

Company Registration No. 3650129 (England and Wales)

CAVENDISH WARE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



CAVENDISH WARE LIMITED

COMPANY INFORMATION

Directors	J Wall RJ Elman AM Ware
Secretary	J Wall
Company number	3650129
Registered office	5-7 John Prince's Street London W1G 0JN
Auditors	Robinson Stewart & Co. 7 Granard Business Centre Bunns Lane Mill Hill London NW7 2DQ
Business address	5-7 John Prince's Street London W1G 0JN

CAVENDISH WARE LIMITED

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CAVENDISH WARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and financial statements for the year ended 31 December 2005.

Principal activities and review of the business

The company's principal activity continues to be that of FSA registered financial advisors.

The directors are satisfied with the year of trading and the state of affairs at the balance sheet date. They are optimistic for the coming year.

Results and dividends

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

Directors

The following directors have held office since 1 January 2005:

J Wall
RJ Elman
AM Ware

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2005	1 January 2005
J Wall	2,775	2,775
RJ Elman	925	925
AM Ware	7,400	7,400

At 1 January 2004, J Wall and RJ Elman held 2,600 shares jointly.

Auditors

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

CAVENDISH WARE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

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.

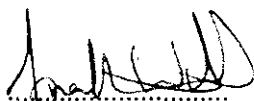
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Statement of disclosure to auditor

(a) so far as the directors are aware, 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



J. Wall

Director

20/12/06

CAVENDISH WARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAVENDISH WARE LIMITED

We have audited the financial statements of Cavendish Ware Limited for the year ended 31 December 2005 set out on pages 4 to 11. 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 December 2005 and of its profit for the year then ended ; and
- have been properly prepared in accordance with the Companies Act 1985.



Robinson Stewart & Co.

Chartered Accountants & Registered Auditor

Date: 20 October 2006

CAVENDISH WARE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Turnover	2	375,556	229,881
Cost of sales		(125,752)	(37,220)
Gross profit		249,804	192,661
Administrative expenses		(247,495)	(191,746)
Operating profit	3	2,309	915
Interest payable and similar charges	4	(129)	-
Profit on ordinary activities before taxation		2,180	915
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation	10	2,180	915

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.

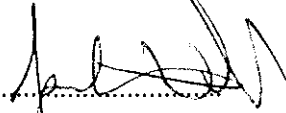
The notes on pages 8 - 11 form part of these financial statements

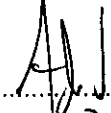
CAVENDISH WARE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
Current assets					
Debtors	6	54,817		29,557	
Cash at bank and in hand		16,845		37,037	
		<u>71,662</u>		<u>66,594</u>	
Creditors: amounts falling due within one year	7	<u>(22,221)</u>		<u>(40,333)</u>	
Total assets less current liabilities			49,441		26,261
Creditors: amounts falling due after more than one year	8		<u>(33,000)</u>		<u>(12,000)</u>
Net assets			<u>16,441</u>		<u>14,261</u>
Capital and reserves					
Called up share capital	9		11,100		11,100
Profit and loss account	10		5,341		3,161
Shareholders' funds - equity interests	11		<u>16,441</u>		<u>14,261</u>

The financial statements were approved by the Board on 20 October 2006 and signed on their behalf by


J Wall
Director


AM Ware
Director

The notes on pages 8 - 11 form part of these financial statements

CAVENDISH WARE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

	£	2005 £	£	2004 £
Net cash (outflow)/inflow from operating activities		(41,063)		1,056
Returns on investments and servicing of finance				
Interest paid	(129)		-	
Net cash outflow for returns on investments and servicing of finance		(129)		-
Net cash (outflow)/inflow before management of liquid resources and financing		(41,192)		1,056
Financing				
Issue of ordinary share capital	-		1,100	
Other new long term loans	21,000		-	
Net cash inflow from financing		21,000		1,100
(Decrease)/increase in cash in the year		(20,192)		2,156

The notes on pages 8 - 11 form part of these financial statements

CAVENDISH WARE LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2005	2004
		£	£
	Operating profit	2,309	915
	Increase in debtors	(25,260)	(27,496)
	(Decrease)/Increase in creditors within one year	(18,112)	29,423
	Increase in pension provision	-	(1,786)
	Net cash (outflow)/inflow from operating activities	(41,063)	1,056

2	Analysis of net (debt)/funds	1 January 2005	Cash flow	Other non-cash changes	31 December 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	37,037	(20,192)	-	16,845
	Debt:				
	Debts falling due after one year	(12,000)	(21,000)	-	(33,000)
	Net funds/(debt)	25,037	(41,192)	-	(16,155)

3	Reconciliation of net cash flow to movement in net (debt)/funds	2005	2004
		£	£
	(Decrease)/increase in cash in the year	(20,192)	2,156
	Cash inflow from increase in debt	(21,000)	-
	Movement in net (debt)/funds in the year	(41,192)	2,156
	Opening net funds	25,037	22,881
	Closing net (debt)/funds	(16,155)	25,037

CAVENDISH WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 Turnover

Turnover represents commissions and fees receivable.

1.4 Deferred taxation

Deferred tax 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.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

2005	2004
£	£

Operating profit is stated after charging:
Auditors' remuneration

950	900
<u> </u>	<u> </u>

4 Interest payable

2005	2004
£	£

On bank overdraft

129	-
<u> </u>	<u> </u>

CAVENDISH WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

5 Taxation

	£	£
Domestic current year tax		
Current tax charge	-	-
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	2,180	915
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004: 19.00%)	414	174
Effects of:		
Non deductible expenses	618	482
Marginal rate relief	(1,032)	(656)
	(414)	(174)
Current tax charge	-	-

6 Debtors

	2005 £	2004 £
Prepayments and accrued income	54,817	29,557

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	18,807	39,433
Taxes and social security costs	2,445	-
Accruals	969	900
	22,221	40,333

CAVENDISH WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

8 Creditors: amounts falling due after more than one year	2005 £	2004 £
Directors' loans	33,000	12,000

Loan maturity analysis

In more than two years but not more than five years	33,000	12,000
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Directors' loans of £12,000 (2004: £12,000) due after more than one year are interest-free loans. These loans are subordinated in favour of the Financial Services Authority Limited and cannot be repaid without their prior written consent.

9 Share capital	2005 £	2004 £
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
11,100 Ordinary shares of £1 each	11,100	11,100

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2005	3,161
Profit for the year	2,180
Balance at 31 December 2005	5,341

11 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Profit for the financial year	2,180	915
Proceeds from issue of shares	-	1,100
Net addition to shareholders' funds	2,180	2,015
Opening shareholders' funds	14,261	12,246
Closing shareholders' funds	16,441	14,261

CAVENDISH WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

12 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	42,000	78,000

13 Employees

Number of employees

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

	2005 Number	2004 Number
Financial consultants	2	2
Administration	2	1
	4	3

Employment costs	2005 £	2004 £
Wages and salaries	149,116	134,411
Social security costs	16,755	15,295
	165,871	149,706

14 Related party transactions

During the year the company transacted with Elman Wall and Elman Wall Limited, businesses in which J Wall and RJ Elman have a material interest. As at 31 December 2005 the company owed Elman Wall Limited an amount of £18,495 (2004: £Nil).