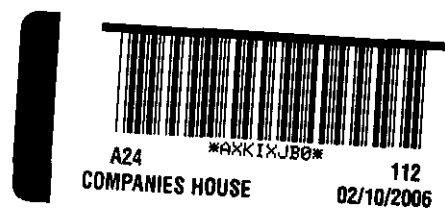


201C  
Registered number 796492  
(England & Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

FOR

BULLDOG HOLDINGS LIMITED



**BULLDOG HOLDINGS LIMITED**

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**BULLDOG HOLDINGS LIMITED**

**COMPANY INFORMATION**

**DIRECTORS:** Richard Q Hoare  
Martin R Riley  
Sir Andrew Cunynghame Bt.  
William R Riley  
Elizabeth M F Hoare

**SECRETARY:** Sir Andrew Cunynghame Bt.

**REGISTERED OFFICE:** 37 Fleet Street  
London EC4P 4DQ

**REGISTERED NUMBER:** 796492

**AUDITORS:** Roberts & Co  
Chartered Accountants  
Registered Auditors  
136 Kensington Church Street  
London W8 4BH

# **BULLDOG HOLDINGS LIMITED**

## **REPORT OF THE DIRECTORS**

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

### **PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was to act as a holding company. Subsidiary companies act as property and investment dealers.

### **FIXED ASSETS**

Details of the movement of fixed assets are set out in note 6 to the accounts.

### **DIVIDENDS**

The directors propose to pay an interim dividend of £100,000 (2005 - £200,000) on 2nd October 2006.

### **DIRECTORS**

The directors of the company in office during the year and their interests, including family interests, in the ordinary shares of the company were as follows:

	31.03.2006	31.03.2005
Richard Q Hoare	700,000	700,000
Martin R Riley	650,000	650,000
Sir Andrew Cunynghame	110,000	110,000
William R Riley	90,000	90,000
Elizabeth M F Hoare	40,000	40,000

### **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 group and company and of the profit or loss of the group 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 group 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 group 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.

**BULLDOG HOLDINGS LIMITED**

**REPORT OF THE DIRECTORS (Continued)**

**AUDITORS**

The auditors, Roberts & Co., will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**



Sir Andrew Cunynghame Bt. FCA – Director

Date: *22nd September 2006*

## **Bulldog Holdings Ltd and subsidiary companies**

### **Report of the Independent Auditors to the Shareholders of Bulldog Holdings Ltd**

We have audited the financial statements of Bulldog Holdings Ltd for the year ended 31 March 2006 on pages five to fourteen. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective June 2005).

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 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 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 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.

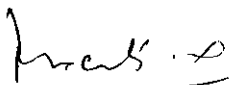
#### **Basis of opinion**

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 applicable to Smaller Entities, of the state of the group's and of the company's affairs as at 31 March 2006 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Roberts & Co  
Chartered Accountants  
Registered Auditors  
136 Kensington Church Street  
London W8 4BH

Dated:

22 September 2006

**BULLDOG HOLDINGS LIMITED****CONSOLIDATED PROFIT & LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2006**

	Note	2006	2005
TURNOVER	1b	2,910,583	1,881,786
COST OF SALES		(2,357,497)	(1,495,214)
		-----	-----
GROSS PROFIT		553,086	386,572
PROFIT ON SALE OF FIXED ASSETS		228,001	0
PROFIT ON SALE OF INVESTMENTS		(18,324)	(87,365)
ADMINISTRATIVE EXPENSES		(253,062)	(233,997)
OTHER OPERATING INCOME		29,888	60,427
INTEREST RECEIVABLE AND SIMILAR INCOME		57,428	279,381
INTEREST PAYABLE		(9,631)	(46)
(PROVISION FOR LOSS ON INVESTMENTS)/WRITTEN BACK		77,631	69,977
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	665,017	474,949
TAXATION	4	(144,921)	(76,475)
MINORITY INTEREST		(106,172)	(41,153)
		-----	-----
PROFIT FOR YEAR	10	£413,924	£357,321
		=====	=====

**CONTINUING OPERATIONS**

None of the Group's activities were acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The Group has no recognised gains or losses other than the profits for the above two financial years.

The notes on pages 8 to 13 form part of the financial statements.

**BULLDOG HOLDINGS LIMITED****CONSOLIDATED BALANCE SHEET****YEAR ENDED 31ST MARCH 2006**

	Note	2006	2005
<b>FIXED ASSETS</b>			
Tangible Assets	5a	488,280	1,045,343
Investments	5c	1,699,358	1,171,621
<b>CURRENT ASSETS</b>			
Property for resale		2,722,010	3,932,640
Investments	6	167,301	426,014
Stock at Cost		300,250	275,250
Debtors	7	1,415,045	492,278
Cash at bank		84,903	0
		<u>4,689,509</u>	<u>5,126,182</u>
<b>CURRENT LIABILITIES</b>			
Amounts due within one year			
Creditors	8	314,869	1,167,699
Corporation tax		142,791	76,056
		<u>457,660</u>	<u>1,243,755</u>
<b>NET CURRENT ASSETS</b>			
		<u>4,231,849</u>	<u>3,882,427</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>6,419,487</u>	<u>6,099,391</u>
<b>LESS MINORITY INTEREST</b>			
		<u>(860,204)</u>	<u>(754,032)</u>
		<u>£5,559,283</u>	<u>£5,345,359</u>
		<u>=====</u>	<u>=====</u>
<b>FINANCED BY</b>			
CALLED UP SHARE CAPITAL	9	100,000	100,000
SHARE PREMIUM ACCOUNT	10	1,340,730	1,340,730
PROFIT AND LOSS ACCOUNT	10	4,118,553	3,904,629
		<u>£5,559,283</u>	<u>£5,345,359</u>
		<u>=====</u>	<u>=====</u>

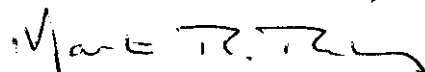
In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the Company is entitled to the benefit of those exemptions as a small company as defined by Section 247 of the Act.

The notes on pages 8 to 13 form part of the financial statements.

These accounts were approved by the Board of Directors on 22 September 2006.

Signed on behalf of the Board of Directors

Martin R Riley



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**BULLDOG HOLDINGS LIMITED****BALANCE SHEET****YEAR ENDED 31ST MARCH 2006**

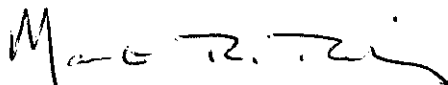
	Note	2006	2005
FIXED ASSETS			
Tangible Assets	5b	487,184	487,184
Investments	5c	1,699,362	1,171,625
		<hr/>	<hr/>
		2,186,546	1,658,809
CURRENT ASSETS			
Stock at cost		300,250	275,250
Debtors	7	838,687	1,261,552
Cash at bank		83,200	0
		<hr/>	<hr/>
		1,222,137	1,536,802
		<hr/>	<hr/>
CURRENT LIABILITIES			
Amounts due within one year			
Creditors	8	732,556	345,954
		<hr/>	<hr/>
		732,556	345,954
		<hr/>	<hr/>
NET CURRENT ASSETS			
		489,581	1,190,848
		<hr/>	<hr/>
		£2,676,127	£2,849,657
		<hr/>	<hr/>
FINANCED BY			
CALLED UP SHARE CAPITAL	9	100,000	100,000
SHARE PREMIUM ACCOUNT	10	1,340,730	1,340,730
PROFIT AND LOSS ACCOUNT	10	1,235,141	1,408,927
		<hr/>	<hr/>
		£2,675,871	£2,849,657
		<hr/>	<hr/>

The notes on pages 8 to 13 form part of the financial statements.

These accounts were approved by the Board of Directors on 22 SEPTEMBER 2006

Signed on behalf of the Board of Directors

Martin R Riley



# **BULLDOG HOLDINGS LIMITED**

## **NOTES ON FINANCIAL STATEMENTS**

### **YEAR ENDED 31ST MARCH 2006**

#### **1. ACCOUNTING POLICIES**

These accounts have been prepared under the historical cost convention.

- a) **Tangible fixed assets and depreciation**  
Depreciation is provided on motor vehicles, fixtures and fittings at the rate of 25% p.a. on cost.  
  
No depreciation is charged on land and buildings as they are maintained to such a standard that their estimated residual value is not less than cost, making any charge immaterial.
- b) **Turnover**  
Turnover represents the sale proceeds of investments and property.
- c) **Cash Flow Statement**  
The company is exempt under FRS1 from having to provide a cash flow statement. This exemption has been applied in the preparation of these accounts.
- d) **Group accounts**  
The group accounts include the accounts of the company and its subsidiary companies, Bulldog Securities Ltd and Bulldog Properties Ltd.
- e) **Stocks**  
Stock is valued at the lower of cost and net realisable value.
- f) **Freehold investment properties**  
The group's investments in freehold properties are included in the financial statements at cost.
- g) **Deferred Tax**  
The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.
- h) **Fixed Asset Investments**  
Fixed Asset Investments are stated at cost less any provision for diminution in value.
- i) **Current Asset Investments**  
Current Asset Investments are carried at the lower of cost and net realisable value.

#### **2. ACCOUNTING PERIOD**

These accounts cover the year ended 31st March 2006.

**BULLDOG HOLDINGS LIMITED****NOTES ON FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2006**

	2006	2005
<b>3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
After charging		
Directors remuneration as executives	40,000	30,000
Auditors remuneration	5,816	5,523
Depreciation	1,556	35,748
	=====	=====
and after crediting		
Income from listed investments	39,220	16,125
Income from unlisted investments	18,208	212,943
	=====	=====

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES****Analysis of the tax charge**

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

	2006		2005	
	Group	Company	Group	Company
Current tax				
U K Corporation tax	144,921	25	75,484	(255)
Deferred tax				
Deferred taxation	0	0	991	3,118
	-----	-----	-----	-----
	£144,921	£25	£76,475	£2,863
	=====	=====	=====	=====

**Factors affecting the tax charge**

The tax assessed is lower than the standard rate of corporation tax in the U K. The difference is explained below.

<b>Profit on ordinary activities before tax</b>	<b>£665,019</b>	<b>£26,239</b>	<b>£475,949</b>	<b>£93,334</b>
	=====	=====	=====	=====
Profit on ordinary activities multiplied by the standard rate of corporation tax in the U K	199,506	7,872	142,485	28,000
Effects of:				
Investment income not chargeable for tax purposes	(11,548)	(11,548)	(56,575)	(56,575)
Provisions disallowed in prior years	(23,289)	(23,289)	(21,363)	(21,363)
Capital losses carried forward	5,497	5,497	26,579	26,579
Expenses not deductible for tax purposes	1,211	261	381	303
Depreciation in excess of capital allowances	(972)	2	6,272	3,040
Group relief	0	21,205	0	23,134
Indexation on capital gains	(15,906)	0	0	0
Marginal relief	(11,708)	0	(20,731)	0
Adjustment in respect of prior year	2,130	25	(573)	(255)
	-----	-----	-----	-----
Current tax charge	£144,921	£25	£76,475	£2,863
	=====	=====	=====	=====

**BULLDOG HOLDINGS LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2006**

	Freehold Investment Properties	Fixtures & Fittings	Total
<b>5a. TANGIBLE FIXED ASSETS</b>			
Consolidated			
Cost			
At 1st April 2005	1,013,396	152,589	1,165,985
Additions	0	230	230
Disposals	(526,862)	(136,925)	(663,787)
	-----	-----	-----
At 31st March 2006	486,534	15,894	502,428
	-----	-----	-----
Accumulated depreciation			
At 1st April 2005	0	120,642	120,642
Disposals	0	(108,050)	(108,050)
Charge for year	0	1,556	1,556
	-----	-----	-----
At 31st March 2006	0	14,148	14,148
	-----	-----	-----
Net book value			
At 31st March 2006	£486,534	£1,746	£488,280
	=====	=====	=====
At 31st March 2005	£1,013,396	£31,947	£1,045,343
	=====	=====	=====
<b>5b. TANGIBLE FIXED ASSETS</b>			
Parent company			
Cost			
At 1st April 2005	486,534	8,284	494,818
Additions	0	0	0
Disposals	0	0	0
	-----	-----	-----
At 31st March 2006	486,534	8,284	494,818
	-----	-----	-----
Accumulated depreciation			
At 1st April 2005	0	7,634	7,634
Disposals	0	0	0
Charge for year	0	256	0
	-----	-----	-----
At 31st March 2006	0	7,890	7,634
	-----	-----	-----
Net book value			
At 31st March 2006	£486,534	£394	£487,184
	=====	=====	=====
At 31st March 2005	£486,534	£650	£487,184
	=====	=====	=====

The company's bankers hold a fixed and floating charge and a memorandum of deposit over the company's assets.

**BULLDOG HOLDINGS LIMITED****NOTES ON FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2006**

5c. <b>INVESTMENTS</b>	2006	2005
Group balance sheet		
Listed investments (market value £762,781		
2005 £872,373)	625,060	785,189
Unlisted Investments (market value £518,002		
2005 £553,002)	377,682	386,432
Assurance policies at cost	696,616	0
	-----	-----
	1,699,358	1,171,621
Parent company balance sheet		
Shares in subsidiary companies		
Less amounts written off	4	4
	-----	-----
	£1,699,362	£1,171,625
	=====	=====

**Listed investments**

The investments are held as fixed assets investments as there is no intention of disposing of these in the foreseeable future.

	Class of capital	% held	Nature of business
<b>Subsidiary Companies</b>			
Bulldog Securities Ltd			
Registered in England & Wales	Ord	100	Securities dealing
Bulldog Properties Ltd			
Registered in England & Wales	Ord	70	Property dealing

	2006		2005	
	Consolidated	Parent	Consolidated	Parent
6. <b>INVESTMENTS</b>				
Listed investments	£167,301	£0	£426,014	£0
	=====	=====	=====	=====

Market value of listed investments at 31st March 2006 - £190,250 (2005 - £586,648)

7. <b>DEBTORS</b>				
Other debtors	1,398,840	21,057	476,073	75,347
Deferred taxation see below	0	0	0	0
Loans	16,205	16,205	16,205	16,205
Due from subsidiary undertakings	0	801,425	0	1,170,000
	-----	-----	-----	-----
	£1,415,045	£838,687	£492,278	£1,261,552
	=====	=====	=====	=====

**BULLDOG HOLDINGS LIMITED****NOTES ON FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2006**

	2006		2005	
	Consolidated	Parent	Consolidated	Parent
7. <b>DEBTORS (Continued)</b>				
Deferred taxation				
At 31st March 2005	0	0	(991)	(3,118)
Credit for the year (net)	0	0	991	3,118
	-----	-----	-----	-----
At 31st March 2006	£0	£0	£0	£0
	=====	=====	=====	=====

	2006		2005	
	Consolidated	Parent	Consolidated	Parent
8. <b>CREDITORS</b>				
Trade creditors	27,399	0	0	0
Other creditors	0	0	102,750	15,000
Due to subsidiary undertakings	0	724,920	0	314,920
Bank overdraft	245,277	0	1,051,844	7,745
Tax and social security	6,362	5,051	7,470	5,827
Accruals	35,831	2,585	5,635	2,462
	-----	-----	-----	-----
	£314,869	£732,556	£1,167,699	£345,954
	=====	=====	=====	=====

	2006	2005
9 <b>CALLED UP SHARE CAPITAL</b>		
Authorised		
2,700,000 ordinary shares of 5p	135,000	135,000
300,000 "A" ordinary shares of 5p	15,000	15,000
	-----	-----
	£150,000	£150,000
	=====	=====
Allotted and fully paid		
1,800,000 ordinary shares of 5p	90,000	90,000
200,000 "A" ordinary shares of 5p	10,000	10,000
	-----	-----
	£100,000	£100,000
	=====	=====

**BULLDOG HOLDINGS LIMITED****NOTES ON FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2006**

10. RESERVES	Share Premium	Profit and Loss	Total
Group			
At 1st April 2005 as previously stated	1,340,730	3,704,629	5,045,359
Prior year adjustment in respect of dividend	0	200,000	200,000
	-----	-----	-----
	1,340,730	3,904,629	5,245,359
Transfer from profit and loss account	0	413,924	413,924
Dividend paid	0	(200,000)	(200,000)
	-----	-----	-----
At 31st March 2006	£1,340,730	£4,118,553	£5,459,283
	=====	=====	=====
Company			
At 1st April 2005 as previously stated	1,340,730	1,208,927	2,549,657
Prior year adjustment in respect of dividend	0	200,000	200,000
	-----	-----	-----
	1,340,730	1,408,927	2,749,657
Transfer from profit and loss account	0	26,214	26,214
Dividend paid	0	(200,000)	(200,000)
	-----	-----	-----
At 31st March 2006	£1,340,730	£1,235,141	£2,575,871
	=====	=====	=====

**11. GENERAL**

The company's bankers hold a fixed and floating charge and a memorandum of deposit over the company's assets together with an unlimited guarantee by certain subsidiaries.

**12. TRANSACTIONS WITH DIRECTORS**

A fee of £20,000 was paid to a professional practice of which M R Riley was the principal and a charitable donation of £20,000 was made to a trust of which Messrs R Q Hoare and M R Riley are trustees.

**13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	2006	2005
Profit for the year	413,924	357,321
Dividends paid	(200,000)	(200,000)
	-----	-----
NET INCREASE IN SHAREHOLDERS FUNDS	213,924	157,321
OPENING SHAREHOLDERS FUNDS	5,145,359	4,988,038
PRIOR YEAR ADJUSTMENT IN RESPECT OF DIVIDEND	200,000	200,000
	-----	-----
CLOSING SHAREHOLDERS FUNDS	£5,559,283	£5,345,359
	=====	=====

**14. CONTINGENT LIABILITIES**

The company has given guarantees to bankers in respect of loans and guarantees to third parties by those banks. At the year end the total exposure amounted to £Nil.

**BULLDOG HOLDINGS LIMITED****PROFIT & LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2006**

	Note	2005
PROFIT ON SALE OF INVESTMENTS	(18,324)	(88,598)
ADMINISTRATIVE EXPENSES	(119,096)	(130,622)
INTEREST RECEIVABLE AND SIMILAR INCOME	86,028	241,343
PROVISION FOR LOSS ON INVESTMENTS	77,631	71,210
	-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3 26,239	93,333
TAXATION	4 (25)	(2,863)
	-----	-----
AMOUNT TRANSFERRED TO RESERVES	10 £26,214 =====	£90,470 =====

**CONTINUING OPERATIONS**

None of the Company's activities were acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The Company has no recognised gains or losses other than the profits for the above two financial years.

The notes on pages 8 to 13 form part of the financial statements.