Registration number 4807321

GIANTMICROBES UK LIMITED

Director's report and financial statements

for the period ended 31 December 2003



GIANTMICROBES UK LIMITED

Company information

Director	A Oliver
Secretary	Miss S Oliver
Company number	4807321
Registered office	72 New Bond Street Mayfair London W1S 1RR
Accountants	David Rice and Company 91 Houndiscombe Road Mutley Plymouth PL4 6HB

GIANTMICROBES UK LIMITED

Contents

	Page
Director's report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 7

GIANTMICROBES UK LIMITED

Director's report
for the period ended 31 December 2003

The director presents his report and the financial statements for the period ended 31 December 2003.

Incorporation and change of name
The company was incorporated on 23 June 2003 as GIANTMICROBES UK LIMITED. The company commenced trade on 1 September 2003.

Principal activity
The principal activity of the company is the import and marketing in the UK and Europe of educational soft toys.

Director and interest
The director who served during the period is as stated below:

A Oliver

The company is a wholly owned subsidiary of Giantmicrobes Inc, a company registered in the USA.

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

This report was approved on 15 July 2004

Susan F. Oliver

Miss S Oliver
Secretary

Accountants' report on the unaudited financial statements to the director of GIANTMICROBES UK LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the period ended 31 December 2003 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 financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.

David Rice and Company
Chartered Accountants
91 Houndiscombe Road
Mutley
Plymouth

PL4 6HB

Date: 19 July 2004

GIANTMICROBES UK LIMITED

Profit and loss account
for the period ended 31 December 2003

	Notes	Period ended 31/12/03
		£
Turnover	2	4,807
Cost of sales		(1,887)
Gross profit		2,920
Distribution costs		(3,226)
Administrative expenses		(294)
Profit on ordinary activities before taxation		(600)
Tax on profit on ordinary activities		-
***Profit on ordinary* activities after taxation**		(600)
Retained profit for the period		(600)

The notes on pages 6 to 7 form an integral part of these financial statements.

GIANTMICROBES UK LIMITED

Balance sheet
as at 31 December 2003

	Notes	31/12/03 £	£
Current assets			
Stocks		1,825	
Debtors	3	1,020	
		2,845	
Creditors: amounts falling due within one year	4	(2,445)	
Net current assets			400
Net assets			400
Capital and reserves			
Called up share capital	5		1,000
Profit and loss account			(600)
Shareholders' funds			400

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 7 form an integral part of these financial statements.

Balance sheet (continued)

Director's statements required by Section 249B(4) for the period ended 31 December 2003

In approving these financial statements as director of the company I hereby confirm:

(a) that for the period stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 31 December 2003 and

(c) that I acknowledge my responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are 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).

The financial statements were approved on 15 July 2004

A Oliver
Director

The notes on pages 6 to 7 form an integral part of these financial statements.

Notes to the financial statements for the period ended 31 December 2003

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 the total invoice value, excluding value added tax, of sales made during the year.

1.3. Stock

Stock is valued at the lower of cost and net realisable value.

1.4. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

3. Debtors

	31/12/03 £
Trade debtors	1,020

4. Creditors: amounts falling due within one year

	31/12/03 £
Amounts owed to parent company	2,151
Accruals and deferred income	294
	2,445

..... continued

5. Share capital	31/12/03 £
Authorised	
1,000 Ordinary shares of £1 each	1,000
Allotted, called up and fully paid	
1,000 Ordinary shares of £1 each	1,000

6. Related party transactions

During the period the company imported goods from the USA and supplied by its parent company, Giantmicrobes Inc, at a cost of £3,151.

7. Ultimate parent undertaking

The company is a wholly owned subsidiary of Giantmicrobes Inc, a company registered in the USA.