Company No. 03134086

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 5 DECEMBER 1995

TO 31 DECEMBER 1996

FOR

MIC DEVELOPMENTS LIMITED

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MIC DEVELOPMENTS LIMITED

INDEX TO THE FINANCIAL STATEMENTS

	Page
Company Information	1
Report of the Director	2
Report of the Accountants	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7
Trading and Profit and Loss Account	10

MIC DEVELOPMENTS LIMITED

COMPANY INFORMATION

DIRECTOR:	M. Carpenter
SECRETARY:	C. Muller
REGISTERED OFFICE:	38 Lavender Avenue Mitcham Surrey CR4 3HH
ACCOUNTANTS:	Pravin Sodha & Co. Chartered Certified Accountants Registered Auditors 29 Oaklands Way Wallington Surrey SM6 9RR

MIC DEVELOPMENTS LIMITED

REPORT OF THE DIRECTOR

The director presents his report together with the financial statements of the company for the period ended 31 December 1996.

INCORPORATION
The company was incorporated on 5th December 1995 and commenced trading on 1st March 1996.

PRINCIPAL ACTIVITY
The principal activity of the company in the period under review was that of dealers in property and general builders.

REVIEW OF BUSINESS
The results for the period, financial position of the company, and recommended transfer to reserves are as shown in the annexed financial statements.

DIVIDEND
The director recommends that no dividend be paid for the period.

FIXED ASSETS
Details of fixed assets are stated in note 8 to the financial statements.

DIRECTORS
The directors in office during the period and their beneficial interests in the issued share capital were as follows:

Name	Class of Capital	31.12.96	at date of appointment
M. Carpenter (Appointed 06.12.95)	Ordinary £1	50	-
Brighton Director Ltd. (Appointed 05.12.95) (Resigned 06.12.95)		-	-

The directors, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

MIC DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period 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 the financial period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;

- make judgements 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 to operate.

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.

CLOSE COMPANY

In the opinion of the directors the company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

BY ORDER OF THE BOARD:



.....

C. Muller

Secretary

Dated: 25.....September 1997

MIC DEVELOPMENTS LIMITED

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF MIC DEVELOPMENTS LIMITED

We have examined, without carrying out an audit, the financial statements for the period ended 31 December 1996 on pages five to nine.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS
As described in the directors' report the company's directors are responsible for the preparation of the financial statements, and they believe that the company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, to report our opinion, as set out below, to the shareholders.

BASIS OF OPINION
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with auditing standards. Accordingly we do not express an audit opinion on the financial statements. Therefore our examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

OPINION
In our opinion:
a) The financial statements are in agreement with the accounting records kept by the company under section 221;
b) Having regard only to, and on the basis of, the information contained in those accounting records, those financial statements have been drawn up in a manner consistent with the provisions of the Companies Act 1985 specified in section 249C(6); and
c) Having regard only to, and on the basis of, the information contained in those accounting records, the company satisfied the requirements of section 249A(4) for the year and did not, at any time within that year, fall within section 249B(1).

Pravin Sodha & Co.
Chartered Certified Accountants
Registered Auditors
29 Oaklands Way
Wallington
Surrey SM6 9RR

Dated: 25th September 1997

MIC DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the Period Ended 31 December 1996

	Notes	£	£
TURNOVER	2		149,726
Cost of Sales			124,062
GROSS PROFIT			25,664
Administrative Expenses		22,071	
Other Operating Charges		978	
			23,049
OPERATING PROFIT	4		2,615
Interest Receivable	5		41
			2,656
Interest Payable and Similar Charges	6		1,257
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,399
Tax on Profit on Ordinary Activities	7		427
PROFIT FOR THE PERIOD			972
RETAINED PROFIT CARRIED FORWARD			£972

None of the company's activities were acquired or discontinued during the above financial period

The company has no recognised gains or losses other than those stated in the profit and loss account

The notes form part of these financial statements

MIC DEVELOPMENTS LIMITED

BALANCE SHEET
As at 31 December 1996

	Notes	31.12.96 £	£
FIXED ASSETS:			
Tangible Assets	8		4,868
CURRENT ASSETS:			
Stocks	9	24,495	
Debtors	10	4,750	
Cash at Bank		5,995	
		35,240	
CREDITORS: Amounts falling due within one year	11	39,036	
NET CURRENT LIABILITIES			(3,796)
TOTAL ASSETS LESS CURRENT LIABILITIES			£1,072
CAPITAL AND RESERVES:			
Share Capital	12		100
Profit & Loss Account			972
			£1,072

a) The company was entitled to exemption under section 249A(2) of the Companies Act 1985
b) No notice has been deposited under section 249B(2)
c) The directors acknowledge their responsibilities for: i) ensuring that the company keeps accounting records which comply with section 221, and ii) 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 under section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements, so far as applicable to the company.

M. Carpenter - DIRCTOR

- DIRECTOR

Approved by the Board on 25 September 1997

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Period Ended 31 December 1996

1. **ACCOUNTING POLICIES**

Basis of Accounting
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible Fixed Assets
Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

Plant & Machinery	- 20% on reducing balance
Fixtures & Fittings	- 15% on reducing balance
Motor Vehicles	- 25% on reducing balance

Stocks
Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation
Provision is made at appropriate rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

Cash Flow Statement
The Company qualifies as a small company under sections 246 and 247 of the Companies Act 1985. The directors have elected to take advantage of the exemption available under Financial Reporting Standard 1 not to prepare a Cash Flow Statement.

2. **TURNOVER**

The turnover and profit before taxation is attributable to the one principal activity of the company.

3. **STAFF COSTS**

	1996
	£
Wages and Salaries	13,000
National Insurance	1,300
	14,300

NOTES TO THE FINANCIAL STATEMENTS
for the Period Ended 31 December 1996

4. OPERATING PROFIT

The operating profit is stated after charging:

	1996 £
Directors' Emoluments	13,000
Hire of Plant and Machinery	84
Depreciation	972

5. INTEREST RECEIVABLE

	1996 £
Deposit Account Interest	41

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £
Bank Loans, Overdrafts and Other Loans repayable within five years	1,257
	1,257

7. TAXATION

The tax charge on the profit on ordinary activities for the period was as follows:

	1996 £
Based on the adjusted results of the period:	
UK Corporation Tax at current rates	427

The charge for the period has been increased by expenditure not allowable for taxation.

8. TANGIBLE FIXED ASSETS

	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Totals
	£	£	£	£
COST:				
Additions	3,110	1,380	1,350	5,840
DEPRECIATION:				
Charge for Period	518	173	281	972
NET BOOK VALUES:				
As at 31 December 1996	£2,592	£1,207	£1,069	£4,868

NOTES TO THE FINANCIAL STATEMENTS
for the Period Ended 31 December 1996

9. **STOCKS**

	1996 £
Stock of Properties	24,495

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1996 £
Other Debtors	4,750

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1996 £
Directors Current Accounts	33,281
Other Taxes & PAYE	4,328
Taxation	427
Accrued Expenses	1,000
	39,036

12. **CALLED UP SHARE CAPITAL**

			1996 £
Authorised:			
Number:	Class:	Nominal Value:	
1,000	Ordinary	£1	1,000

Allotted, issued and fully paid:			
Number:	Class:	Nominal Value:	
100	Ordinary	£1	100

13. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

The reconciliation of movements in shareholders' funds is as stated in the balance sheet.