

R

COMPANY REGISTRATION NUMBER SC188650

THOMSON SHEPHERD LIMITED
FINANCIAL STATEMENTS
FOR
30 NOVEMBER 2007



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

THOMSON SHEPHERD LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

CONTENTS

PAGES

The directors' report

1 to 2

Independent auditor's report to the shareholders

3 to 4

Profit and loss account

5

Balance sheet

6

Cash flow statement

7 to 8

Notes to the financial statements

9 to 17

The following pages do not form part of the financial statements

Detailed profit and loss account

19

Notes to the detailed profit and loss account

20 to 21

THOMSON SHEPHERD LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2007

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 £227,990 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

Mr B O'Neill

Mrs S T Fernie (Appointed 26 February 2007)

Mr L Wood (Appointed 26 February 2007)

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 S T Fernie was appointed as a director on 26 February 2007

Mr L Wood was appointed as a director on 26 February 2007

THOMSON SHEPHERD LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2007

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



Gordon Wilson
Director

Approved by the directors on

4 April 2008

THOMSON SHEPHERD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THOMSON SHEPHERD LIMITED

YEAR ENDED 30 NOVEMBER 2007

We have audited the financial statements of Thomson Shepherd Limited for the year ended 30 November 2007 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

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

YEAR ENDED 30 NOVEMBER 2007

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 2007 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

4 April 2008

THOMSON SHEPHERD LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2007

		2007	2006
	Note	£	£
TURNOVER	2	2,472,157	1,836,285
Other operating income		<u>25,467</u>	<u>622</u>
		2,497,624	1,836,907
OPERATING COSTS:			
Staff costs	3	1,473,442	1,171,146
Depreciation written off fixed assets	4	24,427	23,712
Other operating charges		<u>693,542</u>	<u>583,363</u>
OPERATING PROFIT	4	306,213	58,686
Loss on disposal of fixed assets	6	<u>—</u>	<u>(603)</u>
		306,213	58,083
Interest receivable		1,318	473
Interest payable and similar charges	7	<u>(1,845)</u>	<u>(1,566)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		305,686	56,990
Tax on profit on ordinary activities	8	<u>77,696</u>	<u>32,248</u>
PROFIT FOR THE FINANCIAL YEAR		<u>227,990</u>	<u>24,742</u>

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 9 to 17 form part of these financial statements.

THOMSON SHEPHERD LIMITED

BALANCE SHEET

30 NOVEMBER 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Intangible assets	9	1,000,000	—
Tangible assets	10	85,479	85,031
		<u>1,085,479</u>	<u>85,031</u>
CURRENT ASSETS			
Debtors	11	797,945	477,182
Cash at bank and in hand		66,619	79,074
		<u>864,564</u>	<u>556,256</u>
CREDITORS: Amounts falling due within one year	12	<u>1,666,908</u>	<u>504,756</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(802,344)</u>	<u>51,500</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>283,135</u>	<u>136,531</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	9,551	9,890
		<u>273,584</u>	<u>126,641</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	229,582	82,639
SHAREHOLDERS' FUNDS	20	<u>273,584</u>	<u>126,641</u>

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

4 April 2008



Gordon Wilson
Director

The notes on pages 9 to 17 form part of these financial statements.

THOMSON SHEPHERD LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2007

	Note	2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,110,629	145,763
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,318	473
Interest paid		(990)	(633)
Interest element of hire purchase		(855)	(933)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(527)	(1,093)
TAXATION		(11,680)	(61,645)
CAPITAL EXPENDITURE			
Payments to acquire intangible fixed assets	(1,000,000)	—	—
Payments to acquire tangible fixed assets	(24,875)	(33,676)	(33,676)
Receipts from sale of fixed assets	—	4,700	4,700
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(1,024,875)	(28,976)
EQUITY DIVIDENDS PAID		(81,047)	(44,904)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(7,500)	9,145
FINANCING			
Capital element of hire purchase	(4,955)	(5,405)	(5,405)
NET CASH OUTFLOW FROM FINANCING		(4,955)	(5,405)
(DECREASE)/INCREASE IN CASH		(12,455)	3,740

The notes on pages 9 to 17 form part of these financial statements.

THOMSON SHEPHERD LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30 NOVEMBER 2007

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating profit	306,213	58,686
Depreciation	24,427	23,712
Increase in debtors	(320,763)	(30,362)
Increase in creditors	1,100,752	93,727
Net cash inflow from operating activities	<u>1,110,629</u>	<u>145,763</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007	2006
	£	£
(Decrease)/increase in cash in the period	(12,455)	3,740
Cash outflow in respect of hire purchase	<u>4,955</u>	<u>5,405</u>
	(7,500)	9,145
Change in net funds	(7,500)	9,145
Net funds at 1 December 2006	<u>74,119</u>	64,974
Net funds at 30 November 2007	<u>66,619</u>	<u>74,119</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Dec 2006	Cash flows	At 30 Nov 2007
	£	£	£
Net cash			
Cash in hand and at bank	<u>79,074</u>	<u>(12,455)</u>	<u>66,619</u>
Debt			
Hire purchase agreements	<u>(4,955)</u>	<u>4,955</u>	<u>—</u>
Net funds	<u>74,119</u>	<u>(7,500)</u>	<u>66,619</u>

The notes on pages 9 to 17 form part of these financial statements.

THOMSON SHEPHERD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

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

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

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

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.

THOMSON SHEPHERD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

1. ACCOUNTING POLICIES *(continued)*

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

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

	2007	2006
	£	£
United Kingdom	<u>2,472,157</u>	<u>1,836,285</u>

THOMSON SHEPHERD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

3. PARTICULARS OF EMPLOYEES

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

	2007	2006
	No	No
Number of administrative staff	21	20
Number of investment staff	13	11
	<u>34</u>	<u>31</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	1,274,151	1,009,063
Social security costs	143,104	115,164
Staff pension costs	25,139	28,758
Other pension costs	31,048	18,161
	<u>1,473,442</u>	<u>1,171,146</u>

4. OPERATING PROFIT

Operating profit is stated after charging

	2007	2006
	£	£
Depreciation of owned fixed assets	24,427	23,712
Auditor's remuneration		
as auditor	10,842	6,500
Operating lease costs		
Plant and equipment	—	12,903
Other	24,540	26,149

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Emoluments receivable	616,433	357,285
Value of company pension contributions to money purchase schemes	31,048	18,161
	<u>647,481</u>	<u>375,446</u>

THOMSON SHEPHERD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

5. DIRECTORS' EMOLUMENTS *(continued)*

Emoluments of highest paid director:

	2007	2006
	£	£
Total emoluments (excluding pension contributions)	143,411	132,214
Value of company pension contributions to money purchase schemes	4,551	3,600
	<u>147,962</u>	<u>135,814</u>

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

	2007	2006
	No	No
Money purchase schemes	<u>7</u>	<u>5</u>

6. LOSS ON DISPOSAL OF FIXED ASSETS

	2007	2006
	£	£
Loss on disposal of fixed assets	<u>-</u>	<u>(603)</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Interest payable on bank borrowing	990	633
Finance charges	855	933
	<u>1,845</u>	<u>1,566</u>

THOMSON SHEPHERD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007	2006
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2006 19%)	78,033	19,883
Over/under provision in prior year	2	11,264
Total current tax	78,035	31,147
Deferred tax		
Origination and reversal of timing differences (note 14)		
Capital allowances	(339)	1,101
Tax on profit on ordinary activities	77,696	32,248

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 19%)

	2007	2006
	£	£
Profit on ordinary activities before taxation	305,686	56,990
Profit on ordinary activities by rate of tax	91,706	10,828
Disallowables	13,713	7,765
Depreciation in excess of capital allowances	2,100	1,290
Under/(over) provision in previous years	2	11,264
Marginal relief	(29,486)	
Total current tax (note 8(a))	78,035	31,147

THOMSON SHEPHERD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	1,000,000
At 30 November 2007	<u>1,000,000</u>
AMORTISATION	
At 1 December 2006 and 30 November 2007	—
NET BOOK VALUE	
At 30 November 2007	<u>1,000,000</u>
At 30 November 2006	<u>—</u>

On 26 February 2007, the Company acquired the business and assets of Coggans Wood Limited, an independent financial adviser, for £1,000,000 creating goodwill of the same amount

10. TANGIBLE FIXED ASSETS

	Leasehold Property £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 December 2006	15,657	14,313	116,710	146,680
Additions	10,004	—	14,871	24,875
At 30 November 2007	<u>25,661</u>	<u>14,313</u>	<u>131,581</u>	<u>171,555</u>
DEPRECIATION				
At 1 December 2006	3,552	6,538	51,559	61,649
Charge for the year	5,872	3,579	14,976	24,427
At 30 November 2007	<u>9,424</u>	<u>10,117</u>	<u>66,535</u>	<u>86,076</u>
NET BOOK VALUE				
At 30 November 2007	<u>16,237</u>	<u>4,196</u>	<u>65,046</u>	<u>85,479</u>
At 30 November 2006	<u>12,105</u>	<u>7,775</u>	<u>65,151</u>	<u>85,031</u>

Hire purchase agreements

Included within the net book value of £85,479 is £Nil (2006 £Nil) 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 (2006 £Nil).

THOMSON SHEPHERD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

11. DEBTORS

	2007	2006
	£	£
Trade debtors	326,597	175,709
Amounts owed by group undertakings	405,847	225,356
Other debtors	65,501	76,117
	<u>797,945</u>	<u>477,182</u>

12. CREDITORS: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	331,111	269,693
Amounts owed to group undertakings	1,207,366	188,391
Other creditors including taxation and social security.		
Corporation tax	78,033	11,678
PAYE and social security	36,667	25,066
VAT	13,731	4,973
Hire purchase agreements	—	4,955
	<u>128,431</u>	<u>46,672</u>
	<u>1,666,908</u>	<u>504,756</u>

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2007	2006
	£	£
Amounts payable within 1 year	—	4,955
	<u>—</u>	<u>4,955</u>

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2007	2006
	£	£
Provision brought forward	9,890	8,789
Profit and loss account movement arising during the year	(339)	1,101
Provision carried forward	<u>9,551</u>	<u>9,890</u>

THOMSON SHEPHERD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

14. DEFERRED TAXATION *(continued)*

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

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	9,551	9,890
	<u>9,551</u>	<u>9,890</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2007 the company had annual commitments under non cancellable operating leases as set out below

	Assets Other Than Land & Buildings	
	2007	2006
	£	£
Operating leases which expire		
Within 1 year	4,843	
Within 2 to 5 years	30,622	18,194
After more than 5 years		981
	<u>35,465</u>	<u>19,175</u>

16. RELATED PARTY TRANSACTIONS

The Company is 100% owned subsidiary of Symington Glass (2) Limited At the year end, all inter group balances are separately disclosed

17. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
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:

	2007		2006	
	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>

THOMSON SHEPHERD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

18. SHARE PREMIUM ACCOUNT

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

19. PROFIT AND LOSS ACCOUNT

	2007	2006
	£	£
Balance brought forward	82,639	96,291
Profit for the financial year	227,990	24,742
Equity dividends	(81,047)	(38,394)
Balance carried forward	<u>229,582</u>	<u>82,639</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	227,990	24,742
Equity dividends	(81,047)	(38,394)
Net addition/(reduction) to shareholders' funds	146,943	(13,652)
Opening shareholders' funds	126,641	140,293
Closing shareholders' funds	<u>273,584</u>	<u>126,641</u>

21. POST BALANCE SHEET EVENTS

On 4 April 2008, the amount of £1,000,000 owed by the Company to its immediate parent company, Symington Glass (2) Limited ("SG2"), was capitalised by the issue by the Company to SG2 of 1,000,000 preference shares of £1 each in the Company. Such preference shares do not carry the right to receive any dividend, are not redeemable at the instance of the Company at any time after 31 December 2013.

22. 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 69% owned subsidiary of Symington Glass 1 Limited, a company registered in Scotland.

THOMSON SHEPHERD LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 30 NOVEMBER 2007

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4**

THOMSON SHEPHERD LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2007

	2007		2006	
	£	£	£	£
TURNOVER		2,472,157		1,836,285
Other operating income		25,467		622
		2,497,624		1,836,907
OPERATING COSTS				
Staff costs	1,473,442		1,171,146	
Depreciation written off fixed assets	24,427		23,712	
Other operating charges	693,542		583,363	
		2,191,411		1,778,221
OPERATING PROFIT		306,213		58,686
Loss on disposal of fixed assets		—		(603)
		306,213		58,083
Bank interest receivable		1,318		473
		307,531		58,556
Interest payable and similar charges		(1,845)		(1,566)
PROFIT ON ORDINARY ACTIVITIES		305,686		56,990

THOMSON SHEPHERD LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2007

	2007		2006	
	£	£	£	£
STAFF COSTS				
Directors				
Directors salaries	616,433		357,285	
Directors NIC	73,636		39,652	
Directors Pensions	31,048		18,161	
		721,117		415,098
Administration staff				
Wages and salaries	657,718		651,778	
Staff national insurance contributions	69,468		75,512	
Staff pension contributions	25,139		28,758	
		752,325		756,048
		<u>1,473,442</u>		<u>1,171,146</u>
OTHER OPERATING CHARGES				
Establishment expenses				
Light and heat	7,565		(3,378)	
Rent, rates and insurances	142,984		101,235	
Computer maintenance expenses	50,237		44,698	
Repairs and maintenance	4,500		8,619	
		205,286		151,174
General expenses				
Motor expenses	41,937		39,670	
Travelling and accomodation	14,685		15,744	
Vehicle leasing charges	24,540		26,149	
Telephone	23,153		22,450	
Hire of equipment	32,974		1,768	
Equipment leasing charges	—		12,903	
Printing, stationery and advertising	39,861		43,620	
Staff training	2,975		3,728	
Staff welfare	21,991		9,109	
Commissions paid	67,913		50,857	
General expenses	86,814		78,434	
VAT irrecoverable	46,487		49,447	
Legal and consultancy fees	72,530		56,573	
Accountancy fees	125		13,544	
Auditors remuneration	10,842		6,500	
		486,827		430,496
Financial costs				
Bank charges		1,429		1,693
		<u>693,542</u>		<u>583,363</u>

THOMSON SHEPHERD LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2007

	2007		2006
	£	£	£
INTEREST PAYABLE AND SIMILAR CHARGES			
Bank interest payable	990		633
HP charges	855		933
	<u>1,845</u>		<u>1,566</u>