LILY GARDNER LIMITED

Company No: 3783621

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

For the Year ended 30th June 2004





JDA Tax & Accountancy Services Ltd

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LILY GARDNER LTD

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LILY GARDNER LIMITED

DIRECTOR'S REPORT For the Year Ended 30th June 2004

The Director presents her report and financial statements for the year ended 30th June 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of marketing jewellery.

Director

The following director has held office throughout the year. Ms Adrienne Gardner

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary Shares of £1 each
Ms Adrienne Gardner	2

Results & Dividends
Details of the profit for the year are set out in the profit and loss account on page 3. The Director is recommending that no dividend be paid.

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985.

By order of the board

Adrienne Gardner

Director

24/06/05

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF LILY GARDNER LIMITED

We report on the accounts for the period ended 30th June 2004 as set out on pages 3 to 7.

Respective responsibilities of the Director and reporting Accountants

As described on page 4 the Company's Director is responsible for the preparation of the accounts, and she considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the company as we consider necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

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 accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985.

(b) Having regard only to, and on the basis of, the information contained in those accounting records:

(i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and

(ii) the company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)

JDA Tax & Accountancy Services Ltd

32/34 Trafalgar Road
Portslade, East Sussex

Director

LILY GARDNER LTD

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE 2004

	Notes	£
TURNOVER		43001
Cost of Sales		16800
Gross Profit		26201
Administrative Expenses		16837
Operating Profit	2	9364
Other interest receivable and similar income		0
Profit on ordinary activities before taxation		9364
Dividend paid	1	0
Tax on profit on ordinary activities		0
Profit on ordinary activities after taxation		9364

The profit and loss account has been prepared on the basis that all operations are continuing operations. These activities were again dependant upon the continuing financial support of the Director. Sales have shown a sizeable increase in the subsequent period.

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

LILY GARDNER LTD

BALANCE SHEET AS AT 30TH JUNE 2005

		£	£
Fixed assets			
Tangible assets	**Notes 5**		858
Current assets			
Stock in hand		10500	
Debtors			
Cash at bank and in hand			
		10500	
Creditors: amounts falling due within one year		7737	
Net Current Assets			2763
Creditors: amounts falling due outwith one year			48676
Total liabilities less assets			45055
Capital and reserves			
Called up share capital			2
Profit and loss account – Deficit			45053
Shareholder's funds – equity interests			(45055)

In preparing these financial statements:

(a) The director has taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249a(2)(partial exemption);

(b) that no notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The director acknowledges her 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.

The financial statements were approved by the Board on 24 June 2005

A Gardner

Director

1 **Accounting policies**

1.1 **Accounting convention**
The financial statements are prepared under the historical cost convention.

1.2 **Turnover**
Turnover represent 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 less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its expected useful life, as follows:

Vehicles and equipment	@ 25% Reducing Balance

1.4 **Deferred taxation**
Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

	2004
2 Operating loss	
Operating loss is stated after charging:	
Depreciation of tangible assets	286
Director's emoluments	4728
3 Other interest receivable and similar income	
Bank interest	0
4 Taxation	
U.K. current year taxation	
U.K. corporation tax	0

5	**Tangible fixed assets**	**Equipment**
		£
	At cost	3061
	Depreciation	
	As at 1st July 2003	1917
	Charge for the period	286
	Total	2203
	Net book value	
	At 30th June 2004	858
6.	**Debtors**	
	Trade debtors	0
	Other debtors	0
7.a	**Creditors: amounts falling due within one year**	
	Trade creditors	770
	Taxation and social security	538
	Bank Overdraft	4470
	Bank Loan payable in one year	1959
7b	**Creditors: long term**	
	Director's loan	44453
	Bank Loan payable beyond 1 year	4223

		£
8.	**Share capital**	
	Authorised	
	1000 Ordinary Shares of £1 each	
	100 Non voting A Ordinary shares of £1 each	
	Allotted, called up and fully paid	
	Ordinary Shares of £1 each	2

9. **Statement of movements in shareholder's funds**

	Profit and Loss account £
Retained profit for the period	9364

10. **Reconciliation of movements in shareholder's funds**

Loss brought forward	54421
Profit for the financial period	9364
Dividend voted	0
Closing shareholder's funds	(45057)

LILY GARDNER LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 30TH JUNE 2004

LILY GARDNER LTD

COMPANY INFORMATION

Director	Ms Adrienne Gardner
Secretary	Ms Deborah N Stern
Company Number	3783621
Registered Office	32 Bloemfontein Avenue London W12 7BL
Accountants	JDA Tax & Accountancy Services 32/34 Trafalgar Road Portslade East Sussex BN41 1LD
Business Address	32 Bloemfontein Road
Bankers	NatWest

LILY GARDNER LTD

Income & Expenditure Account

Year ended 30th June 2004

Sales			43001
Refunds		119	
Productive labour		609	
Packaging		1246	
Exhibition & Market Fees		4678	
Opening Stock	7825		
Purchases including Manufacturing	12823		
Less Closing Stock	10500	10148	16800
Gross Profit			26201
Commission	896		
Telephone & Fax	1266		
Stationery/Postage/Computer Supplies	1084		
Courier	644		
Travel & Subsistence	1577		
Bank Charges	835		
Loan Interest	477		
Promotion	4080		
Entertaining	27		
Professional Fees	710		
Remuneration	4728		
Sundries	227		
Depreciation	286		16837
Net Profit			**9364**

LILY GARDNER LTD

Capital Allowances

Year ended 30th June 2004

	Pool
B/fwd	3061
Additions	0
	3061
	No claim
W.D.V. C/fwd	3061

Computation

Profit per accounts	9364
Add entertaining	27
Add depreciation	286
Adjusted Profit	9677

Profit for year	£ 9,677.00
Loss b/fwd	£ 52,445.00
Loss to carry forward	**£ 42,768.00**