

RD & PE SHEPHARD LIMITED
FINANCIAL STATEMENTS
FOR
31 JANUARY 2007

HEDLEY DUNK LIMITED

Chartered Accountants & Registered Auditors

Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

WEDNESDAY



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RD & PE SHEPHARD LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2007

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RD & PE SHEPHARD LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 January 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of a service company for its own subsidiary which operates as a general and financial services broker

The company's balance sheet shows a satisfactory position

RESULTS AND DIVIDENDS

The profit for the year amounted to £45,000 Particulars of dividends paid are detailed in note 5 to the financial statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

There are no complex financial arrangements The directors review financial risk management on an ongoing basis

DIRECTORS

The directors who served the company during the year were as follows

M J Buckle
M S Richardson
J Laidler

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 these 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 UK 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 that 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 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

RD & PE SHEPHARD LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2007

In so far as the directors are aware

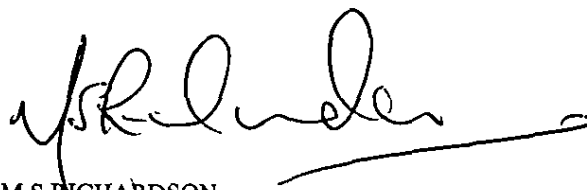
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

The auditor, Hedley Dunk Limited, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on

Registered office
12 Provest Road
Orpington
Kent
BR5 2TP

Signed by order of the directors



M S RICHARDSON
Company Secretary

Approved by the directors on 24/9/07

RD & PE SHEPHARD LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RD
& PE SHEPHARD LIMITED
YEAR ENDED 31 JANUARY 2007

We have audited the financial statements of RD & PE Shephard Limited for the year ended 31 January 2007 on pages 5 to 10, which have been prepared on the basis of the accounting policies set out on page 8

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 Directors' Report 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.

RD & PE SHEPHARD LIMITED


**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RD
& PE SHEPHARD LIMITED *(continued)***

YEAR ENDED 31 JANUARY 2007

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 January 2007 and of its result 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 Directors' Report is consistent with the financial statements



HEDLEY DUNK LIMITED
Chartered Accountants
& Registered Auditors

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Kent
DA1 1BB

28 September 2007

RD & PE SHEPHARD LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2007

	Note	2007 £	2006 £
TURNOVER		—	—
Administrative expenses		—	—
OPERATING PROFIT	2	—	—
Income from shares in group undertakings	4	45,000	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45,000	—
Tax on profit on ordinary activities		—	—
RETAINED PROFIT FOR THE FINANCIAL YEAR		45,000	—
Balance brought forward		93	93
Balance carried forward		45,093	93

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

RD & PE SHEPHARD LIMITED**BALANCE SHEET****31 JANUARY 2007**

	Note	2007 £	2006 £
FIXED ASSETS			
Investments	6	601,000	601,000
CURRENT ASSETS			
Debtors	7	37,339	37,339
TOTAL ASSETS		<u>638,339</u>	<u>638,339</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	2,051	2,051
Share premium account	9	636,195	636,195
Profit and loss account	10	93	93
SHAREHOLDERS' FUNDS	11	<u>638,339</u>	<u>638,339</u>

These financial statements were approved by the directors and authorised for issue on 24/9/07 and are signed on their behalf by


M J BUCKLE
Director

The notes on pages 8 to 10 form part of these financial statements

RD & PE SHEPHARD LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2007

	Note	2007 £	£	2006 £	£
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	12		45,000		-
EQUITY DIVIDENDS PAID			(45,000)		-
INCREASE IN CASH			<u> </u> -		<u> </u> -

The notes on pages 8 to 10 form part of these financial statements.

RD & PE SHEPHARD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2007

1. ACCOUNTING POLICIES**Basis of accounting**

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

Fixed assets

All fixed assets are initially recorded at cost

Consolidation

Consolidated accounts have not been prepared because the company has taken advantage of Section 228 of the Companies Act 1985, in that it is a wholly owned subsidiary of Shephard Holdings Limited which is incorporated in England and prepares the group accounts

2. OPERATING PROFIT

Operating profit is stated after charging

	2007 £	2006 £
Directors' emoluments	— <u> </u>	— <u> </u>

3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year

4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2007 £	2006 £
Income from group undertakings	45,000 <u> </u>	— <u> </u>

5. DIVIDENDS**Equity dividends**

	2007 £	2006 £
Paid		
Equity dividends	45,000 <u> </u>	— <u> </u>

RD & PE SHEPHARD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2007

6. INVESTMENTS

	Investments other than loans £
COST	
At 1 February 2006 and 31 January 2007	<u>601,000</u>
NET BOOK VALUE	
At 31 January 2007	<u>601,000</u>
At 31 January 2006	<u>601,000</u>

Details of the company's subsidiary at the balance sheet date were as follows

Name	Country of incorporation/ operation	Principal activity	Class of shares	Percentage held by company
Shephard Herriot Ltd	England	Insurance broking	Ordinary	100%

7. DEBTORS

	2007 £	2006 £
Amounts owed by group undertakings	<u>37,339</u>	<u>37,339</u>

8. SHARE CAPITAL

Authorised share capital:

	2007 £	2006 £
2,051 Ordinary shares of £1 each	<u>2,051</u>	<u>2,051</u>

Allotted, called up and fully paid:

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>2,051</u>	<u>2,051</u>	<u>2,051</u>	<u>2,051</u>

9. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

RD & PE SHEPHARD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2007

10. PROFIT AND LOSS ACCOUNT

	2007 £	2006 £
Balance brought forward	93	93
Profit for the financial year	45,000	—
Equity dividends paid (FRS 25)	<u>(45,000)</u>	<u>—</u>
Balance carried forward	<u>93</u>	<u>93</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	45,000	—
Equity dividends paid (FRS 25)	<u>(45,000)</u>	<u>—</u>
Net addition to shareholders' funds	—	—
Opening shareholders' funds	<u>638,339</u>	<u>638,339</u>
Closing shareholders' funds	<u>638,339</u>	<u>638,339</u>

12. NOTES TO THE STATEMENT OF CASH FLOWS

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	2007 £	2006 £
Net cash inflow from operating activities	<u>—</u>	<u>—</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2007 £	2006 £
Income from group undertakings	<u>45,000</u>	<u>—</u>
Net cash inflow from returns on investments and servicing of finance	<u>45,000</u>	<u>—</u>

13. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking at the balance sheet date was Shephard Holdings Limited, a company incorporated in England