

**KAYMAC INTERIORS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2004**

Perrys
Chartered Accountants and
Registered Auditors
32-34 St Johns Road
Tunbridge Wells
Kent
TN4 9NT



KAYMAC INTERIORS LIMITED

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FOR THE YEAR ENDED 31 OCTOBER 2004**

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KAYMAC INTERIORS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2004**

DIRECTORS: K J McCusker Esq
L McMahon Esq

SECRETARIES: D E McCusker Esq
K J McCusker Esq

REGISTERED OFFICE: 12 Old Bond Street
London
W1S 4PW

REGISTERED NUMBER: 04424721

AUDITORS: Perrys
Chartered Accountants and
Registered Auditors
32-34 St Johns Road
Tunbridge Wells
Kent
TN4 9NT

KAYMAC INTERIORS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2004**

The directors present their report with the financial statements of the company for the year ended 31 October 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of interior design and construction.

DIRECTORS

The directors during the period under review were:

K J McCusker Esq
L McMahon Esq

The directors holding office at 31 October 2004 did not hold any beneficial interest in the issued share capital of the company at the date of appointment or 31 October 2004. Their interests in the share of the holding company are dealt with in that companies accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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 those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

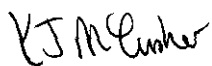
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

The auditors, Perrys, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



K J McCusker Esq - Director

9 August 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF KAYMAC INTERIORS LIMITED

We have audited the financial statements of Kaymac Interiors Limited for the year ended 31 October 2004 on pages five to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 auditors' 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 on page two 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

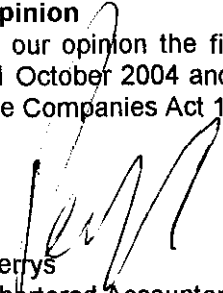
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
KAYMAC INTERIORS LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Perrys
Chartered Accountants and
Registered Auditors
32-34 St Johns Road
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Kent
TN4 9NT

9 August 2005

KAYMAC INTERIORS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2004**

	Notes	2004 £	2003 £
TURNOVER		455,247	1,680,185
Cost of sales		423,388	1,545,771
GROSS PROFIT		31,859	134,414
Administrative expenses		2,636	134,157
OPERATING PROFIT	2	29,223	257
Interest receivable and similar income		-	3
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,223	260
Tax on profit on ordinary activities	3	5,552	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		23,671	260
RETAINED PROFIT FOR THE YEAR		23,671	260

The notes form part of these financial statements

KAYMAC INTERIORS LIMITED

**BALANCE SHEET
31 OCTOBER 2004**

	Notes	2004 £	2003 £
CURRENT ASSETS			
Debtors	4	2,021,573	1,523,053
Cash at bank		1,955	100,369
		<u>2,023,528</u>	<u>1,623,422</u>
CREDITORS			
Amounts falling due within one year	5	1,998,753	1,622,318
		<u>24,775</u>	<u>1,104</u>
NET CURRENT ASSETS			
		<u>24,775</u>	<u>1,104</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,775</u>	<u>1,104</u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account	7	24,774	1,103
		<u>24,775</u>	<u>1,104</u>
SHAREHOLDERS' FUNDS		<u>24,775</u>	<u>1,104</u>

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

ON BEHALF OF THE BOARD:

K J McCusker

K J McCusker Esq - Director

Approved by the Board on 9 August 2005

The notes form part of these financial statements

KAYMAC INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2004

1. ACCOUNTING POLICIES

Accounting convention

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 represents net invoiced sales of goods, excluding value added tax.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2004 £	2003 £
Auditors remuneration	2,000	2,000
Directors' emoluments and other benefits etc	-	-

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2004 £	2003 £
Current tax:		
UK corporation tax	5,552	-
Tax on profit on ordinary activities	5,552	-

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	157,495	194,552
Amounts owed by group undertakings	1,864,078	1,328,501
	2,021,573	1,523,053

KAYMAC INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 OCTOBER 2004

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	1,973,976	1,546,042
Tax	5,552	-
VAT	12,425	65,607
Directors' current accounts	3,000	3,000
Accrued expenses	3,800	7,669
	<u>1,998,753</u>	<u>1,622,318</u>

6. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2004 £	2003 £
1,000	Original	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004 £	2003 £
1	Original	£1	<u>1</u>	<u>1</u>

7. RESERVES

	Profit and loss account £
At 1 November 2003	1,103
Retained profit for the year	<u>23,671</u>
At 31 October 2004	<u>24,774</u>

8. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Inwood Properties plc, registered in England and Wales.

9. TRANSACTIONS WITH DIRECTORS

Included in other creditors is £3,000 owed to the director K J McCusker Esq.

KAYMAC INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2004**

10. RELATED PARTY DISCLOSURES

During the year goods and services were purchased from the parent company, Inwood Properties plc, totalling £Nil (2003 - £126,300). As at the balance sheet date the company was owed £1,475,501 (2003 - £1,328,501) by the parent company, which is included in debtors.

As at the balance sheet date the company was owed £388,577 (2003 - Nil) by the company Kaymac Construction Limited, a company in which K J McCusker and L McMahon are also directors. This amount is included in debtors.