SPRINGMILE LIMITED

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2003

Company No. 182613

NAPIER GRAY LTD
CHARTERED ACCOUNTANTS

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DIRECTORS AND OFFICERS

DIRECTORS	J S Picken J Picken
SECRETARY	J Batters
BANKERS	Bank of Scotland plc Irvine
ACCOUNTANTS	Napier Gray Ltd Chartered Accountants Glasgow
REGISTERED OFFICE	15 Carmunnock Road Busby Glasgow G76 8SZ

DIRECTORS' REPORT

The directors submit their report together with the financial statements for the year ended 30 September 2003.

RESULTS

The profit and loss account is set out on page 4 and shows the loss for the period.

PRINCIPAL ACTIVITY

The principal activity of the company is that of bingo hall operators.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period and their interest in the ordinary share capital of the company were :

	Ordinary Shares of £1 each	
	30 September 2003	30 September 2002
JS Picken	750	750
J Picken	250	250

SMALL COMPANY DISCLOSURE

In preparing this report the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

BY ORDER OF THE BOARD

J Picken
Director

15 Carmunnock Road
Busby
Glasgow
G76 8SZ

22 July 2004

ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF SPRINGMILE LIMITED

We report on the accounts for the year ended 30 September 2003 set out on pages 4 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 5 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion :

a. The accounts are in agreement with the accounting records kept by the company under S.221 of the Companies Act 1985.

b. Having regard only to, and on the basis of, the information contained in those accounting records :

   i. the accounts have been drawn up in a manner consistent with the accounting requirements specified in S.249C of the Act; and

   ii. the company satisfied the conditions for exemption from an audit of the accounts for the year specified in S.249A(4) of the Act and did not, at any time, within that year, fall within any of the categories of companies not entitled to the exemption specified in S.249B(1).

Napier Gray Ltd
Chartered Accountants

Suite 245 Central Chambers
11 Bothwell Street
Glasgow
G2 6LY

22 July 2004

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2003

	Note	2003 £	2002 £
TURNOVER	2	207,770	203,861
Cost of Sales		29,946	35,807
GROSS PROFIT		177,824	168,054
Administrative expenses		213,985	198,249
		(36,161)	(30,195)
Other operating income		19,275	44,000
OPERATING (LOSS)/PROFIT	3	(16,886)	13,805
Interest payable		134	234
Interest receivable		-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(17,020)	13,571
Taxation on profit on ordinary activities	4	-	750
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(17,020)	12,821
Retained Profit/(Loss) Brought Forward		5,487	(7,334)
RETAINED PROFIT CARRIED FORWARD		(11,533)	5,487

The notes on pages 6 and 8 form part of these financial statements.

BALANCE SHEET AS AT 30 SEPTEMBER 2003

	Note	2003	2002
		£	£
FIXED ASSETS			
Tangible assets	5	2,751	1,841
CURRENT ASSETS			
Stock		900	900
Cash in Bank		12,411	7,809
Debtors	6	38,546	64,708
		51,857	73,417
CREDITORS			
Amounts falling due within one year	7	65,141	68,771
NET CURRENT (LIABILITIES)/ASSETS		(13,284)	4,646
NET ASSETS		(10,533)	6,487
CAPITAL AND RESERVES			
Share capital	8	1,000	1,000
Profit and loss account		(11,533)	5,487
SHAREHOLDERS FUNDS		(10,533)	6,487

The directors have taken advantage of the exemption conferred by section 249A(2) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that :

i) The company keeps accounting records which comply with section 221 of the Companies Act 1985 ;

ii) The financial statements give a true and fair view of the state of affairs of the company as at 30 September 2003 and of its profit or loss for the year then ended in accordance with the requirements section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

These financial statements were approved by the board on 22 July 2004 and signed on its behalf by:

J Picken
Director

The notes on pages 6 and 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The following accounting policies have been applied :

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price less additional costs to disposal.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated using the following methods and rates :

Equipment	- 20% per annum, straight line method

2 TURNOVER

The turnover and operating loss for the period were derived from the company's principal activity which was carried out wholly within the UK.

3 OPERATING PROFIT

	2003	2002
The operating profit is stated after charging :	£	£
Directors remuneration	9,216	9,216
Depreciation	803	460

4 TAXATION ON PROFIT FROM ORDINARY ACTIVITIES

	2003	2002
Based on the profit for the year at 12% (2002: 12%)	£	£
Corporation tax	-	750

5 TANGIBLE ASSETS

	Equipment
Cost	£
As at 30 September 2002	2,301
Additions	1,713
As at 30 September 2003	4,014
Aggregate Depreciation	
As at 30 September 2002	460
Charge for year	803
As at 30 September 2003	1,263
Net Book Value	
As at 30 September 2003	2,751
As at 30 September 2002	1,841

6 DEBTORS

	2003	2002
	£	£
Amount receivable within one year:		
Sundry debtors & prepayments	38,546	64,708

7 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade creditors & accruals	30,566	28,426
Directors loan	14,851	22,328
Corporation tax	750	750
Other taxes and social security	18,974	17,267
	65,141	68,771

8 SHARE CAPITAL

	2003 No.	2002 No.
Authorised ordinary shares of £1 each	1,000	1,000
Issued and fully paid ordinary shares of £1 each	1,000	1,000

9 RELATED PARTY TRANSACTIONS

During the period the company had several transactions with Brooksby Limited. JS Picken and J Picken are directors and shareholders of Brooksby Limited.

The net effect of the various management charges and rents raised/(suffered) are as follows :

Brooksby Limited	(725)

These transactions were made on an arms length basis during the normal course of trading.