

COMPANY REGISTRATION NUMBER SC188650

**THOMSON SHEPHERD LIMITED
(FORMERLY CLARK THOMSON
SHEPHERD INVESTORS LIMITED)**

FINANCIAL STATEMENTS

30 NOVEMBER 2006



WILLIAMSON & DUNN

Chartered Accountants & Registered Auditors
3 West Craibstone Street
Aberdeen
AB11 6YW

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

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THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

On 3 January 2007 the company changed its name by special resolution to Thomson Shepherd Limited

The principal activity of the company during the year was the provision of independent financial services

The results for the year and financial position of the company are as shown in the annexed financial statements

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £24,742 Particulars of dividends paid are detailed in note 19 to the financial statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details are given of

a) the financial risk management objectives and policies of the company including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and

b) the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk,

unless such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company

DIRECTORS

The directors who served the company during the year were as follows

Mr G B Shepherd

Mr G A Wilson

Mr D J G Hogg

Mr J Clark

Mr J Donnachie

Mrs L Healy (Appointed 18 July 2006)

Mr B O'Neill (Appointed 8 July 2006)

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

Mrs L Healy was appointed as a director on 18 July 2006

Mr B O'Neill was appointed as a director on 8 July 2006

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2006

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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 that 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.

In so far as the directors are aware:

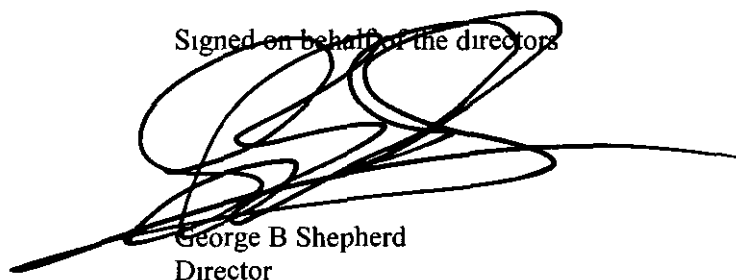
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re appoint Williamson & Dunn as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office
BENEAGLES EXCHANGE
22 Whitefriars Street
PERTH
PH1 1PP

Signed on behalf of the directors



George B Shepherd
Director

Approved by the directors on . . .

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

YEAR ENDED 30 NOVEMBER 2006

We have audited the financial statements of Thomson Shepherd Limited (formerly Clark Thomson Shepherd Investors Limited) for the year ended 30 November 2006 on pages 5 to 17, which have been prepared on the basis of the accounting policies set out on pages 9 to 10

This report is made solely to the company's shareholders, 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 shareholders 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 accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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.

**THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON
SHEPHERD INVESTORS LIMITED)**

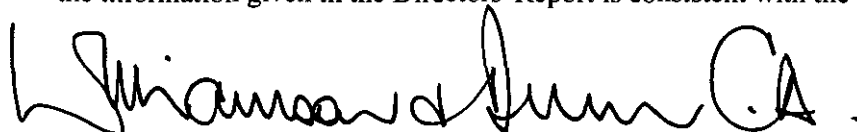
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON
SHEPHERD INVESTORS LIMITED) (continued)**

YEAR ENDED 30 NOVEMBER 2006

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 30 November 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



WILLIAMSON & DUNN
Chartered Accountants & Registered Auditors
3 West Craibstone Street
Aberdeen
AB11 6YW

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2006

	Note	2006 £	2005 £
TURNOVER	2	1,836,285	1,718,523
Other operating income		622	—
		1,836,907	1,718,523
OPERATING COSTS:			
Staff costs	3	1,171,146	916,680
Depreciation written off fixed assets	4	23,712	19,612
Other operating charges		583,363	589,597
OPERATING PROFIT	4	58,686	192,634
(Loss)/profit on disposal of fixed assets	6	(603)	3,619
		58,083	196,253
Interest receivable		473	536
Interest payable and similar charges	7	(1,566)	(1,654)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		56,990	195,135
Tax on profit on ordinary activities	8	32,248	50,217
PROFIT FOR THE FINANCIAL YEAR		24,742	144,918

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 10 to 18 form part of these financial statements.

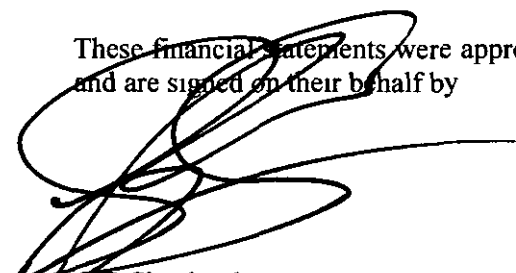
THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

BALANCE SHEET

30 NOVEMBER 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	9	85,031	80,370
CURRENT ASSETS			
Debtors	10	477,182	443,998
Cash at bank and in hand		79,074	96,591
		<u>556,256</u>	<u>540,589</u>
CREDITORS: Amounts falling due within one year	11	<u>504,756</u>	<u>466,922</u>
NET CURRENT ASSETS		<u>51,500</u>	<u>73,667</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>136,531</u>	<u>154,037</u>
CREDITORS: Amounts falling due after more than one year	12	<u>—</u>	<u>4,955</u>
		<u>136,531</u>	<u>149,082</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	<u>9,890</u>	<u>8,789</u>
		<u>126,641</u>	<u>140,293</u>
CAPITAL AND RESERVES			
Called up equity share capital	17	36,003	36,003
Share premium account	18	7,999	7,999
Profit and loss account	19	82,639	96,291
SHAREHOLDERS' FUNDS	20	<u>126,641</u>	<u>140,293</u>

These financial statements were approved by the directors and authorised for issue on ,
and are signed on their behalf by



G B Shepherd
Director

The notes on pages 10 to 18 form part of these financial statements.

**THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON
SHEPHERD INVESTORS LIMITED)**

CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2006

	Note	2006 £	2005 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		145,763	279,955
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		473	536
Interest paid		(633)	(722)
Interest element of hire purchase		(933)	(932)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(1,093)	(1,118)
TAXATION		(61,645)	(26,286)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(33,676)	(91,709)
Receipts from sale of fixed assets		4,700	19,900
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(28,976)	(71,809)
EQUITY DIVIDENDS PAID		(44,904)	(103,529)
CASH INFLOW BEFORE FINANCING		9,145	77,213
FINANCING			
Capital element of hire purchase		(5,405)	10,360
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(5,405)	10,360
INCREASE IN CASH		3,740	87,573

The notes on pages 10 to 18 form part of these financial statements.

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30 NOVEMBER 2006

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit	58,686	192,634
Depreciation	23,712	19,612
Increase in debtors	(30,362)	(271,139)
Increase in creditors	93,727	338,848
Net cash inflow from operating activities	<u>145,763</u>	<u>279,955</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006 £	2005 £
Increase in cash in the period	3,740	87,573
Cash outflow in respect of hire purchase	<u>5,405</u>	<u>(10,360)</u>
	9,145	77,213
Change in net funds	9,145	77,213
Net funds at 1 December 2005	64,974	(12,239)
Net funds at 30 November 2006	<u>74,119</u>	<u>64,974</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Dec 2005 £	Cash flows £	At 30 Nov 2006 £
Net cash			
Cash in hand and at bank	96,591	(17,517)	79,074
Overdrafts	(21,257)	21,257	-
	<u>75,334</u>	<u>3,740</u>	<u>79,074</u>
Debt			
Hire purchase agreements	(10,360)	5,405	(4,955)
Net funds	<u>64,974</u>	<u>9,145</u>	<u>74,119</u>

The notes on pages 10 to 18 form part of these financial statements.

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

FRS 21 'Events after the Balance Sheet date (IAS 10)'

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

For year ended 30 November 2005, the change in accounting policy has resulted in a net increase in retained profit for the year of £48,627. The balance sheet at 30 November 2005 has been restated to reflect the de recognition of a liability for proposed equity dividends of £Nil. For year ended 30 November 2006, the change in accounting policy has resulted in a net increase in retained profit for the year of £38,394.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tenant's Improvements	25% straight line
Motor Vehicles	25% straight line
Equipment	20% reducing balance

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

1. ACCOUNTING POLICIES *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2006 £	2005 £
United Kingdom	<u>1,836,285</u>	<u>1,718,523</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2006 No	2005 No
Number of administrative staff	20	15
Number of investment staff	<u>11</u>	<u>12</u>
	<u>31</u>	<u>27</u>

The aggregate payroll costs of the above were

	2006 £	2005 £
Wages and salaries	1,009,063	793,928
Social security costs	115,164	87,002
Staff pension costs	28,758	21,096
Other pension costs	<u>18,161</u>	<u>14,654</u>
	<u>1,171,146</u>	<u>916,680</u>

4. OPERATING PROFIT

Operating profit is stated after charging

	2006 £	2005 £
Depreciation of owned fixed assets	23,712	17,312
Depreciation of assets held under hire purchase agreements	—	2,300
Auditor's remuneration as auditor	6,500	5,000
Operating lease costs		
Plant and equipment	12,903	2,356
Other	<u>26,149</u>	<u>12,511</u>

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2006 £	2005 £
Emoluments receivable	357,285	229,162
Value of company pension contributions to money purchase schemes	18,161	14,654
	<u>375,446</u>	<u>243,816</u>

Emoluments of highest paid director:

	2006 £	2005 £
Total emoluments (excluding pension contributions)	132,214	90,579
Value of company pension contributions to money purchase schemes	3,600	3,600
	<u>135,814</u>	<u>94,179</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2006 No	2005 No
Money purchase schemes	<u>5</u>	<u>3</u>

6. LOSS/PROFIT ON DISPOSAL OF FIXED ASSETS

	2006 £	2005 £
(Loss)/profit on disposal of fixed assets	<u>(603)</u>	<u>3,619</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Interest payable on bank borrowing	633	722
Finance charges	933	932
	<u>1,566</u>	<u>1,654</u>

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 19% (2005 30%)	19,883	42,176
Over/under provision in prior year	11,264	1,280
Total current tax	31,147	43,456
Deferred tax		
Origination and reversal of timing differences (note 14)		
Capital allowances	1,101	6,761
Tax on profit on ordinary activities	32,248	50,217

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2005 30%)

	2006 £	2005 £
Profit on ordinary activities before taxation	56,990	195,135
Profit/(loss) on ordinary activities by rate of tax	10,828	58,540
Disallowables	7,765	12,828
Capital allowances in excess of depreciation	1,290	(5,587)
Under/(over) provision in previous years	11,264	1,280
Marginal relief	-	(14,628)
Other tax adjustment		(8,977)
Total current tax (note 8(a))	31,147	43,456

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

9. TANGIBLE FIXED ASSETS

	Leasehold Property £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 December 2005	—	21,370	98,691	120,061
Additions	15,657	—	18,019	33,676
Disposals	—	(7,057)	—	(7,057)
At 30 November 2006	15,657	14,313	116,710	146,680
DEPRECIATION				
At 1 December 2005	—	4,420	35,271	39,691
Charge for the year	3,552	3,872	16,288	23,712
On disposals	—	(1,754)	—	(1,754)
At 30 November 2006	3,552	6,538	51,559	61,649
NET BOOK VALUE				
At 30 November 2006	12,105	7,775	65,151	85,031
At 30 November 2005	—	16,950	63,420	80,370

Hire purchase agreements

Included within the net book value of £85,031 is £Nil (2005 £11,500) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2005 £2,300).

10. DEBTORS

	2006 £	2005 £
Trade debtors	175,709	261,510
Amounts owed by group undertakings	225,356	158,500
Other debtors	76,117	23,988
	477,182	443,998

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

11. CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	—	21,257
Trade creditors	269,693	192,797
Amounts owed to group undertakings	188,391	173,167
Other creditors including taxation and social security		
Corporation tax	11,678	42,176
PAYE and social security	25,066	22,168
VAT	4,973	6,264
Hire purchase agreements	4,955	5,405
Dividends payable	—	3,688
	<u>46,672</u>	<u>79,701</u>
	<u>504,756</u>	<u>466,922</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2006	2005
	£	£
Bank loans and overdrafts	—	<u>21,257</u>

12. CREDITORS: Amounts falling due after more than one year

	2006	2005
	£	£
Other creditors		
Hire purchase agreements	—	<u>4,955</u>

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2006	2005
	£	£
Amounts payable within 1 year	4,955	5,405
Amounts payable between 1 and 2 years		4,955
	<u>4,955</u>	<u>10,360</u>

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2006	2005
	£	£
Provision brought forward	8,789	2,028
Profit and loss account movement arising during the year	1,101	6,761
Provision carried forward	<u>9,890</u>	<u>8,789</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006	2005
	£	£
Excess of taxation allowances over depreciation on fixed assets	9,890	8,789
	<u>9,890</u>	<u>8,789</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2006 the company had annual commitments under non cancellable operating leases as set out below

	Assets Other Than Land & Buildings	
	2006	2005
	£	£
Operating leases which expire		
Within 1 year		128
Within 2 to 5 years	18,194	18,144
After more than 5 years	981	
	<u>19,175</u>	<u>18,272</u>

16. RELATED PARTY TRANSACTIONS

The Company is 100% owned subsidiary of Symington Glass (2) Limited. At the year end, £188,391 was due to Clark Thomson Financial Planning Limited, a further subsidiary.

THOMSON SHEPHERD LIMITED (FORMERLY CLARK THOMSON SHEPHERD INVESTORS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

17. SHARE CAPITAL

Authorised share capital:

	2006 £	2005 £
25,000 Ordinary 'A' shares of £1 each	25,000	25,000
25,000 Ordinary 'B' shares of £1 each	25,000	25,000
	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary 'A' shares of £1 each	21,602	21,602	21,602	21,602
Ordinary 'B' shares of £1 each	14,401	14,401	14,401	14,401
	<u>36,003</u>	<u>36,003</u>	<u>36,003</u>	<u>36,003</u>

18. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

19. PROFIT AND LOSS ACCOUNT

	2006 £	2005 £
Balance brought forward	96,291	—
Profit for the financial year	24,742	144,918
Equity dividends paid (FRS 25)	(38,394)	(48,627)
Balance carried forward	<u>82,639</u>	<u>96,291</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	24,742	144,918
Equity dividends paid (FRS 25)	(38,394)	(48,627)
Net (reduction)/addition to shareholders' funds	(13,652)	96,291
Opening shareholders' funds	140,293	44,002
Closing shareholders' funds	<u>126,641</u>	<u>140,293</u>

21. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Symington Glass 2 Limited, a company registered in Scotland, which in turn is a 75% owned subsidiary of Symington Glass 1 Limited, a company registered in Scotland