

Neric Limited

Unaudited Financial Statements

30th June 2005

Company registration number 1479291



NERIC LIMITED

Report of the Director

The director submits his report and the accounts for the year to 30th June 2005.

1. Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. Results and dividend

The loss for the year after taxation amounted to £10,839. No dividend is recommended. The retained profit has been transferred to reserves.

3. Review of the business and principal activities

The company and its subsidiaries are principally involved in a range of financial activities, including the provision of management and financial advisory services, investment in listed and unlisted stocks and shares and the provision of leasing facilities.

4. Director and his interests

Mr R G Battersby has served as the company's sole director throughout the year. He was interested in the whole of the company's issued A and B shares throughout the year.

5. Small company exemption

This report has been compiled in accordance with the special provisions of part VII of the Companies Act 1985.

Grant Thornton House
202 Silbury Boulevard
Central Milton Keynes
MK9 1LW

1st April 2006

BY ORDER OF THE BOARD


J R G Battersby
Secretary

NERIC LIMITED

Profit and Loss Account

For the year ended 30th June 2005

	Note	2005		2004	
		£	£	£	£
Turnover	2		71,750		131,975
Cost of sales			62,371		98,987
Gross profit			9,379		32,988
Administrative expenses			12,373		11,154
Operating profit	3		- 2,994		21,834
Interest receivable			-		-
Interest payable	4	(7,845)		(7,223)	
			(7,845)		(7,223)
(Loss)/Profit on ordinary activities before taxation	14		(10,839)		14,611
Tax on (loss)/profit on ordinary activities	5		-		20,358
(Loss)/Profit on ordinary activities after taxation			(10,839)		34,969
Retained profit brought forward			49,572		14,603
Retained profit carried forward			£38,733		£ 49,572

There were no recognised gains or losses other than the loss for the financial year.

The notes on pages 5 to 9 form part of these financial statements.

NERIC LIMITED

Balance Sheet at 30th June 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Tangible assets	6		268,608		449,326
Investments in subsidiaries	7		1,424		1,424
			<hr/>		<hr/>
			270,032		450,750
Current assets					
Debtors	8	326,317		215,062	
		<hr/>		<hr/>	
		326,317		215,062	
Creditors: amounts falling due within one year	9	472,751		516,964	
		<hr/>		<hr/>	
Net current liabilities			(146,434)		(301,902)
			<hr/>		<hr/>
Total assets less current liabilities			123,598		148,848
Creditors: amounts falling due after more than one year	10	84,765		99,176	
		<hr/>	84,765	<hr/>	99,176
			<hr/>		<hr/>
			£ 38,833		£ 49,672
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		38,733		49,572
			<hr/>		<hr/>
Shareholders' funds	13		£ 38,833		£ 49,672
			<hr/>		<hr/>

The notes on pages 5 to 9 form part of these financial statements.

NERIC LIMITED

Balance Sheet at 30th June 2005 (continued)


In the opinion of the director for the year ended 30th June 2005, the company was exempt from audit of its financial statements under subsection (1) of section 249A of the Companies Act 1985. No notice has been deposited by members under subsection (2) of section 249B calling for an audit in relation to these financial statements.

I acknowledge my responsibilities for:

- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- 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 year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

The 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).

These financial statements were approved by the sole director on 1st April 2006.



R. G. Battersby
Director

The notes on pages 5 to 9 form part of these financial statements.

NERIC LIMITED

Notes to the Financial Statements

For the year ended 30th June 2005

1. Accounting policies

- a) These financial statements are prepared under the historical cost convention. There have no changes in accounting policies during the year.
- b) The company is part of a small group within the meaning of the Companies Act and is not required to prepare group accounts.
- c) Fee income is credited when earned, exclusive of VAT.
- d) Credit is taken for lease rental income as instalments fall due.
- e) Depreciation is provided on all tangible assets at the following rates per annum on cost:

	<u>Rate</u>
Assets leased to customers	At rates sufficient to write the assets off over the primary period of the lease
Furniture and equipment	15% to 33%

- f) Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates that have been enacted or substantially enacted by the balance sheet date.

2. Turnover and (loss)/profit on ordinary activities

Turnover and (loss)/profit on ordinary activities before taxation arose entirely from the company's financial activities.

3. Operating profit

This is stated after charging/(crediting):

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Directors' remuneration	-	-
Depreciation	24,547	29,708
Rentals receivable in respect of operating leases	(42,750)	(44,525)
	<u> </u>	<u> </u>

The average weekly number of employees was 2 (2004 - 2).

NERIC LIMITED

Notes to the Financial Statements (continued)

For the year ended 30th June 2005

4. Interest payable and similar charges

Interest is payable on bank loans and overdrafts.

5. Tax on (loss)/profit on ordinary activities

There is no tax charge for the year

	<u>2005</u>		<u>2004</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Based on the profit for the year				
Corporation Tax at 19% (2004 - 19%)	-		-	
Deferred taxation	-		(20,358)	
	<u> </u>	-	<u> </u>	(20,358)
Taxation (over)/underprovided in previous year				
Corporation Tax	-		-	
Deferred taxation	-		-	
	<u> </u>	-	<u> </u>	-
		<u> </u>		<u> </u>
	<u>£</u>	-	<u>£</u>	(20,358)
	<u> </u>		<u> </u>	

NERIC LIMITED

Notes to the Financial Statements (continued)

For the year ended 30th June 2005

6. Tangible fixed assets

	Furniture and equipment £	Assets held for leasing £	Total £
Cost			
At 1st July 2004	£ 9,766	£644,107	£653,873
Additions	-	25,829	25,829
Disposals	-	(295,068)	(295,068)
	£ 9,766	£374,868	£384,634
Depreciation			
At 1st July 2004	£ 9,766	£194,781	204,547
Charge for year	-	24,547	24,547
Disposals	-	(113,068)	(113,068)
	£ 9,766	£106,260	£116,026
Net book value at 30th June 2005	£ -	£268,608	£268,608
Net book value at 30th June 2004	£ -	£449,326	£449,326

7. Investments in subsidiaries

The investments in subsidiaries are stated at cost. The company's subsidiary companies, all of which are registered in England and Wales, comprise:

Name	Issued ordinary capital	Percentage owned	Nature of business
Second Neric Limited	£100	100%	Investment company
Neric Finance Limited	£100	80%	Dealing in securities
Falcon Freeholds (Management) Limited	£1,000	100%	Dormant
NML Limited	£2	100%	Dormant
Falcon Freeholds Limited	£100	100%	Dormant

NERIC LIMITED

Notes to the Financial Statements (continued)

For the year ended 30th June 2005

8. Debtors

	<u>2005</u>	<u>2004</u>
	£	£
Trade debtors	31,200	7,025
Amount owed by subsidiaries	292,702	204,746
Other debtors	2,415	3,291
	<u>£326,317</u>	<u>£215,062</u>

9. Creditors: amounts falling due within one year

	<u>2005</u>	<u>2004</u>
	£	£
Current instalments due on bank loans (Note 11)	14,400	14,400
Trade creditors	348,996	392,861
Amount owed to subsidiaries	107,289	106,889
Bank overdraft	2,066	2,814
	<u>£472,751</u>	<u>£516,964</u>

10. Creditors: amounts falling due after one year

	<u>2005</u>	<u>2004</u>
	£	£
Bank loans (Note 11)	84,765	99,176
	<u>£ 84,765</u>	<u>£ 99,176</u>

11. Loans

	<u>2005</u>	<u>2004</u>
	£	£
Wholly repayable within five years	70,365	84,876
Amount due within one year (Note 9)	(14,400)	(14,300)
	<u>£ 84,765</u>	<u>£ 99,176</u>

NERIC LIMITED

Notes to the Financial Statements (continued)

For the year ended 30th June 2005

12. Share capital

	<u>Authorised</u> £	<u>Allotted, called up and fully paid</u> £
"A" ordinary shares of £1 each	250	25
"B" ordinary shares of £1 each	250	25
"C" ordinary shares of £1 each	250	25
"D" ordinary shares of £1 each	250	25
	<hr/>	<hr/>
	1,000	100
	<hr/>	<hr/>

The different types of share rank pari-passu in all respects, save as to dividends, which are at the director's discretion. All issued shares are considered equity shares.

13. Movements in shareholders' funds

	<u>Share capital</u> £	<u>Profit and loss account</u> £	<u>Total</u> £
At 1st July 2003	100	14,603	14,703
Profit for the financial year	-	34,969	34,969
	<hr/>	<hr/>	<hr/>
At 30th June 2004	100	49,572	49,672
(Loss)/Profit for the financial year	-	(10,839)	- 10,839
	<hr/>	<hr/>	<hr/>
At 30th June 2005	£ 100	£ 38,733	£ 38,833
	<hr/>	<hr/>	<hr/>

14. Capital commitments

The company had no capital commitments at either 30th June 2005 or 30th June 2004.

15. Contingent liabilities

There were no contingent liabilities at either 30th June 2005 or 30th June 2004.