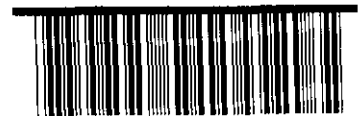


Company Registration No. 1190813 (England and Wales)

**COPY FOR
REGISTRAR OF
COMPANIES**

**MARSHA INTERIORS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2003**



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RICHARD ANTHONY & COMPANY
Chartered Accountants

MARSHA INTERIORS LIMITED

COMPANY INFORMATION

Directors	C W Lewis M K Lewis
Secretary	M K Lewis
Company number	1190813
Registered office	13 Station Road Finchley London N3 2SB
Accountants	Richard Anthony & Company 13 Station Road Finchley London N3 2SB

MARSHA INTERIORS LIMITED

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MARSHA INTERIORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2003

The directors present their report and financial statements for the year ended 31 July 2003.

Principal activities

The principal activity of the company continued to be that of Interior Designers. In the year under review, the Directors acknowledge that a substantial proportion of the company's income was derived from rents.

Directors

The following directors have held office since 1 August 2002:

C W Lewis
M K Lewis

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 July 2003	1 August 2002
C W Lewis	60	60
M K Lewis	140	140

The shareholding of Mr C W Lewis includes a non-beneficial interest of 30 shares.

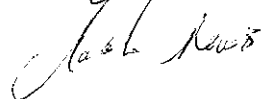
Charitable donations	2003	2002
	£	£

During the year the company made the following payments:

Charitable donations	460	-
	<u> </u>	<u> </u>

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

On behalf of the board



M K Lewis

Director

24 March 2004

MARSHA INTERIORS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF MARSHA INTERIORS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 July 2003, set out on pages 3 to 11 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Richard Anthony Co.

Richard Anthony & Company
Chartered Accountants
13 Station Road
Finchley
London
N3 2SB

7th MAY 2004

MARSHA INTERIORS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2003

	Notes	2003 £	2002 £
Turnover		850	-
Distribution costs		(800)	(2,261)
Administrative expenses		(37,763)	(38,680)
Other operating income		102,104	119,923
Operating profit	2	64,391	78,982
Other interest receivable and similar income		620	1,111
Interest payable and similar charges		(3,610)	(7,984)
Profit on ordinary activities before taxation		61,401	72,109
Tax on profit on ordinary activities	3	(13,442)	(17,855)
Profit on ordinary activities after taxation		47,959	54,254
Dividends		(55,000)	(28,000)
Retained (loss)/profit for the year	10	(7,041)	26,254

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

MARSHA INTERIORS LIMITED

BALANCE SHEET AS AT 31 JULY 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	4 and 5		420,765		419,757
Current assets					
Stocks		13,000		13,000	
Debtors	6	132,948		83,267	
Cash at bank and in hand		18,428		54,456	
		<u>164,376</u>		<u>150,723</u>	
Creditors: amounts falling due within one year	7	<u>(67,097)</u>		<u>(45,395)</u>	
Net current assets			97,279		105,328
Total assets less current liabilities			518,044		525,085
			<u>518,044</u>		<u>525,085</u>
Capital and reserves					
Called up share capital	9		200		200
Revaluation reserve	10		359,123		359,123
Profit and loss account	10		158,721		165,762
Shareholders' funds - equity interests	11		<u>518,044</u>		<u>525,085</u>

In preparing these financial statements:

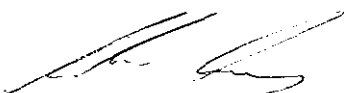
- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

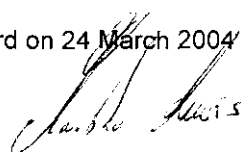
MARSHA INTERIORS LIMITED

BALANCE SHEET AS AT 31 JULY 2003

The financial statements were approved by the Board on 24 March 2004



C W Lewis
Director



M K Lewis
Director

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Boat and trailer	25% on written down value
Fixtures, fittings & equipment	10% on written down value
Motor vehicles	25% on written down value

Investment properties are included in the balance sheet at their open market value as estimated by the directors. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

This accounting policy is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors the treatment adopted is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

2 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	600	468
Directors' emoluments	4,000	3,300

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003

3	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	13,196	18,065
	Adjustment for prior years	58	6
	Current tax charge	13,254	18,071
	Deferred tax		
	Deferred tax charge/credit current year	188	(216)
		13,442	17,855
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	61,401	72,109
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002: 30.00%)	18,420	21,633
	Effects of:		
	Non deductible expenses	154	1,175
	Depreciation add back	180	102
	Capital allowances	(368)	(331)
	Adjustments to previous periods	58	6
	Other tax adjustments	(5,190)	(4,514)
		(5,166)	(3,562)
	Current tax charge	13,254	18,071

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost or valuation	
At 1 August 2002	104,829
Additions	1,608
At 31 July 2003	106,437
Depreciation	
At 1 August 2002	102,246
Charge for the year	600
At 31 July 2003	102,846
Net book value	
At 31 July 2003	3,591
At 31 July 2002	2,583

5 Tangible fixed assets

	Investment properties
	£
Cost or valuation	
At 1 August 2002 & at 31 July 2003	417,174

The valuations of investment properties were made in January 1996 by the director of the company, on an open market basis. No depreciation is provided in respect of these properties. The surplus on Revaluation was transferred to Revaluation Reserve.

On an historical cost basis these would have been included at an original cost of £58,051 (2002 - £58,051).

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003

6 Debtors	2003 £	2002 £
Trade debtors	14,045	11,367
Other debtors	118,875	71,684
Deferred tax asset (see note 8)	28	216
	<u>132,948</u>	<u>83,267</u>

7 Creditors: amounts falling due within one year	2003 £	2002 £
Taxation and social security	31,773	18,006
Other creditors	35,324	27,389
	<u>67,097</u>	<u>45,395</u>

8 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 6) is made up as follows:

	2003 £
Balance at 1 August 2002	(216)
Profit and loss account	188
	<u>(28)</u>
Balance at 31 July 2003	<u>(28)</u>

	2003 £	2002 £
Accelerated capital allowances	<u>(28)</u>	<u>(216)</u>

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003

9 Share capital	2003	2002
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	200	200
	<u> </u>	<u> </u>
10 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 August 2002	359,123	165,762
Retained loss for the year	-	(7,041)
	<u> </u>	<u> </u>
Balance at 31 July 2003	359,123	158,721
	<u> </u>	<u> </u>
11 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit for the financial year	47,959	54,254
Dividends	(55,000)	(28,000)
	<u> </u>	<u> </u>
Net (depletion in)/addition to shareholders' funds	(7,041)	26,254
Opening shareholders' funds	525,085	498,831
	<u> </u>	<u> </u>
Closing shareholders' funds	518,044	525,085
	<u> </u>	<u> </u>

12 Contingent liabilities

The company has, together with two connected companies, Royel Developments Limited and Royel Investments Limited, entered into loan agreements. Each company is jointly and severally liable up to the total amount outstanding. At 31st July 2003, total loan outstanding amounted to £ 3,525,000.

13 Control

The ultimate controlling parties are Mr C W Lewis and Mrs M K Lewis.

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003

14 Related party transactions

Mr C W Lewis and Mrs M K Lewis are both related parties as they are directors of the company. They were not interested during, or at the year end in any contract which was significant in relation to the company's business.

During the year the company made payments on behalf of Royel Investments Limited and Royel Developments Limited, both companies of which the Director, Mr C W Lewis has a material interest, and at the balance sheet date the company was owed £48,344 (2002 £3,622) and £70,308 (2002 £67,258) respectively.

15 Post balance sheet events

There are no significant post Balance Sheet events which materially affect the state of the company's affairs.