

VI-ELLE DEVELOPMENTS LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



Company No. 3854635 (England and Wales)

VI-ELLE DEVELOPMENTS LIMITED

COMPANY INFORMATION

DIRECTORS

Paul James Ellwood
Paul Jonathan Ellwood
Philip Charles Ellwood
Mrs Elizabeth Ellwood

SECRETARY

Mrs Elizabeth Ellwood

COMPANY NUMBER

3854635 (England and Wales)

REGISTERED OFFICE

521 Galleywood Road
Chelmsford
Essex CM2 8AA

ACCOUNTANTS

Barnes Clark of Maldon
Chartered Certified Accountants
Victoria House
88 The Causeway
Maldon
Essex CM9 4LL

VI-ELLE DEVELOPMENTS LIMITED

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VI-ELLE DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

The Directors present their Report and the Financial Statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of Property Development.

DIRECTORS

The Directors beneficial interest in the Shares of the Company is as stated below:

	<u>Ordinary Shares of £1 each</u>	
	<u>31 December 2002</u>	<u>31 December 2001</u>
Paul James Ellwood	8	8
Paul Jonathan Ellwood	2	2
Philip Charles Ellwood	2	2
Mrs Elizabeth Ellwood	8	8

SMALL COMPANY RULES

This report has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to Small Companies.

This Report was approved by the Board on 4 September 2003 and signed on its behalf.


.....

Mrs Elizabeth Ellwood

Company Secretary

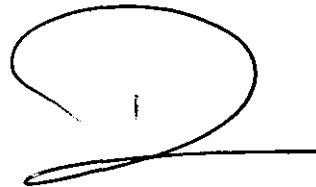
VI-ELLE DEVELOPMENTS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF
VI-ELLE DEVELOPMENTS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2002 set out on pages 3 to 7, 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.

Victoria House
88 The Causeway
Maldon
Essex CM9 4LL

Date: 4 September 2003



BARNES CLARK OF MALDON

Chartered Certified Accountants

VI-ELLE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> £
<u>TURNOVER</u>	1	33,818	242,557
<u>Add: Work in Progress at 31/12/02</u>		380,000	98,500
<u>Less: Work in Progress at 31/12/01</u>		(98,500)	(70,000)
		-----	-----
		315,318	271,057
<u>Less: Cost of Sales</u>		(259,308)	(224,111)
		-----	-----
<u>GROSS PROFIT</u>		56,010	46,946
<u>Administrative Expenses</u>		(11,228)	(10,197)
		-----	-----
<u>OPERATING PROFIT</u>	2	44,782	36,749
<u>Interest Receivable and</u> <u>Similar Income</u>	3	-	86
<u>Interest Payable and Similar Charges</u>		(7,965)	(7,891)
		-----	-----
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		36,817	28,944
<u>TAX ON PROFIT ON ORDINARY</u> <u>ACTIVITIES</u>	4	(6,598)	(3,838)
		-----	-----
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		30,219	25,106
<u>Dividends</u>	5	(18,225)	(16,200)
		-----	-----
<u>RETAINED PROFIT FOR THE YEAR</u>		11,994	8,906
<u>RETAINED PROFITS/(LOSSES) - brought forward</u>		2,920	(5,986)
		-----	-----
<u>RETAINED PROFITS - carried forward</u>		£ 14,914	£ 2,920
		=====	=====

The notes on pages 5 to 7 form part of these Financial Statements.

VI-ELLE DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2002

		31/12/2002	31/12/2001
	Notes	£	£
FIXED ASSETS			
Tangible Assets	6	3,490	1,620
CURRENT ASSETS			
Stock and Work in Progress		460,000	178,500
Debtors	7	7,062	4,042
Cash at Bank and in Hand		-	1,841
		467,062	184,383
CREDITORS Amounts falling due within one year	8	(405,398)	(133,063)
NET CURRENT ASSETS		61,664	51,320
TOTAL ASSETS LESS CURRENT LIABILITIES		65,154	52,940
CREDITORS Amounts falling due after more than one year	9	(50,000)	(50,000)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation	10	(220)	-
NET ASSETS		£ 14,934	£ 2,940
CAPITAL AND RESERVES			
Called Up Share Capital	11	20	20
Profit and Loss Account		14,914	2,920
SHAREHOLDERS' FUNDS		£ 14,934	£ 2,940

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Members holding 10% or more of the nominal value of the Company's Issued Share Capital have not issued a notice requiring an audit. The Directors acknowledge their responsibility for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the Company as at 31 December 2002 and of its Profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the Company.

The Financial Statements, which have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to Small Companies, were approved by the board on 4 September 2003 and signed on its behalf.


Paul James Ellwood
Director

The notes on pages 5 to 7 form part of these Financial Statements.

VI-ELLE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The Financial Statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents Sales of Property and Work Done 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 cost, less estimated residual value of each asset, over their expected useful life, as follows:

Plant and Machinery	10% reducing balance basis
Motor Vehicle	20% reducing balance basis

1.4 Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as Tangible Fixed Assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance Leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in Creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged to profit and loss account as incurred.

1.5 Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Work in progress is valued by the Directors at cost plus any attributable profit, less a provision for any foreseeable losses on developments.

1.6 Deferred Taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

VI-ELLE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2002

2. OPERATING PROFIT 2002 2001

Operating profit is stated after charging:

Depreciation of tangible assets	612	180
Directors' emoluments	-	-
	=====	=====

3. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest Received	-	86
	=====	=====

4. TAXATION

U.K. Corporation Tax	6,378	3,838
Transfer to (from) deferred taxation	220	-
	-----	-----
	£ 6,598	£ 3,838
	=====	=====

5. DIVIDEND

Dividends declared for the year	£ 18,225	£ 16,200
	=====	=====

6. TANGIBLE FIXED ASSETS

Cost

	<u>Motor Vehicles</u>	<u>Plant and Machinery</u>	<u>Total</u>
At 1 January 2002	-	2,000	2,000
Additions	2,000	482	2,482
	-----	-----	-----
At 31 December 2002	£ 2,000	£ 2,482	£ 4,482
	=====	=====	=====

Depreciation

At 1 January 2002	-	380	380
Charge for year	400	212	612
	-----	-----	-----
At 31 December 2002	£ 400	£ 592	£ 992
	=====	=====	=====

Net Book Value

At 31 December 2002	£ 1,600	£ 1,890	£ 3,490
	=====	=====	=====
At 31 December 2001	£ -	£ 1,620	£ 1,620
	=====	=====	=====

7. DEBTORS 2002 2001

Trade Debtors	-	-
Other Debtors	7,062	4,042
	-----	-----
	£ 7,062	£ 4,042
	=====	=====

VI-ELLE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>2002</u>	<u>2001</u>
8. <u>CREDITORS amounts falling due within one year</u>		
Corporation Tax	6,378	3,838
Bank Loans and Overdrafts (Secured)	222,074	10,000
Trade Creditors	4,166	2,100
Taxation and Social Security	1,167	3,000
Other Creditors	5,890	3,000
Directors Loans	165,723	111,125
	-----	-----
	£ 405,398	£ 133,063
	=====	=====

The Bank Loans and overdrafts are secured on the Development Land.

9. CREDITORS: Amounts falling due after more than one year

Directors Loans	£ 50,000	£ 50,000
	=====	=====

10. DEFERRED TAXATION

Balance at 1 January 2002	-	-
Charge (credit) for the year	220	-
	-----	-----
Balance at 31 December 2002	£ 220	£ -
	=====	=====

The provision for deferred taxation is made up of accelerated capital allowances.

The company has applied the FRSSE (effective June 2002) for the first time in these financial statements. As a result, the accounting policy for deferred taxation has been changed and full provision has been made for timing differences arising from accelerated capital allowances, as opposed to the partial provision basis previously used. The application of the new policy has not resulted in any material change to figures reported in previous financial statements and therefore no prior year adjustment has been made. The effect of the change in policy on the current year's profit is not material.

11. SHARE CAPITAL

Authorised

100 Ordinary Shares of £1 each	£ 100	£ 100
	=====	=====

Allotted, Called Up and Fully Paid

20 Ordinary Shares of £1 each	£ 20	£ 20
	=====	=====