Registered number: 05017761

QUINTESSENTIALLY ENGLISH PLC

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2004

QUINTESSENTIALLY ENGLISH PLC

COMPANY INFORMATION

DIRECTORS	G B Ashley R M Coe M S Gurner
SECRETARY	R M Coe
COMPANY NUMBER	05017761
REGISTERED OFFICE	235 Old Marylebone Road London NW1 5QT
BANKERS	National Westminster Bank PLC PO Box 34 15 Bishopsgate London EC2P 2AP
AUDITORS	Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT
NOMINATED ADVISORS	City Financial Associates Services

QUINTESSENTIALLY ENGLISH PLC

CONTENTS

QUINTESSENTIALLY ENGLISH PLC

CHAIRMAN'S STATEMENT
For the period ended 31 December 2004

The chairman presents his report for the period 16 January to 31 December 2004.

PRELIMINARY RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2004

The Company today makes its Preliminary Announcement of its results for the period from incorporation 16 January 2004 until 31 December 2004.

The Company had no turnover in the period but incurred costs in its acquisition search. As stated at Admission in March 2004, no remuneration will be paid to the Directors until an acquisition is made.

The loss for the period amounted to £73,194 which includes overheads of £14,841 in respect of costs incurred in the period leading up to the AIM flotation of the Company which include public relation and consultancy fees, travel expenses, and professional advisory services.

The Company was incorporated principally to take advantage of opportunities to acquire established businesses which could be described as "quintessentially English" because of their origin or connection with England. The Company has met and evaluated a large number of prospects but for various reasons these have not progressed. It continues to seek such acquisitions and has widened its objectives and target sectors. Competent management is a key feature of its requirements.

....
M S Gurner
Chairman

24 July 2005
Date

QUINTESSENTIALLY ENGLISH PLC

DIRECTORS' REPORT
For the period ended 31 December 2004

The directors present their report and the financial statements for the period 16 January to 31 December 2004.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company was incorporated on 16 January 2004 and was certified to commence business on 23 March 2004.

The company has been established with the intention of acquiring other businesses.

The directors note the performance of the company during the period and anticipate the company becoming profitable in future periods.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £73,194.

The directors are unable to recommend the payment of a dividend.

PAYMENT OF CREDITORS

It is the company's policy to agree the terms of transactions, including payment terms, with suppliers and that payment is made accordingly. At 31 December 2004 the average creditor payment period was 17 days.

DIRECTORS

The directors who served during the period and their beneficial interests in the company's issued share capital were:

	Ordinary shares of 1p each		**Ordinary shares of £1 each**	
	31/12/04	*16/1/04*	**31/12/04**	*16/1/04*
G B Ashley (appointed 25/02/04)	**1,333,333**	*1,333,333* *	-	-
R M Coe (appointed 25/02/04)	**1,666,666**	*1,666,666* *	-	-
M S Gurner (appointed 25/02/04)	**3,666,866**	*3,666,666* *	-	-
Croft Nominees Limited (appointed 16/01/04 & resigned 25/02/04)	-	-	-	*1* *
P H Jay (appointed 16/01/04 & resigned 25/02/04)	-	-	-	*1* *

(* held on date of appointment)

The directors' other interests in or contracts with the company during the period are disclosed in Note 13 to the financial statements.

QUINTESSENTIALLY ENGLISH PLC

DIRECTORS' REPORT
For the period ended 31 December 2004

MAJOR SHAREHOLDINGS

As at 31 May 2005 there were no shareholders holding more than 3% of the share capital other than the directors.

INTRODUCTION OF THE EURO

The directors have considered the effect of the introduction of a single European currency and do not consider its effect on the company to be material. Any related expenditure is charged to the profit and loss account as incurred.

AUDITORS

Hazlewoods LLP were appointed auditors to the company in the year and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be appointed will be submitted in the forthcoming Annual General Meeting.

This report was approved by the board on ....24 June 2005.... and signed on its behalf.

....

M S Gurner
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QUINTESSENTIALLY ENGLISH PLC

We have audited the financial statements for the period ended 31 December 2004 which comprise the Profit and Loss Account, the Balance Sheet and the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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, 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 transactions with the Company and other members of the Group is not disclosed.

We read the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QUINTESSENTIALLY ENGLISH PLC

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Hazlewoods LLP

HAZLEWOODS LLP
Chartered Accountants
Registered Auditors
Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

Gloucester

Date: 24 June 2005

QUINTESSENTIALLY ENGLISH PLC

PROFIT AND LOSS ACCOUNT
For the period ended 31 December 2004

	Note	Period ended 31 December 2004 £
Administrative expenses		(79,434)
OPERATING LOSS	2	(79,434)
Interest receivable		6,240
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(73,194)
TAX ON LOSS ON ORDINARY ACTIVITIES	3	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		£ (73,194)
EARNINGS PER SHARE - basic and diluted	4	(0.76)p

All amounts relate to continuing operations.

There were no recognised gains and losses for 2004 other than those included in the profit and loss account.

The notes on pages 9 to 14 form part of these financial statements.

QUINTESSENTIALLY ENGLISH PLC

BALANCE SHEET
As at 31 December 2004

	Note	31 December 2004 £	£
FIXED ASSETS			
Investments	5		2
CURRENT ASSETS			
Cash at bank and in hand		222,604	
CREDITORS: amounts falling due within one year	6	(16,164)	
NET CURRENT ASSETS			206,440
TOTAL ASSETS LESS CURRENT LIABILITIES		£	206,442
CAPITAL AND RESERVES			
Called up share capital	7		111,769
Share premium account	8		167,867
Profit and loss account			(73,194)
EQUITY SHAREHOLDERS' FUNDS	9	£	206,442

The financial statements were approved by the board on ....24 June 2005..... and signed on its behalf.

....

M S Gurner
Director

The notes on pages 9 to 14 form part of these financial statements.

QUINTESSENTIALLY ENGLISH PLC

CASH FLOW STATEMENT
For the period ended 31 December 2004

	Note	Period ended 31 December 2004 £
Net cash flow from operating activities	10	(63,270)
Returns on investments and servicing of finance	11	6,240
Acquisitions and disposals	11	(2)
CASH OUTFLOW BEFORE FINANCING		(57,032)
Financing	11	279,636
INCREASE IN CASH IN THE PERIOD		£ 222,604

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (NOTE 12)
For the period ended 31 December 2004

	Period ended 31 December 2004 £
Increase in cash in the period	222,604
MOVEMENT IN NET FUNDS IN THE PERIOD	222,604
Net funds at 16 January 2004	-
NET FUNDS AT 31 DECEMBER 2004	£ 222,604

The notes on pages 9 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and include the results of the Company's operations, which are described in the Directors' Report, all of which are continuing.

The Company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.3 Fixed asset investments

Fixed asset investments are stated at cost, less any provisions for impairment.

2. OPERATING LOSS

The operating loss is stated after charging:

	Period ended 31 December 2004 £
Operating lease rentals:	
- land and buildings	10,835
Auditors' remuneration	5,875

The Company has no employees.

3. TAXATION

	Period ended 31 December 2004 £
Tax on profit on ordinary activities	£ -

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK applicable to the company (30%). The differences are explained below:

	Period ended 31 December 2004 £
Loss on ordinary activities before tax	(73,194)
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30%	(21,958)
Effects of:	
Expenses not deductible for tax purposes	433
Tax losses carried forward to future periods	21,525
Current tax charge for period (see note above)	£ -

Factors that may affect future tax charges

At the balance sheet date there are unrelieved management expenses carried forward of £71,750 available for relief against future relevant profits.

4. EARNINGS PER SHARE

The calculation of basic loss per ordinary share for the year is based on the loss of £73,194 and 9,635,094 ordinary shares, being the weighted average number of ordinary shares in issue during the period.

5. FIXED ASSET INVESTMENTS

		Shares in group under-takings
		£
Cost		
Additions		2
At 31 December 2004	£	2

Subsidiary undertakings

The following were 100% subsidiary undertakings of the company:

Bealaw (692) Limited	-	incorporated in England & Wales
Bealaw (693) Limited	-	incorporated in England & Wales

The aggregate of the share capital and reserves as at 31 December 2004 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
Bealaw (692) Limited	1	-
Bealaw (693) Limited	1	-

Both subsidiaries were dormant throughout the period.

6. CREDITORS:
Amounts falling due within one year

		31 December 2004
		£
Trade creditors		6,177
Accruals and deferred income		9,987
	£	16,164

7. SHARE CAPITAL

	31 December 2004 £
Authorised	
50,000,000 Ordinary shares of 1p each	£ 500,000
Allotted, called up and fully paid	
11,176,865 Ordinary shares of 1p each	£ 111,769

The issued share capital comprises 11,176,865 Ordinary shares, consisting of 200 shares of 1p each issued as two £1 subscriber Ordinary shares on incorporation and converted into 1p Ordinary shares on 23 February 2004, 6,666,665 Ordinary shares of 1p each issued on 24 February 2004 and 4,510,000 Ordinary shares of 1p each issued on 18 March 2004.

8. RESERVES

Share premium account	£
Premium on shares issued during the period	213,731
Expenses of share issue	(45,864)
At 31 December 2004	£ 167,867

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2004 £
Loss for the period	(73,194)
Shares issued during the period	111,769
Share premium on shares issued (net of expenses)	167,867
Closing shareholders' funds	£ 206,442

10. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 December 2004 £
Operating loss	(79,434)
Increase in creditors	16,164
NET CASH OUTFLOW FROM OPERATIONS	£ (63,270)

11. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period ended 31 December 2004 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	£ 6,240

	Period ended 31 December 2004 £
ACQUISITIONS AND DISPOSALS	
Purchase of fixed asset investments	£ (2)

	Period ended 31 December 2004 £
FINANCING	
Issue of ordinary shares	325,500
Expenses paid in connection with share issue	(45,864)
NET CASH INFLOW FROM FINANCING	£ 279,636

12. ANALYSIS OF CHANGES IN NET DEBT

	16 January 2004 £	Cash flow £	Other non-cash changes £	31 December 2004 £
Cash at bank and in hand:	-	222,604	-	222,604
NET FUNDS	£ -	£ 222,604	£ -	£ 222,604

13. TRANSACTIONS WITH DIRECTORS

During the period, the company incurred £7,059 in accountancy fees payable to Wilder Coe Chartered Accountants, a firm in which R M Coe, a director, is a partner. Included in accruals and trade creditors is an amount of £4,993 owed to Wilder Coe in respect of these services.

14. FINANCIAL INSTRUMENTS

The Company has not used financial instruments, nor has it any exposure to foreign currencies. All assets and liabilities are denominated in sterling. Surplus cash is placed on short term UK money market deposits for periods not exceeding 30 days. There is hence no difference between book and fair value of financial assets and liabilities.

15. ULTIMATE CONTROLLING PARTY

There is no single controlling party or ultimate controlling party of the company at the balance sheet date.