

1 RIDING HOUSE STREET LIMITED
REPORT AND FINANCIAL STATEMENTS

for the year ended

30 April 2006



1 RIDING HOUSE STREET LIMITED

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1 RIDING HOUSE STREET LIMITED

DIRECTORS' REPORT

The Directors submit their report together with the financial statements for the year ended 30 April 2006. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activity and review of the year

The company acts as a nominee for Smith & Williamson Corporate Finance Limited, Smith & Williamson Limited and Smith & Williamson Investment Management Limited and does not charge for its services.

The Company has not traded during the year. No significant accounting transactions, as required to be entered in the Company's accounting records by Section 221 of the Companies Act 1985, have occurred during the period under review.

During the year, the company adopted International Financial Reporting Standards, as did all companies in the Smith & Williamson group. No changes to the figures presented in these financial statements arise as a consequence of this.

Results and dividends

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

All of the company's expenses are met by Smith & Williamson Limited.

As there was no profit or loss for the period ended 30 April 2006 (2005: £nil), the Directors do not recommend the payment of a dividend (2005: £nil).

Directors and their interests

The Directors who served throughout the year, except as noted, were:

G D Pearce
J T Boadle
W A Fullerton-Batten
A R Champion
M P Fosberry
S J Mabey
M J Rose

No director of the company has any interest in the shares of the company.

The interests of the directors serving at the year end in the share capital of the ultimate parent company, Smith & Williamson Holdings Limited, were as follows:

	Ordinary shares of 10p each	
	At 30 April 2006	At 1 May 2005
G D Pearce	1,572,774	1,572,774
J T Boadle	1,042,599	1,033,490
W A Fullerton-Batten	916,930	916,930
A R Champion	179,863	176,367
M P Fosberry	1,042,741	1,042,741
S J Mabey	1,369,352	1,369,352
M J Rose	468,874	468,874

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DIRECTORS' REPORT (continued)

	Options to subscribe for ordinary A shares of 10p each At 30 April 2006			
	(i)	(ii)	(iii)	(iv)
G D Pearce	30,000	30,000	30,864	6,522
J T Boadle	30,000	30,000	30,864	-
W A Fullerton-Batten	20,000	20,000	20,578	3,796
A R Champion	15,000	15,000	10,288	6,522
M P Fosberry	-	10,000	10,288	6,522
S J Mabey	20,000	20,000	20,578	6,522
M J Rose	10,000	10,000	10,288	-

There were no share options exercised by directors during the year.

	Options to subscribe for ordinary A shares of 10p each At 30 April 2005			
	(i)	(ii)	(iii)	(iv)
G D Pearce	30,000	30,000	30,864	6,522
J T Boadle	30,000	30,000	30,864	-
W A Fullerton-Batten	20,000	20,000	20,578	3,796
A R Champion	15,000	15,000	10,288	6,522
M P Fosberry	10,000	10,000	10,288	6,522
S J Mabey	20,000	20,000	20,578	6,522
M J Rose	10,000	10,000	10,288	-

Notes:

- (i) Options granted by the Smith & Williamson Holdings Limited Employee Benefit Trust to acquire A ordinary shares at a price of £2.86 per share, exercisable from 6 October 2008 to 6 October 2012, under the Smith & Williamson Company Share Option Plan.
- (ii) Options granted by the Smith & Williamson Holdings Limited Employee Benefit Trust to acquire A ordinary shares at a price of £3.25 per share, exercisable from 6 October 2007 to 6 October 2011, under the Smith & Williamson Company Share Option Plan. All these options were granted during the year.
- (iii) Options granted in the year by the Smith & Williamson Holdings Limited Employee Benefit Trust to acquire A ordinary shares at a price of £2.43 per share, exercisable from 10 September 2006 to 10 September 2010, under the Smith & Williamson Company Share Option Plan.
- (iv) Options granted by the Smith & Williamson Holdings Limited Employee Benefit Trust to acquire A ordinary shares at a price of £2.43 per share, under the Smith & Williamson Sharesave Scheme.

Auditors

The annual accounts have not been audited because the Company is entitled to the exemption provided by Section 249AA of the Companies Act 1985 relating to dormant companies and no notice under Section 249B(2) has been deposited at the Company's registered office requiring the Company to obtain an audit of the accounts.

By Order of the Board



R F Vallance
Registered Office Address:
25 Moorgate
London EC2R 6AY

26 July 2006

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have elected to prepare financial statements for the company in accordance with International Financial Reporting Standards ("IFRS"). Company law requires the directors to prepare such financial statements in accordance with International Financial Reporting Standards, the Companies Act 1985 and Article 4 of the IAS Regulation. International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. Directors are also required to:

1. Properly select and apply accounting policies;
2. Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
3. Provide additional disclosures when compliance with specific requirements in International Financial Reporting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
4. Prepare the accounts on a going concern basis unless, having assessed the ability of the company to continue as a going concern, management either intends to liquidate the entity or to cease trading, or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 1985.

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BALANCE SHEET as at 30 April 2006

	Note	2006 £	2005 £
Current Assets			
Cash and cash equivalents		2	2
		<hr/>	<hr/>
Total Assets		2	2
		<hr/>	<hr/>
Equity			
Share Capital	3	2	2
		<hr/>	<hr/>
Equity attributable to equity holders of the company		2	2
		<hr/>	<hr/>

The annual financial statements have not been audited because the Company is entitled to the exemption provided by Section 249AA(1) of the Companies Act 1985 and its members have not required the Company to obtain an audit of these financial statements in accordance with Section 249B(2).

The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records that comply with Section 221 of the Companies Act 1985. The Directors also acknowledge their responsibilities for preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the Company.

The financial statements were approved by the Board of Directors and authorised for issue on 26 July 2006. They were signed on its behalf by:



A R Champion
Director

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NOTES FOR THE FINANCIAL STATEMENTS for the year ended 30 April 2006

1. Adoption of International Financial Reporting Standards ("IFRS")

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the first time. The adoption of IFRS has not resulted in any differences from the financial statements as reported under UK GAAP that require disclosure under IFRS1.

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and UK Company Law. The financial statements have been prepared under the historical cost convention.

b) Cash flow statement

A cash flow statement has not been included in the financial statements because the Company has been dormant in the current and preceding year and no cash flows have occurred.

2. Profit from operations

Directors' emoluments are borne by the group company, Smith & Williamson Limited. No emoluments were paid to directors by the company during the year (2005: £nil) and it is not practicable for the parent company to apportion directors' emoluments.

The company has no employees (2005: none).

3. Share capital

	2006 £	2005 £
Authorised: 100 ordinary shares of £1 each	100	100
Issued and full paid: 2 ordinary shares of £1 each	2	2

4. Contingent liabilities

No contingent liabilities existed at the balance sheet date. The company had no capital commitments at 30 April 2006 (2005: £nil).

5. Related party transactions

There were no related party transactions during the year to report (2005: £Nil)

6. Parent undertaking and controlling party

The company's immediate parent company is Smith & Williamson Group Holdings Limited.

The company's ultimate parent undertaking and controlling party is Smith & Williamson Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Smith & Williamson Holdings Limited is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Smith & Williamson Group Holdings Limited is the parent undertaking of the smallest group of undertakings for which the group accounts are drawn up and of which the company is a member

Copies of all sets of group accounts, which include the results of the company, are available from The Company Secretary, Smith & Williamson Holdings Limited, 25 Moorgate, London EC2R 6AY.