1645708

HALLMARK BLINDS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

CONTENTS

HALLMARK BLINDS LIMITED

COMPANY INFORMATION

COMPANY NUMBER:	1645708
DIRECTORS:	D.N. Bush Esq. Mrs G.P. Bush
SECRETARY:	D.N. Bush Esq.
REGISTERED OFFICE:	173 Caledonian Road, London, N1 0SL.
ACCOUNTANTS:	Semaphore Consultants, 8 Somersby Gardens, Redbridge, Ilford, Essex, IG4 5EA.
BANKERS:	Lloyds TSB Bank Plc, 31 Holloway Road, London, N7 8JU.

HALLMARK BLINDS LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and the unaudited Financial Statements for the year ended 31st December 2003.

PRINCIPAL ACTIVITY

The principal activities of the Company are those of the supply and installation of window blinds.

REVIEW OF THE BUSINESS

A summary of the Company's results during the trading year is set out in the attached Financial Statements.

PROPOSED DIVIDEND

The Directors do not recommend payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The Directors who held office throughout the year, and their interests in the shares of the Company, as shown in the Register of Directors' interests, were as stated below:-

	Class of Share	At 31.12.2003	At 31.12.2002
D.N. Bush Esq.	£1 Ordinary	99	99
Mrs G.P. Bush	£1 Ordinary	1	1

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are obliged by law to prepare Financial Statements for each financial year and to present them annually to the Company's Members in Annual General Meeting.

The Financial Statements, of which the form and content is prescribed by the Companies Act, 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit or loss of the Company for that period, and they must comply with applicable accounting standards.

The Directors are also responsible for the adoption of suitable Accounting Policies and their consistent use in the Financial Statements, supported where necessary by reasonable and prudent judgements and estimates, and for applying the going concern basis to the Financial Statements unless it is not appropriate to presume that the Company will continue in business.

The Directors confirm that the above requirements have been complied with in the Financial Statements.

In addition, the Directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

AUDITORS

The Company has availed itself of the exemption from having its Financial Statements audited as permitted by Section 249A(1) of the Companies Act, 1985.

BY ORDER OF THE BOARD

....

Secretary

17th December 2004

HALLMARK BLINDS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2003

	NOTES	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible	5		12,082		15,227
CURRENT ASSETS					
Stock and Work in Progress		9,750		7,000	
Debtors: Amounts falling due within one year	6	75,619		109,352	
Cash at Bank and in Hand		22,660		124	
		108,029		116,476	
CREDITORS: Amounts falling due within one year	7	113,770		153,483	
NET CURRENT LIABILITIES			(5,741)		(37,007)
TOTAL ASSETS LESS CURRENT LIABILITIES			6,341		(21,780)
CREDITORS: Amounts falling due after more than one year	8		46,344		30,000
NET LIABILITIES			£(40,003)		£(51,780)
CAPITAL AND RESERVES					
Called up Share Capital	9		30,100		30,100
Profit and Loss Account			(70,103)		(81,880)
			£(40,003)		£(51,780)

In preparing these modified Accounts:

a) We have relied upon the exemptions for individual accounts under Schedule 8 of the Companies Act 1985.

b) We have done so on the grounds that the Company is entitled to the benefit of those exemptions of a small Company.

c) The Company was entitled to the exemption conferred by Section 249A(1) of the Companies Act, 1985 in respect of the year ended 31st December 2003.

d) No notice has been deposited in accordance with Section 249B(2) of the Companies Act, 1985 *in relation to the Accounts for the year ended 31st December 2003.*

e) We acknowledge our reponisbility 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 31st December 2003 and of its profit for the year ended in accordance *with the requirements of Section 226 of the Companies Act, 1985 and which* otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the Company.

HALLMARK BLINDS LIMITED

BALANCE SHEET (Continued)

AS AT 31ST DECEMBER 2003

These modified Accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act, 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the board

....)
)
) Directors 29/12/ 2004
)
....)

HALLMARK BLINDS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2003

	NOTES	2003		2002	
		£	£	£	£
TURNOVER	1,2		314,581		427,041
COST OF SALES			191,620		277,496
GROSS PROFIT			122,961		149,545
Establishment Expenses		14,407		14,057	
Administrative Expenses		95,687		175,666	
			110,094		189,723
OPERATING PROFIT/(LOSS)	3		12,867		(40,178)
INTEREST RECEIVABLE	12		72		-
			12,939		(40,178)
INTEREST PAYABLE	10		1,162		1,773
PROFIT/(LOSS) ON ORDINARY ACTIVITII before Taxation			11,777		(41,951)
TAXATION	4		-		-
RETAINED PROFIT/(LOSS) FOR THE YEAR			11,777		(41,951)
DEFICIENCY, brought forward			(81,880)		(39,929)
DEFICIENCY, carried forward			£(70,103)		£(81,880)

1. ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company in the preparation of its accounts.

(a) Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention. The Financial Statements have also been prepared on the going concern basis on the assumption that the Directors will, in line with their assurances given to so do, continue to financially support the Company. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small Company as defined by the Companies Act, 1985.

(b) Turnover

Turnover represents the total value, excluding Value Added Tax, of sales during the year.

(c) Depreciation

Depreciation has been provided using the following rates and bases to reduce by annual instalments the cost of the tangible Fixed Assets over their estimated useful lives:-

Motor Vehicles	- 25% of net book value
Plant and Machinery	- 25% of net book value

(d) Stock and Work in Progress

Stock and Work in Progress have been valued by the Directors at the lower of cost and net realisable value.

(e) Deferred Taxation

No deferred taxation has been provided as it is unlikely that a liability or asset will crystallize in the foreseeable future.

(f) Leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the Balance Sheet as a tangible Fixed Asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within Creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the Profit and Loss Account on a straight line basis over the life of the lease.

(g) Pensions

The Company operates a defined contribution pension scheme for its Directors. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents the amounts payable by the Company to the fund in respect of the year.

2. TURNOVER

The turnover and profit before taxation is attributable to the principal activities of the Company.

	2003	2002
	£	£
United Kingdom	314,581	427,041
	£314,581	£427,041

3. OPERATING PROFIT

This is stated, after charging:-		
Directors' Remuneration	11,672	31,011
Depreciation of Tangible Fixed Assets	4,027	6,693

4. TAXATION

Except where either trading loss relief is claimable, or the value of capital expenditure tax allowances exceed adjusted taxable profits, United Kingdom Corporation Tax is provided for at the prevailing Small Companies rate.	£ -	£ -

5. TANGIBLE FIXED ASSETS

	MOTOR VEHICLES	PLANT AND MACHINERY	TOTAL
	£	£	£
COST OR VALUATION			
At 1st January 2003	38,560	5,523	44,083
Additions	-	882	882
At 31st December 2003	38,560	6,405	44,965
DEPRECIATION			
At 1st January 2003	24,736	4,120	28,856
Charge for the Year	3,456	571	4,027
At 31st December 2003	28,192	4,691	32,883
NET BOOK VALUES			
At 31st December 2002	£13,824	£1,403	£15,227
At 31st December 2003	£10,368	£1,714	£12,082

The net book value of Tangible Fixed Assets includes an amount of £Nil (2002 - £10,106) in respect of assets held under hire purchase contracts.

	2003 £	2002 £
6. DEBTORS:		
Amounts falling due within one year:-		
Trade Debtors	59,257	84,025
Other Debtors and Prepayments	16,362	25,327
	£75,619	£109,352
7. CREDITORS:		
Amounts falling due within one year:-		
Bank Overdraft	-	1,933
Bank Loan	4,233	5,857
Trade Creditors	43,872	73,624
Social Security and Other Taxes	29,065	35,187
Corporation Tax (Note 4)	665	665
Directors' Current Accounts	2,126	59
Hire Purchase Obligations	-	1,288
Other Creditors and Accruals	33,809	34,870
	£113,770	£153,483
8. CREDITORS:		
Amounts falling due after more than one year:-		
Bank Loan	16,344	-
Other Creditors	30,000	30,000
	£46,344	£30,000
9. CALLED UP SHARE CAPITAL		
AUTHORISED		
5,000 Ordinary Shares of £1 each	5,000	5,000
30,000 10% Interest Preference Shares of £1 each	30,000	30,000
	£35,000	£35,000
ALLOTTED, ISSUED AND FULLY PAID		
100 Ordinary Shares of £1 each	100	100
30,000 10% Interest Preference Shares of £1 each	30,000	30,000
	£30,100	£30,100
10. INTEREST PAYABLE		
Bank Overdraft Interest	1,028	971
Hire Purchase Interest	134	802
	£1,162	£1,773

11. RELATED PARTY TRANSACTIONS

The Company trades with Blind Trade Supplies Limited, a Company of which D. N. Bush is a Director and in which he has a 75% shareholding. During the year the company supplied goods to Blind Trade Supplies Limited amounting to £Nil (2002 - £150) and purchased goods from Blind Trade Supplies Limited amounted to £11,647 (2002 - £23,944). All of the above-stated transactions were made at arms length prices on normal commercial terms.

12. INTEREST RECEIVABLE

	2003	2002
	£	£
Bank Interest	72	-
	£72	£ -