

Select Speciality Brands Limited

**Directors' Report and Financial Statements
(Non-audited)**

31st October 2006

Registered number 02822437



Select Speciality Brands Limited

Directors' report and financial statements

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Company Information

Directors

Edgar A. Elwes

Marcela Elwes

Deborah Elwes Rees Jones

Secretary

LMG Services Limited

Bankers

HSBC Bank

71 High Street

STAINES, MIDDLESEX

TW18 4QW

Registered Office

2-4 Great Eastern Street

LONDON

EC2A 3NT

Registered number

02822437

Select Speciality Brands Limited

Directors' report

The directors present their report and the financial statements for the year ended 31st October 2006

Business review

During the present fiscal year the company continued to look for suppliers. The company found two companies, one American and one Canadian, which were able to produce organic corn chips suitable for the European market. Unfortunately the American company would not entertain production of the "Del Sol" chips, unless an order of at least three trailer loads would be ordered and paid for in advance. Such conditions were beyond Select capabilities. The Canadian company is a small company based in Eastern Canada and does not have the production capacity, nor an interest to expand their production. Select contacted a large American company that expressed an interest in producing a corn chip as required. They did not have the know-how which we could provide, but they were unwilling to make a formal agreement between their company and Select.

In view of the above, the Directors decided to find out a legal way to recuperate the funds left from the original capital investment without incurring in any tax liability and at a minimum cost. The Directors will advise all the shareholders as to the results of such investigation.

Directors

Edgar Elwes, Marcela Elwes, and Deborah Elwes Rees-Jones served as directors of the company throughout the year.

The directors who served during the year and their interest in the share capital of the company were as follows:

	£1 Ordinary shares	
	2006	2005
Edgar Elwes	10,000	10,000
Marcela Elwes	9,639	9,639
Deborah Elwes Rees-Jones	0	0

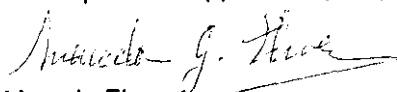
Tangible assets

The company didn't acquire any tangible assets.

Small company special provisions

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

This report was approved by majority of the directors on 31st October 2006


Marcela Elwes
Director

Select Speciality Brands Ltd.

Profit and loss account (non audited)

For the year ended 31st October, 2006

	2006	2005
	£	£
Revenue interest	150.18	177.81
Purchases	0.00	0.00
Administrative Expenses	2,202.12	3,461.22
Operating Loss	(2,051.94)	(3,283.41) *
Loss on ordinary activities Before and after taxation	(2,051.94)	(3,283.41)
Previous retained loss brought forward	(20,790.84)	(17,507.43)
Retained loss brought forward	(22,842.78)	(20,790.84)

* Adjusted - .50 previous year error

The company has no recognised gains and losses other than the profit and loss for the year.

The notes on pages 6 and 7 form part of these accounts

Select Speciality Brands Limited

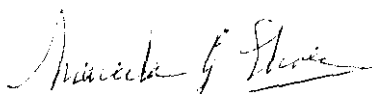
Balance Sheet as at 31st October, 2006

Assets	2006		2005
	£		£
<u>Current Assets</u>			
Petty Cash	0.00		43.97
Banks	8,667.05		9,903.24
Advance payment	<u>0.00</u>	(6)	<u>0.00</u>
	8,667.05		9,947.21
Debtors	<u>1,018.91</u>	(5)	<u>1,678.01</u>
Net Current Assets	9,685.96		<u>11,625.22</u>
Tangible Assets	339.94	(7)	872.84
Depreciation	<u>(112.18)</u>		<u>(532.90)</u>
	227.76		339.94
Total Assets	<u>9,913.72</u>		<u>11,965.16</u>
Capital and Liabilities			
<u>Liabilities</u>			
Current Liabilities	0.00		0.00
Accrued Liabilities	117.50		117.50
Owners' Equity	32,639.00	(8)	32,639.00
Retained Earnings (Previous)	(20,790.84)	(9)	(17,507.43)
Current Earnings	<u>(2,051.94)</u>	(9)	<u>(3,283.91)</u>
Equity	<u>9,796.22</u>		<u>11,847.66</u>
Liabilities and Equity	<u>9,913.72</u>		<u>11,965.16</u>

In the directors' opinion the company was entitled under section 249A (1) of the Companies' Act 1985 to exemption from audit of its accounts for the year ended 31st October 2006. No members who are entitled to, have requested an audit.

The directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

Approved by the Board on 20 November 2006 and signed on its behalf:



Marcela Elwes
Director

The notes on pages 6 and 7 form part of this financial statement.

Select Speciality Brands Limited

Notes

(Forming part of the Financial Statements for the year ended 31st October 2006)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company.

Basis of preparation

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

2. Remuneration of directors

The directors did not receive any emoluments from the company during the period.

3. Staff numbers and cost

The Company did not employ staff during the period.

4. Taxation

There is no charge for the UK Corporation Tax on the results of the year.

5. Debtors

	2006	2005
	£	£
Edgar Elwes	1018.91	1,678.01

6. Advance Payments

0.00	0.00
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7. Computer & Printer after depreciation

227.76	339.94
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SHARE CAPITAL

Authorised

Ordinary shares of £1.00

100,000	100,000
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8. Alloted and called up ordinary £1.00 shares

32,639	32,639
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Select Speciality Brands Limited

Notes

(Forming part of the Financial Statements for the year ended 31st October 2006)

9. Profit and loss account

	2006 £	2005 £
At October 31 st 2005 retained loss brought forward	(20,790.84)	(20,790.84)
At October 31 st 2006 results	(2,051.94)	
Total	<u>(22,842.78)</u>	

10 Shares Book Value

In view that the Shareholders' Equity in the company as of this day is £9,796.22 and there are 32,639 Common Shares issued, it results in a book value of £0.30 per share.

11 Shareholders

As of this date the company's shareholders are:

Edgar A. Elwes	10,000 shares £1.00 par value
Marcela Elwes	9,639 shares £1.00 par value
420943 British Columbia Ltd.	<u>13,000</u> shares £1.00 par value
Total:	32,639