services from AVN Business Solutions LLP, a partnership of which Mr P Dell is a partner, amounting to £26,815 on normal commercial terms. During the year, the company supplied services to AVN Business Solutions LLP amounting to £13,481 on normal commercial terms. The company disposed of its motor vehicles during the year to AVN Business Solutions LLP at market value. At the balance sheet date, there was an amount owing to AVN Business Solutions LLP of £3,798.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	76,489	74,365
Dividends	(54,092)	(69,200)
Net addition to shareholders' funds	22,397	5,165
Opening shareholders' funds	79,671	74,506
Closing shareholders' funds	102,068	79,671
Equity interests	101,968	79,571
Non-equity interests	100	100
	102,068	79,671