REGISTERED NUMBER: 3134086 (England and Wales)

MIC DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

INDEX TO THE FINANCIAL STATEMENTS

MIC DEVELOPMENTS LIMITED

COMPANY INFORMATION

DIRECTOR:	M. Carpenter
SECRETARY:	C. Muller-Carpenter
REGISTERED OFFICE:	21 Cricket Green Mitcham Surrey CR4 4LB
ACCOUNTANTS:	Pravin Sodha & Co. Chartered Certified Accountants Registered Auditors 29 Oaklands Way Wallington Surrey SM6 9RR

REPORT OF THE DIRECTOR

The director presents his report together with the financial statements of the company for the year ended 31 December 2003.

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

REVIEW OF BUSINESS
The results for the year, 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 year (2002 - £8,000).

FIXED ASSETS
Details of fixed assets are stated in note 10 to the financial statements.

DIRECTOR
The director in office during the year and his beneficial interest in the issued share capital was as follows:

Name	Class of Capital	31.12.03	31.12.02
M. Carpenter	Ordinary £1	50	50

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
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 the financial year. 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.

REPORT OF THE DIRECTOR

ACCOUNTANTS
The accountants, Pravin Sodha & Co., will be proposed for re-appointment.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD:

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M. Carpenter
Director

Dated: 10th March 2005

ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF MIC DEVELOPMENTS LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2003 set out on pages five to ten, and you consider that the company is exempt from an audit and a report under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

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

Dated: 10th March 2005

MIC DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2003

	Notes	31.12.03 £	31.12.03 £	31.12.02 £	31.12.02 £
TURNOVER	2		1,109,034		600,265
Cost of Sales			853,749		520,596
GROSS PROFIT			255,285		79,669
Administrative Expenses		84,083		39,788	
Other Operating Charges		216,419		1,406	
			300,502		41,194
			(45,217)		38,475
Other Operating Income	3		-		100
OPERATING (LOSS)/PROFIT	5		(45,217)		38,575
Interest Receivable	6		1,315		1,466
			(43,902)		40,041
Interest Payable and Similar Charges	7		135		1,051
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(44,037)		38,990
Tax on (Loss)/Profit on Ordinary Activities	8		(7,852)		8,408
(LOSS)/PROFIT FOR THE YEAR			(36,185)		30,582
Dividends	9		-		8,000
			(36,185)		22,582
Retained Profit brought forward			34,116		11,534
RETAINED (LOSS)/PROFIT CARRIED FORWARD			£(2,069)		£34,116

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

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

BALANCE SHEET
As at 31 December 2003

	Notes	31.12.03 £	31.12.03 £	31.12.02 £	31.12.02 £
FIXED ASSETS:					
Tangible Assets	10		10,843		9,106
CURRENT ASSETS:					
Stocks	11	89,045		38,950	
Debtors	12	108,648		87,642	
Current Asset Investments		20,035		-	
Cash at Bank		10,992		14,178	
		228,720		140,770	
CREDITORS: Amounts falling due within one year	13	241,532		115,660	
NET CURRENT LIABILITIES			(12,812)		25,110
TOTAL ASSETS LESS CURRENT LIABILITIES			£(1,969)		£34,216
CAPITAL AND RESERVES:					
Share Capital	14		100		100
Profit & Loss Account			(2,069)		34,116
			£(1,969)		£34,216

a) The company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985

b) *No notice has been deposited under section 249B(2) of the Companies Act* in relation to its financial statements for the financial year

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 - DIRECTOR

Approved by the Board on 10th March 2005

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2003

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
Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

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 loss (2002 - profit) before taxation is attributable to the one principal activity of the company.

3. **OTHER OPERATING INCOME**

	2003	2002
	£	£
Rents Received	-	100
	=======	=======

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2003

4. STAFF COSTS

	2003	2002
	£	£
Wages and Salaries	30,860	19,900
National Insurance	2,362	1,555
	33,222	21,455

5. OPERATING (LOSS)/PROFIT

The operating loss (2002 - operating profit) is stated after charging:

	2003	2002
	£	£
Director's Emoluments	12,000	12,000
Hire of Plant and Machinery	32,573	922
Depreciation	3,084	2,713

6. INTEREST RECEIVABLE

	2003	2002
	£	£
Deposit Account Interest	115	-
Other Interest Received	1,200	1,466
	1,315	1,466

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank Loans, Overdrafts and Other Loans repayable within five years	135	1,051
	135	1,051

8. TAXATION

The tax charge on the loss on ordinary activities for the year was as follows:

	2003	2002
	£	£
Based on the adjusted results of the year:		
UK Corporation Tax at current rates	-	7,852
Overprovision in prior years	(7,852)	-
Underprovision in prior years	-	556
	(7,852)	8,408

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2003

9. DIVIDENDS

	2003	2002
	£	£
Dividends Proposed	-	8,000

10. TANGIBLE FIXED ASSETS

	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Totals
	£	£	£	£
COST:				
As at 1 January 2003	4,520	2,555	13,200	20,275
Additions	-	1,954	2,867	4,821
	4,520	4,509	16,067	25,096
DEPRECIATION:				
As at 1 January 2003	3,118	1,251	6,800	11,169
Charge for Year	280	488	2,316	3,084
	3,398	1,739	9,116	14,253
NET BOOK VALUES:				
As at 31 December 2003	£1,122	£2,770	£6,951	£10,843
As at 31 December 2002	£1,402	£1,304	£6,400	£9,106

11. STOCKS

	2003	2002
	£	£
Stock of Properties	-	8,150
Work in Progress	89,045	30,800
	89,045	38,950

12. DEBTORS

	2003	2002
	£	£
Amounts falling due within one year:		
Value Added Tax	-	1,785
Trade Debtors	63,427	33,427
Other Debtors	42,756	49,965
	106,183	85,177
Amounts falling due after more than one year:		
Sundry Loans	2,465	2,465

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

	2003	2002
	£	£
Directors Current Accounts	66,993	67,093
Other Creditors	140,727	20,008
Dividend proposed	-	8,000
Value Added Tax	16,684	-
Other Taxes & PAYE	11,553	5,030
Taxation	-	12,054
Accrued Expenses	5,575	3,475
	241,532	115,660

14. **CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal Value:	2003 £	2002 £
1,000	Ordinary	£1	1,000	1,000

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2003 £	2002 £
100	Ordinary	£1	100	100

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

The reconciliation of movements in shareholders' funds is as stated in the profit and loss account and the balance sheet.