

**LANNIS PETA SPIRO LIMITED** 4154950

**REPORT OF THE DIRECTOR**

The Director presents her Report and Financial Statements for the year ended 30 June 2005.

**RESULTS AND DIVIDENDS**

|  | <u>Year Ended</u><br><u>30 June 2005</u> | <u>Year Ended</u><br><u>30 June 2004</u> |
|--|--|--|
|  | £  | £  |
| Net Profit for the Year before Taxation              | 25,386                                   | 1,703                                    |
| Taxation Chargeable for the Year                     | 4,134                                    | 83                                       |
| <b><u>Net Profit for the Year after Taxation</u></b> | <u>21,252</u><br>=====                   | <u>1,620</u><br>=====                    |

The Director recommends the payment of a Dividend of £10,000 per Ordinary Share, amounting to £10,000 for the year. (Year ended 30 June 2004 - £2,500)

**REVIEW OF THE BUSINESS**

The Company's principal activities during the year were Interior Designers.

In the opinion of the Director, the Company's results for the year were satisfactory and should continue to be so.

**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 the affairs of the company and of the profit or loss of the Company for that year. In preparing these 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 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. She 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.

**FIXED ASSETS**

Details of Fixed Assets and changes therein are shown in the Notes annexed to these Financial Statements.

**DIRECTOR AND HER SHARE INTEREST**

The Director during the year and her interest in the Share Capital of the Company throughout the financial year was as follows:

**Ordinary Shares**

L P Spiro

One



**LANNIS PETA SPIRO LIMITED**

**REPORT OF THE DIRECTOR**

**(CONTINUED)**

**SMALL COMPANY EXEMPTION**

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

  
.....  
L P SPIRO - DIRECTOR

Dated: 25/4/06  
.....

**ACCOUNTANTS REPORT TO THE SHAREHOLDERS**  
**ON THE UNAUDITED FINANCIAL STATEMENTS OF**  
**LANNIS PETA SPIRO LIMITED**  
**(4154950)**

We report on the Financial Statements of Lannis Peta Spiro for the year ended 30 June 2005 as set out on Pages four to nine.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS**

As described on Page two, the Company Director is responsible for the preparation of the Financial Statements and she considers 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 Financial Statements 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 purpose of this report. These procedures provide only the assurance expressed in our opinion.

**OPINION**

In our opinion:

1. The Financial Statements are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985.
2. 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 Section 249C(6) of the Act and
  - ii. The Company satisfied the conditions for exemption from an audit of the Financial Statements for the year specified in Section 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 Section 249B(1).

  
.....  
**RICHMAN & COMPANY**  
**CHARTERED ACCOUNTANTS**

.....  
**293 KENTON LANE**  
**HARROW**  
**MIDDLEX**  
**HA3 8RR**  
.....

**Dated:.....25 April 2006.....**

**LANNIS PETA SPIRO LIMITED**  
**BALANCE SHEET AS AT 30 JUNE 2005**

| <u>30 June 2004</u> |            |  | <u>Cost</u>  | <u>Accumulated</u> | <u>Net Book</u> |
|---------------------|------------|--|--------------|--------------------|-----------------|
| £                   | £          |  | £            | £                  | £               |
|                     |            | <b><u>TANGIBLE FIXED ASSETS</u></b> (Note 2) |              |                    |                 |
| 869                 |            | Fixtures Fittings and Office Equipment       | <u>2,033</u> | <u>1,208</u>       | 825             |
|                     |            | <b><u>CURRENT ASSETS</u></b>                 |              |                    |                 |
|                     | 2,079      | Debtors (Note 3)                             |              | 8,217              |                 |
|                     | <u>-</u>   | Cash at Bank                                 |              | <u>63,493</u>      |                 |
| <u>2,079</u>        |            |  |              |                    | <u>71,710</u>   |
| 2,948               |            |  |              |                    | 72,535          |
|                     |            | <b><u>CREDITORS</u></b>                      |              |                    |                 |
| 2,862               |            | Amounts Falling Due Within One Year (Note 4) |              |                    | 61,197          |
| <u>86</u>           |            | <b><u>NET ASSETS</u></b>                     |              |                    | <u>11,338</u>   |
|                     |            | <b><u>FINANCED BY:</u></b>                   |              |                    |                 |
|                     |            | <b><u>SHARE CAPITAL</u></b>                  |              |                    |                 |
|                     |            | Authorised                                   |              |                    |                 |
|                     | <u>100</u> | 100 Ordinary Shares of £1 Each               |              | <u>100</u>         |                 |
|                     |            | Called Up and Fully Paid:                    |              |                    |                 |
| 1                   |            | 1 Ordinary Share of £1 Each                  |              |                    | 1               |
|                     |            | <b><u>RESERVES</u></b>                       |              |                    |                 |
| 85                  |            | Profit and Loss Account                      |              |                    | 11,337          |
| <u>86</u>           |            |  |              |                    | <u>11,338</u>   |

**LANNIS PETA SPIRO LIMITED**  
**BALANCE SHEET AS AT 30 JUNE 2005**  
**(CONTINUED)**

**DIRECTOR'S STATEMENTS ON UNAUDITED ACCOUNTS**

- A. For the year ended 30 June 2005 the Company was entitled to exemption under Section 249a(1) of the Companies Act 1985. No members have required the Company to obtain an audit of its Financial Statements for the year in question in accordance with Section 249b(2).
- B. The Director acknowledges her responsibility for:
- A. Ensuring that the Company keeps proper accounting records which comply with Section 221, and;
  - B. 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 and Loss for the financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirement of the Act relating to the Financial Statements, so far as applicable to the Company.
- C. The Director has taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that in her opinion, the Company is entitled to these exemptions on the basis that it qualifies as a small Company under Section 247.

Approved on Behalf of the Directors By:

  
.....  
L P SPIRO - DIRECTOR

Approved On: 25/4/06  
.....

**LANIS PETA SPIRO LIMITED**  
**STATUTORY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED**  
**30 JUNE 2005**

**Year Ended 30 June 2004**

| £              | £        |   | £           | £              |
|----------------|----------|---|-------------|----------------|
| 143,155        |          | Turnover (Note 1 (c))                                       |             | 220,712        |
| <u>127,952</u> |          | <b><u>DEDUCT:</u></b> Cost of Sales                         |             | <u>177,050</u> |
| 15,203         |          | <b><u>GROSS TRADING PROFIT</u></b>                          |             | 43,662         |
| <u>13,013</u>  |          | <b><u>DEDUCT:</u></b> Administrative Expenses (Note 5)      |             | <u>17,024</u>  |
| 2,190          |          | <b><u>OPERATING PROFIT</u></b>                              |             | 26,638         |
| <u>487</u>     |          | <b><u>LESS:</u></b> Interest Payable and Similar Charges    |             | <u>1,252</u>   |
| 1,703          |          | <b><u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b> |             | 25,386         |
|                |          | <b><u>DEDUCT: CORPORATION TAX</u></b> (Note 1(d))           |             |                |
|                | 83       | Corporation Tax on Ordinary Activities                      | 4,217       |                |
|                | <u>-</u> | Adjustment in Respect of Previous Year                      | <u>(83)</u> |                |
| <u>83</u>      |          |   |             | <u>4,134</u>   |
| 1,620          |          | <b><u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u></b>  |             | 21,252         |
| <u>965</u>     |          | <b><u>ADD:</u></b> Retained Profits Brought Forward         |             | <u>85</u>      |
| 2,585          |          |   |             | 21,337         |
| <u>2,500</u>   |          | <b><u>DEDUCT: DIVIDENDS</u></b>                             |             | <u>10,000</u>  |
| <u>85</u>      |          | <b><u>RETAINED PROFITS CARRIED FORWARD</u></b>              |             | <u>11,337</u>  |

**CONTINUING OPERATIONS/TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised Gains or Losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current year.

**LANNIS PETA SPIRO LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED**  
**30 JUNE 2005**

**I. ACCOUNTING POLICIES**

**a. ACCOUNTING CONVENTION**

These Financial Statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**b. DEPRECIATION**

Depreciation of Tangible Fixed Assets is provided for on a straight line basis at rates estimated to write off cost over the period of their useful lives to the business.

The rate of depreciation currently in operation and the amount provided in the year was as follows:

|   | <u>Percentage</u> | <u>Total for Year</u><br>£ |
|---|-------------------|----------------------------|
| Fixtures, Fittings and Office Equipment | 20%               | £406                       |

**c. TURNOVER**

Turnover represents amounts derived from the provision of services falling within the Company's ordinary activities.

**d. DEFERRED TAXATION**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that in the opinion of the Director, there is reasonable probability that the liability will not arise in the foreseeable future.

**e. CASH FLOW**

These Financial Statements do not have a Cash Flow Statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard - 'Cash Flow Statements'

**LANNIS PETA SPIRO LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED**  
**30 JUNE 2005**  
**(Continued)**

**2. TANGIBLE FIXED ASSETS**

|   | <u>Fixtures, Fittings &amp;<br/>Office Equipment</u><br>£ |
|---|---|
| <b>Cost:</b>                                    |   |
| As At 1 July 2004                               | 1,671   |
| Additions in the Year                           | 362   |
| <b><u>As At 30 June 2005</u></b>                | <u>2,033</u>  |
| <b>Depreciation:</b>                            |   |
| As at 1 July 2004                               | 802   |
| Provided During the Year                        | 406   |
| <b>As At 30 June 2005</b>                       | <u>1,208</u>  |
| <b><u>Net Book Value As At 30 June 2005</u></b> | <u>825</u>  |

**3. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                          | <u>30 June 2005</u> | <u>30 June 2004</u> |
|--------------------------|---------------------|---------------------|
|                          | £                   | £                   |
| Trade Debtors            | 8,217               | -                   |
| Amount Due from Director | -                   | 2,079               |
|                          | <u>8,217</u>        | <u>2,079</u>        |
|                          | =====               | =====               |

**4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                       | <u>30 June 2005</u> | <u>30 June 2004</u> |
|---------------------------------------|---------------------|---------------------|
|                                       | £                   | £                   |
| Bank Overdraft (Unsecured)            | -                   | 1,795               |
| Bank Loan (Unsecured)                 | 9,500               | -                   |
| Trade Creditors                       | 18,571              | -                   |
| Sundry Creditors (Including Taxation) | 8,008               | 169                 |
| Accrued Expenses                      | 1,001               | 815                 |
| Corporation Tax Due 1 April 2006      | 4,217               | 83                  |
| Amounts Owed to Director              | 19,900              | -                   |
|                                       | <u>61,197</u>       | <u>2,862</u>        |
|                                       | =====               | =====               |



**LANNIS PETA SPIRO LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED**  
**30 JUNE 2005**  
**(Continued)**

**5. OPERATING PROFIT**

|                               | <u>Year Ended</u><br><u>30 June 2005</u> | <u>Year Ended</u><br><u>30 June 2004</u> |
|-------------------------------|--|--|
|                               | £  | £  |
| <b>Stated after charging:</b> |  |  |
| Director's Remuneration       | 4,750                                    | 4,600                                    |
| Accountancy Charges           | 925                                      | 800                                      |
| Depreciation (Note 1(b))      | 406                                      | 335                                      |

**6. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS**

|   | <u>30 June 2005</u> | <u>30 June 2004</u> |
|---|---------------------|---------------------|
|   | £                   | £                   |
| Profit for the Financial Year after Taxation              | 21,252              | 1,620               |
| Dividend in respect of the Year                           | (10,000)            | (2,500)             |
| Opening Shareholder's Funds at 1 July 2004                | 86                  | 966                 |
| <b><u>Closing Shareholder's Funds at 30 June 2005</u></b> | <u>11,338</u>       | <u>86</u>           |
|   | =====               | =====               |