

Company Registration No. 679375 (England and Wales)

SIDNEY CLODE FINANCE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006



SIDNEY CLODE FINANCE LIMITED

COMPANY INFORMATION

Directors	N J Davies D J Mills
Secretary	D Jethwa FCA
Company number	679375
Registered office	Alexandra House 307- 315 Cowbridge Road East Cardiff CF5 1JD
Auditors	Brett Adams 25 Manchester Square London W1U 3PY
Bankers	Bank of Scotland Kingsway Cardiff CF1 4YB

SIDNEY CLODE FINANCE LIMITED

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SIDNEY CLODE FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

Principal activities and review of the business

The principal activity of the company is that of a intermediate holding company.

The company remained dormant throughout the year.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £88,992. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 April 2005:

N J Davies
D J Mills

Directors' interests

The directors' interests in the shares of the company were as stated below:

	'A' Ordinary Shares of £ 1 each	
	31 March 2006	1 April 2005
N J Davies	-	-
D J Mills	-	-

	'B' Ordinary Shares of £ 1 each	
	31 March 2006	1 April 2005
N J Davies	-	-
D J Mills	-	-

The company is a wholly owned subsidiary of Clode Holdings Limited. The interests of the directors in the shares of the parent company are disclosed in that company's financial statements.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Brett Adams be reappointed as auditors of the company will be put to the Annual General Meeting.

SIDNEY CLODE FINANCE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

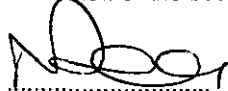
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

In so far as the directors are aware:

- (a) there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



N J Davies

Director

11/1/06

SIDNEY CLODE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SIDNEY CLODE FINANCE LIMITED

We have audited the financial statements of Sidney Clode Finance Limited for the year ended 31 March 2006 set out on pages 4 to 9. 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the 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 directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or 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

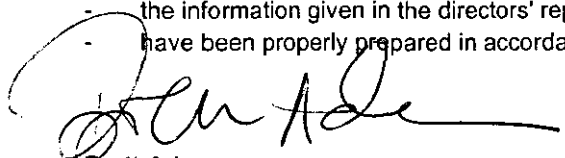
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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 its profit for the year then ended ;
- the information given in the directors' report is consistent with the financial statements; and
- have been properly prepared in accordance with the Companies Act 1985.


Brett Adams
Chartered Accountants
Registered Auditor

2 November 2006

25 Manchester Square
London
W1U 3PY

SIDNEY CLODE FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
Loss on ordinary activities before taxation		-	-
Tax on loss on ordinary activities	2	-	-
Loss on ordinary activities after taxation		-	-
Dividends	3	(88,992)	(52,274)
Retained loss for the year	7	(88,992)	(52,274)

The profit and loss account has been prepared on the basis that all operations are continuing operations.


There are no recognised gains and losses other than those passing through the profit and loss account.

SIDNEY CLODE FINANCE LIMITED

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Investments	4		50,000		50,000
			<u>50,000</u>		<u>50,000</u>
Current assets					
Debtors	5	296,216		385,208	
		<u>296,216</u>		<u>385,208</u>	
Net current assets			296,216		385,208
Total assets less current liabilities			<u>346,216</u>		<u>435,208</u>
Capital and reserves					
Called up share capital	6		67,984		67,984
Other reserves	7		179,984		179,984
Profit and loss account	7		98,248		187,240
			<u>346,216</u>		<u>435,208</u>
Shareholders' funds	8		<u>346,216</u>		<u>435,208</u>

Approved by the Board and authorised for issue on 1/11/06



N J Davies
Director

SIDNEY CLODE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Clode Holdings Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

3 Dividends

	2006 £	2005 £
Ordinary interim paid	88,992	52,274

SIDNEY CLODE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

4 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2005 & at 31 March 2006	50,000
Net book value	
At 31 March 2006	50,000
At 31 March 2005	50,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Clode Retail Finance Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2006 £	Profit for the year 2006 £
	Principal activity		
Clode Retail Finance Limited	Revolving credit and finance	797,545	520,774

5 Debtors

	2006 £	2005 £
Amounts owed by subsidiary undertakings	296,216	385,208

SIDNEY CLODE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

6	Share capital	2006 £	2005 £
	Authorised		
	52,738 'A' Ordinary Shares of £1 each	52,738	52,738
	15,246 'B' Ordinary Shares of £1 each	15,246	15,246
		<u>67,984</u>	<u>67,984</u>
	Allotted, called up and fully paid		
	52,738 'A' Ordinary Shares of £1 each	52,738	52,738
	15,246 'B' Ordinary Shares of £1 each	15,246	15,246
		<u>67,984</u>	<u>67,984</u>

The 'A' Ordinary Shares and the 'B' Ordinary Shares rank pari passu in respect of all rights.

7	Statement of movements on reserves	Other reserves (see below) £	Profit and loss account £
	Balance at 1 April 2005	179,984	187,240
	Dividends paid	-	(88,992)
	Balance at 31 March 2006	<u>179,984</u>	<u>98,248</u>
	Other reserves		
	Capital redemption reserve		
	Balance at 1 April 2005 & at 31 March 2006	<u>179,984</u>	

8	Reconciliation of movements in shareholders' funds	2006 £	2005 £
	Loss for the financial year	-	-
	Dividends	(88,992)	(52,274)
	Net depletion in shareholders' funds	(88,992)	(52,274)
	Opening shareholders' funds	435,208	487,482
	Closing shareholders' funds	<u>346,216</u>	<u>435,208</u>

9 Contingent liabilities

The company has provided a cross corporate charge to the group's bankers in respect of all bank borrowings of the immediate parent company and its subsidiaries. Such bank borrowings were also secured by a security agreement comprising fixed and floating charges over all the assets of the company. At the balance sheet date, the amounts outstanding in respect of these charges was £26,784,197 (2005: £16,522,807).

SIDNEY CLODE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

10 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2006 Number	2005 Number
Administrative Staff	<u>3</u>	<u>3</u>

11 Control

The immediate parent company is Clode Holdings Limited and the ultimate controlling party is David Mills, the majority shareholder in Clode Holdings Limited. The group financial statements can be obtained from Alexandra House, 307 - 315 Cowbridge Road East, Cardiff, CF5 1JD.

12 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.