

EAKIN MACDONALD & ASSOCIATES LIMITED

REPORT AND ACCOUNTS

31st DECEMBER 2003

FINLEY & PARTNERS
Chartered Accountants
Tubs Hill House
London Road
Sevenoaks, Kent



EAKIN MACDONALD & ASSOCIATES LIMITED

REPORT OF THE DIRECTORS

(Continued)

AUDITORS

A resolution proposing the reappointment of the auditors Finley & Partners, will be submitted to the shareholders at the annual general meeting.

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

By order of the Board

.....
S C Macdonald
Secretary

A handwritten signature in dark ink, appearing to read 'S C Macdonald', is written over a dotted line and extends to the right of the signature block.

24th July 2004

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
EAKIN MACDONALD & ASSOCIATES LIMITED**

We have audited the financial statements of Eakin Macdonald & Associates Limited for the year ended 31st December 2003 which comprise the Profit and Loss Account, Balance Sheet, and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

EAKIN MACDONALD & ASSOCIATES LIMITED

(Continued)

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FINLEY & PARTNERS
Registered Auditor
Chartered Accountants
Sevenoaks, Kent.

27th July 2004

EAKIN MACDONALD & ASSOCIATES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31st DECEMBER 2003**

	Notes	2003 £	2002 £
TURNOVER		844,463	433,882
Administrative expenses		629,973	350,853
OPERATING PROFIT	2	214,490	83,029
Bank interest received		2,518	609
		217,008	83,638
Bank interest paid		-	186
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		217,008	83,452
Taxation	4	49,713	20,891
PROFIT FOR THE FINANCIAL YEAR		167,295	62,561
Dividends paid		-	25,000
Retained profit for the year		167,295	37,561
Balance brought forward		70,003	32,442
RETAINED PROFIT CARRIED FORWARD		£ 237,298	£ 70,003

EAKIN MACDONALD & ASSOCIATES LIMITED

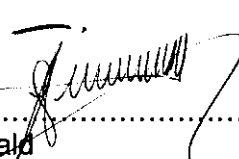
BALANCE SHEET

AT 31st DECEMBER 2003

	Notes	£	2003 £	£	2002 £
TANGIBLE FIXED ASSETS	5		76,905		45,249
CURRENT ASSETS					
Debtors	6	32,100		27,199	
Cash at bank		243,579		28,807	
			<u>275,679</u>	<u>56,006</u>	
CREDITORS: amounts falling due within one year	7	94,375		31,250	
			<u>181,304</u>	<u>24,756</u>	
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>258,209</u>	<u>70,005</u>	
CREDITORS: amounts falling due after more than one year					
Hire purchase liabilities			20,909	-	
			<u>£ 237,300</u>	<u>£ 70,005</u>	
Net assets					
CAPITAL AND RESERVES					
Called up share capital	8		2	2	
Profit and loss account			237,298	70,003	
			<u>£ 237,300</u>	<u>£ 70,005</u>	
Shareholders' funds					

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).


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 K R Eakin)


)
 S C Macdonald) Directors

Approved by the Board: 27th July 2004

EAKIN MACDONALD & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS

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

Turnover comprises the invoice value of services supplied by the company and commissions earned.

Depreciation

Depreciation is provided on all tangible fixed assets at a rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life, as follows:

Motor vehicles	-	over 4 years
Office furniture and equipment	-	25% per annum

2. OPERATING PROFIT

Operating profit, arising on ordinary activities, is stated after charging:

	2003 £	2002 £
Directors remuneration and pension contributions	356,600	210,000
Auditors remuneration	4,000	3,750
Depreciation	31,246	20,777

3. PENSION SCHEMES

The company makes contributions to the personal pensions contracts of both directors and one employee. Contributions in the year amounted to £56,100 (2002: £nil).

4. TAXATION

	2003 £	2002 £
UK Corporation Tax at current rates	49,713	20,697
Adjustment in respect of prior years	-	194
	£ 49,713	£ 20,891

EAKIN MACDONALD & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS

(Continued)

5. TANGIBLE FIXED ASSETS

	Motor Vehicles	Office Furniture & Equipment	Total
	£	£	£
Cost:			
At 1 st January 2003	69,896	11,812	81,708
Additions	107,409	5,289	112,698
Disposals	(75,986)	(6,900)	(82,886)
At 31 st December 2003	101,319	10,201	111,520
Depreciation:			
At 1 st January 2003	29,634	6,825	36,459
Charge for the year	29,169	2,077	31,246
Released on disposal	(28,162)	(4,928)	(33,090)
At 31 st December 2003	30,641	3,974	34,615
Net book value:			
At 31 st December 2003	£ 70,678	£ 6,227	£ 76,905
At 31 st December 2002	£ 40,262	£ 4,987	£ 45,249

The net book value of motor vehicles includes an amount of £60,052 in respect of assets held under hire purchase agreements. The depreciation charge for the year relating to those assets amounted to £20,017.

6. DEBTORS

	2003	2002
	£	£
Trade debtors	7,500	6,624
Prepayments	24,600	20,575
	£ 32,100	£ 27,199

EAKIN MACDONALD & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS

(Continued)

7. CREDITORS: amounts falling due within one year

	2003 £	2002 £
Hire purchasing and leasing liabilities	26,687	-
Debt due within one year	26,687	-
Trade creditors	10,243	3,443
Other creditors	57,445	27,807
	£ 94,375	£ 31,250

8. SHARE CAPITAL

	2003	2002
Authorised 10,000 Ordinary shares of £1 each	£ 10,000	£ 10,000
Allotted, issued and fully paid 2 Ordinary shares of £1 each	£ 2	£ 2

9. OPERATING LEASE COMMITMENT

The company has an annual commitment of £11,943 under a non-cancellable operating lease which expires within one year.

10. RELATED PARTY DISCLOSURES

The company is controlled by the directors.