

COMPANY REGISTRATION NUMBER 3010021

ORCHARD ENTERPRISES (SOUTHERN) LIMITED
FINANCIAL STATEMENTS
FOR
31st JANUARY 2004



SHEEN STICKLAND
CHARTERED ACCOUNTANTS

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31st JANUARY 2004

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ORCHARD ENTERPRISES (SOUTHERN) LIMITED**THE DIRECTOR'S REPORT****YEAR ENDED 31st JANUARY 2004**

The director presents her report and the unaudited financial statements of the company for the year ended 31st January 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the refurbishment of residential property.

THE DIRECTOR AND HER INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with her beneficial interests in the shares of the company was as follows:

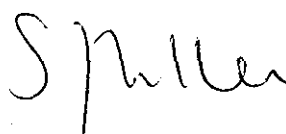
	Ordinary Shares of £1 each	
	At 31 January 2004	At 1 February 2003
S J Cullen	<u>1</u>	<u>1</u>

SMALL COMPANY PROVISIONS

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

Registered office:
The Orchard
Temple Lane
East Meon
Hampshire
GU32 1PZ

Signed by



S J Cullen
Director

Approved by the director on 27th November 2004

ORCHARD ENTERPRISES (SOUTHERN) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31st JANUARY 2004**

	Note	2004 £	2003 £
TURNOVER		392,606	600,356
Cost of sales		<u>398,283</u>	<u>613,398</u>
GROSS LOSS		(5,677)	(13,042)
Administrative expenses		31,430	22,382
Other operating income		<u>—</u>	<u>(173)</u>
OPERATING LOSS	2	(37,107)	(35,251)
Interest receivable		1	2
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(37,106)</u>	<u>(35,249)</u>
Tax on loss on ordinary activities	3	—	(398)
LOSS FOR THE FINANCIAL YEAR		<u>(37,106)</u>	<u>(34,851)</u>
Balance brought forward		<u>4,349</u>	<u>39,200</u>
Balance carried forward		<u>(32,757)</u>	<u>4,349</u>

ORCHARD ENTERPRISES (SOUTHERN) LIMITED**BALANCE SHEET****31st JANUARY 2004**

	Note	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	4		13,226		14,268
CURRENT ASSETS					
Stocks		301,700		178,387	
Debtors	5	13,378		48,582	
Cash at bank		644		39,550	
		<u>315,722</u>		<u>266,519</u>	
CREDITORS: Amounts falling due within one year	6	<u>361,703</u>		<u>276,436</u>	
NET CURRENT LIABILITIES			(45,981)		(9,917)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(32,755)</u>		<u>4,351</u>

The Balance sheet continues on the following page.
The notes on pages 5 to 7 form part of these financial statements.

ORCHARD ENTERPRISES (SOUTHERN) LIMITED**BALANCE SHEET** *(continued)***31st JANUARY 2004**

	Note	2004 £	2003 £
CAPITAL AND RESERVES			
Called-up equity share capital	8	2	2
Profit and loss account		(32,757)	4,349
(DEFICIENCY)/SHAREHOLDERS' FUNDS		<u>(32,755)</u>	<u>4,351</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

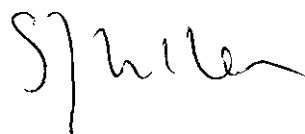
The director acknowledges her responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, 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 in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved and signed by the director on 27th November 2004.

S J CULLEN



ORCHARD ENTERPRISES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st JANUARY 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	- 25% of net book value per annum
Equipment	- 25% of net book value per annum

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

2. OPERATING LOSS

Operating loss is stated after charging:

	2004	2003
	£	£
Director's emoluments	8,004	8,004
Depreciation of owned fixed assets	<u>2,742</u>	<u>3,612</u>

3. TAXATION ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year	—	(398)
Total current tax	<u>—</u>	<u>(398)</u>

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st JANUARY 2004

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Motor Vehicles £	Equipment £	Total £
COST				
At 1st February 2003	5,000	9,150	5,305	19,455
Additions	—	500	1,200	1,700
At 31st January 2004	<u>5,000</u>	<u>9,650</u>	<u>6,505</u>	<u>21,155</u>
DEPRECIATION				
At 1st February 2003	—	3,262	1,925	5,187
Charge for the year	—	1,597	1,145	2,742
At 31st January 2004	<u>—</u>	<u>4,859</u>	<u>3,070</u>	<u>7,929</u>
NET BOOK VALUE				
At 31st January 2004	<u>5,000</u>	<u>4,791</u>	<u>3,435</u>	<u>13,226</u>
At 31st January 2003	<u>5,000</u>	<u>5,888</u>	<u>3,380</u>	<u>14,268</u>

5. DEBTORS

	2004 £	2003 £
Trade debtors	10,810	44,614
VAT recoverable	331	—
Other debtors	398	398
Prepayments and accrued income	1,839	3,570
	<u>13,378</u>	<u>48,582</u>

6. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	6,681	—
Trade creditors	30,845	11,805
Other creditors including taxation and social security:		
Loan	38,975	38,975
PAYE and social security	1,488	763
VAT	—	1,503
Directors current accounts	20,412	2,762
Loan Account DRG	174,379	134,379
Loan Account JSG Trust	85,000	85,000
Other creditors	2,673	—
Accruals and deferred income	1,250	1,249
	<u>324,177</u>	<u>264,631</u>
	<u>361,703</u>	<u>276,436</u>

ORCHARD ENTERPRISES (SOUTHERN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31st JANUARY 2004**

7. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current and previous year.

During the year the company received services valued at £4,031 from Orchard Ayres Limited, a company which is a related party of the Director S Cullen. These transactions were on an arms length basis and the balance due to Orchard Ayres Limited was £2,008

8. SHARE CAPITAL**Authorised share capital:**

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>