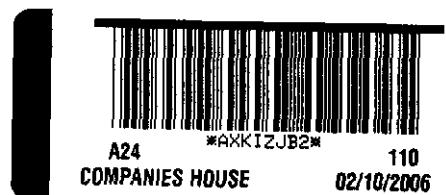


REGISTERED NUMBER: 2528798 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31 March 2006
for
Bulldog Securities Ltd



Bulldog Securities Ltd

Contents of the Financial Statements
for the Year Ended 31 March 2006

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Bulldog Securities Ltd

Company Information
for the Year Ended 31 March 2006

DIRECTORS:

R Q Hoare
M R Riley
Sir Andrew Cunynghame Bt.

SECRETARY:

Sir Andrew Cunynghame Bt.

REGISTERED OFFICE:

37 Fleet Street
London
EC4P 4DQ

REGISTERED NUMBER:

2528798 (England and Wales)

AUDITORS:

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

Bulldog Securities Ltd

Report of the Directors
for the Year Ended 31 March 2006

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of investment dealers.

DIRECTORS

The directors during the year under review were:

R Q Hoare
M R Riley
Sir Andrew Cunynghame Bt.

The directors holding office at 31 March 2006 did not hold any beneficial interest in the issued share capital of the company at 1 April 2005 or 31 March 2006.

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;
- 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.

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, 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 VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Sir Andrew Cunynghame Bt. - Director

Date: 22nd September 2006

**Report of the Independent Auditors to the Shareholders of
Bulldog Securities Ltd**

We have audited the financial statements of Bulldog Securities Ltd for the year ended 31 March 2006 on pages four to eight. 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 January 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 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 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

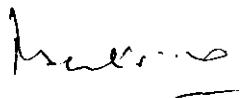
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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 company's affairs as at 31 March 2006 and of its 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

Date: 22 September 2006

Bulldog Securities Ltd**Profit and Loss Account
for the Year Ended 31 March 2006**

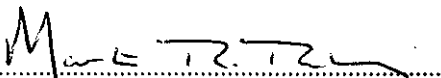
	Notes	2006 £	2005 £
TURNOVER		412,563	793,786
Cost of sales		<u>258,713</u>	<u>616,773</u>
GROSS PROFIT		153,850	177,013
Administrative expenses		<u>896</u>	<u>845</u>
OPERATING PROFIT	2	152,954	176,168
Interest receivable and similar income		<u>5,878</u>	<u>16,251</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		158,832	192,419
Tax on profit on ordinary activities	3	<u>16,748</u>	<u>23,696</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>142,084</u>	<u>168,723</u>
RETAINED PROFIT FOR THE YEAR		<u>142,084</u>	<u>168,723</u>

The notes form part of these financial statements

Bulldog Securities Ltd**Balance Sheet****31 March 2006**

	Notes	2006 £	2005 £
CURRENT ASSETS			
Debtors	4	724,920	326,043
Investments	5	167,301	426,014
Cash at bank		1,703	6,975
		<u>893,924</u>	<u>759,032</u>
CREDITORS			
Amounts falling due within one year	6	17,644	24,836
		<u>876,280</u>	<u>734,196</u>
NET CURRENT ASSETS			
		<u>876,280</u>	<u>734,196</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>876,280</u>	<u>734,196</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account	9	876,278	734,194
		<u>876,280</u>	<u>734,196</u>
SHAREHOLDERS' FUNDS		<u>876,280</u>	<u>734,196</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD:


M R Riley - Director

Approved by the Board on 22 SEP 2006

Notes to the Financial Statements
for the Year Ended 31 March 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents net proceeds arising from the sale of investments.

Deferred taxation

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.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2006	2005
	£	£
Auditors' remuneration	881	823
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

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

	2006	2005
	£	£
Current tax:		
UK corporation tax	16,748	23,696
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	16,748	23,696
	<u> </u>	<u> </u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006****3. 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:

	2006 £	2005 £
Profit on ordinary activities before tax	158,832	192,419
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	47,650	57,726
Effects of: Adjustment in respect of prior years	-	(317)
Group relief	(21,205)	(23,134)
Marginal relief	(9,697)	(10,579)
Current tax charge	16,748	23,696

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	-	11,000
Amounts owed by group undertakings	724,920	314,920
Other debtors	-	123
	724,920	326,043

5. CURRENT ASSET INVESTMENTS

	2006 £	2005 £
Listed investments	167,301	426,014

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

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Taxation and social security	16,748	24,013
Other creditors	896	823
	17,644	24,836

7. SECURED DEBTS

The company's bankers hold a memorandum of deposit covering any liability, whether actual or contingent, charged on all stock exchange securities held by them on behalf of the company and hold unlimited guarantees by the holding company and a fellow subsidiary.

Bulldog Securities Ltd**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006****8. CALLED UP SHARE CAPITAL**

Authorised:		Nominal value:	2006	2005
Number:	Class:			
1,000	Ordinary	£1	£ 1,000	£ 1,000
			<hr/>	<hr/>
Allotted, issued and fully paid:		Nominal value:	2006	2005
Number:	Class:			
2	Ordinary	£1	£ 2	£ 2
			<hr/>	<hr/>

9. RESERVES

	Profit and loss account £
At 1 April 2005	734,194
Retained profit for the year	142,084
	<hr/>
At 31 March 2006	876,278
	<hr/>

10. ULTIMATE PARENT COMPANY

The company's ultimate holding company is Bulldog Holdings Ltd., a company incorporated in England and Wales.