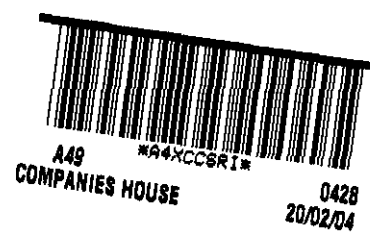

Company No 4416632

SMART PLASTIC CARDS LIMTIED
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2003



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COMPANY INFORMATION

COMPANY NO: 4416632

REGISTERED OFFICE: OAKEN LODGE
OAKEN LANES
CODSALL
WV8 2AH

DIRECTORS: MISS H GILL
MISS K GILL

SECRETARY: MISS K GILL

BANKERS: HSBC BANK PLC
328 HIGH STREET
WEST BROMWICH
B70 8DL

SMART PLASTIC CARDS LIMITED

DIRECTORS REPORT

The Directors present their first Annual Report and the Financial Accounts for the year ended 31 March 2003

Principal Activities

The principal activities of the Company consist of personalisation and production of plastic cards.

Business Review

The company achieved a profit of £61,435 before taxation. The business commenced trading from April 2002 and was previously dormant.

DIVIDENDS

The directors do not recommend payment of a dividend for the year.

DIRECTORS

The Directors who served during the year and their interests in the share capital of the Company were as follows:

	At 31 Mar 2003
Miss H Gill	1
Miss K Gill	1

The shares were issued during the year.

TAX STATUS

In the opinion of the Directors the Close Company provision of Income and Corporation Taxes Act 1988 apply to the Company.

BY ORDER OF THE BOARD



MISS K GILL

DIRECTOR

DATED 20 December 2003

STATEMENT OF DIRECTORS RESPONSIBILITIES

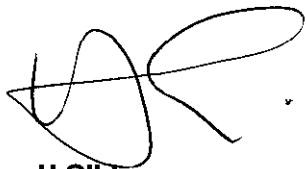
Company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:-

- * select suitable accounting policies and then apply them consistently ;
- * make judgements and estimates that are reasonable and prudent ;
- * state whether applicable accounting standards have been followed ;
- * prepare the financial statements on the going concern basis, unless it is inappropriate that the company will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ACCOUNTANTS REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF SMART
PLASTIC CARDS LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2003 set out on pages 5 to 9, and you consider that the company is exempt from an audit and a report under Section 249 (2) of the Companies Act 1985. 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 explanation supplied to us.



**H GILL
CHARTERED CERTIFIED ACCOUNTANT
WOLVERHAMPTON**

Dated: 20 December 2003

SMART PLASTIC CARDS LIMITED

BALANCE SHEET
as at 31 March 2003

	NOTE	2003 £
FIXED ASSETS	3	<u>275,802</u>
CURRENT ASSETS		
Debtors	4	92,748
Cash in Hand & at Bank		50,513
		<u>143,261</u>
CREDITORS		
Amounts falling due within one year	5	<u>357,626</u>
NET CURRENT ASSETS		<u>(214,365)</u>
Total assets less current liabilities		<u>61,437</u>
NET ASSETS		<u>61,437</u>
CAPITAL AND RESERVES		
Called up share capital	6	2
Profit and Loss Account	7	61,435
SHAREHOLDERS FUNDS	8	<u>61,437</u>

The Directors are satisfied that the Company is entitled to exemption under Section 249A (1) of the Companies Act 1985 and no members have requested an audit pursuant to Section 249B (2) of the Act.

SMART PLASTIC CARDS LIMITED

BALANCE SHEET (continued)
as at 31 March 2003

The Directors acknowledge their responsibilities for: -

- (i) ensuring that the company keep proper 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 of the Companies Act 1985, and which otherwise with the requirements of this Act relating to accounts, so far as applicable to the Company.

The accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 20 December 2003



MISS K GILL
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2003****1 ACCOUNTING POLICIES****Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible Fixed Assets and Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write down would be charged to operating profit unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses.

The principal annual rates used for other assets are: -

Furniture and Equipment	25%
-------------------------	-----

No depreciation has been charged for the year since the assets were acquired during March 2003.

Deferred Taxation

Deferred Taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied in the period. All turnover is derived from the principle activities within the United Kingdom.

2 EMPLOYEES**2003**

Average weekly number of employees, including Directors	Number
---	---------------

Management	2
------------	---

Administration	-
----------------	---

	2
--	---

£

Staff cost, including Directors:

Wages and Salaries	-
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Social Security Costs	-
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	0
--	---

SMART PLASTIC CARDS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2003**3 FIXED ASSETS**

	Plant & Machinery £	Office Equipment £	TOTAL £
COST			
At 1 April 2002	-	-	-
Additions	273,298	2,504	275,802
At 31 March 2003	273,298	2,504	275,802
DEPRECIATION			
At 1 April 2002	-	-	-
Charged in Year	-	-	-
At 31 March 2003	0	0	0
NET BOOK VALUE			
At 31 March 2003	273,298	2,504	275,802

4 DEBTORS

	£
Trade Debtors	23,243
Prepayments	3,700
Vat	65,805
	92,748

5 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade Creditors	50,002
Corporation Tax	-
Directors Loan Account	185,000
Sundry Loans	121,925
Accruals	699
	357,626

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2003**6 SHARE CAPITAL****Authorised**

100 Ordinary Shares of £1 each

100**Allotted, called up and fully paid**

2 Ordinary Shares of £1 each

2**7 RESERVES****Profit & Loss Account**

At 1 April 2002

-

Retained Profit

61,435

At 31 March 2003

61,435**8 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

Profit for the financial year

61,435

Dividends

-

Shares issued in year

261,437

Opening shareholders' funds

-

Closing shareholders' funds

61,437**9 RELATED PARTY TRANSACTIONS**

a) The Company is controlled by the Directors.