

REGISTRATION NO. 4663910

PAPILIO DESIGN LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 JUNE 2004



PAPILIO DESIGN LIMITED
COMPANY INFORMATION

Directors

A. Ejaz
A.M.G. Alers-Hankey
S.P.B. Khan

Secretary

S.P.B. Khan

Registration No.

4663910 - Registered in England and Wales

Registered office

22 , Cheddar Way
Hayes
Middlesex UB4 ODZ

Accountants

Wilson Wright & Co.,
Chartered Accountants,
71 Kingsway,
London, WC2B 6ST.

Bankers

HSBC Bank plc

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**PAPILIO DESIGN LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 26 JUNE 2004**

The directors submit their report and the financial statements of the company from its incorporation on 12 February 2003 to 26 June 2004.

Change of Name

On 4th March 2003 the company changed its name from Fuchsia Design Limited to Papilio Design Limited.

Principal Activity

The company designs, produces and sells imitation jewellery, beaded items and ancillary products. Trading commenced on 1st March 2003.

Directors

The directors in office during the period who were all appointed on 12 February 2003, were as follows:

A. Ejaz
A.M.G. Alers-Hankey
SPB Khan

Directors' Interests

The beneficial interests of the directors in office at 26 June 2004 in the shares of the company were as follows:

	Ordinary shares of £1 each	
	26.6.2004	12.2.2003
A.Ejaz	60	60
A.M.G. Alers-Hankey	10	10
SPB Khan	10	10

Directors' Responsibilities

The directors are obliged under company law to prepare financial statements for each financial year.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the company at the end of the financial year, and of the profit or loss for that period, and they must comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements. The directors must 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 also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

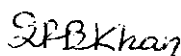
The directors confirm that the above requirements have been complied with in the financial statements.

In addition, the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

Small Company Exemptions

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

BY ORDER OF THE BOARD


.....
S.P.B. Khan
SECRETARY

DATE: 20/12/04

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF PAPILO DESIGN LIMITED

In accordance with the current engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Papilio Design Limited for the period ended 26 June 2004, set out on pages 3 to 6 from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the period ended 26 June 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the period.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Wilson Wright & Co.,
Chartered Accountants,
71 Kingsway,
London, WC2B 6ST.

DATE: 20-12-2004

PAPILIO DESIGN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 26 JUNE 2004

	Notes	£
Turnover		22,979
Cost of sales		10,003
Gross Profit		<u>12,976</u>
Administrative and establishment expenses		16,177
Operating Loss	2	<u>(3,201)</u>
Interest receivable		48
Loss for the Financial Year	9	<u><u>(3,153)</u></u>

PAPILIO DESIGN LIMITED
BALANCE SHEET AT 26 JUNE 2004

	Notes	£	£
Fixed Assets			
Tangible assets	4		1,779
Current Assets			
Debtors	5	12,808	
Cash at bank and in hand		3,431	
		<u>16,239</u>	
Current Liabilities			
Creditors: amounts falling due within one year	6	6,111	
		<u></u>	
Net Current Assets			<u>10,128</u>
Total Assets less Current Liabilities			<u>11,907</u>
Creditors			
Amounts falling due after more than one year	7		14,980
			<u>(3,073)</u>
Capital and Reserves			
Called up share capital	8		80
Profit and loss account	9		(3,153)
			<u>(3,073)</u>
Shareholders' Funds			<u>(3,073)</u>

For the period ended 26 June 2004 the company was entitled to the exemption from audit under Section 249A(1) of the Companies Act 1985; and no notice has been deposited under Section 249B(2).

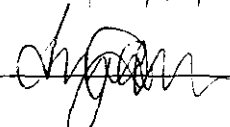
The directors acknowledge their responsibilities for ensuring that the company keeps accounting records, which comply with Section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

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).

Approved by the Board

.....
A. Ejaz
Director

Date: 22/12/04



PAPILIO DESIGN LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 26 JUNE 2004

1 Accounting Policies

1.1 Basis of accounting

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).

1.2 Turnover

Turnover represents invoiced sales of goods and arises solely in the United Kingdom.

1.3 Tangible fixed assets

Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures, fittings & equipment	15/25%
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2 Operating Loss

The operating loss is stated after charging:

Director's emolument	10,000
Depreciation of tangible fixed assets	285

£

3 Related Party Disclosures

Control

The company is controlled by A. Ejaz.

4 Tangible Fixed Assets

	Fixtures, fittings & equipment £
Cost	
Additions	2,064
Depreciation	
Charge for period	285
Net book values	
At 26 June 2004	1,779

PAPILIO DESIGN LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 26 JUNE 2004

5 Debtors

	£
Trade debtors	12,340
Other debtors	468
	<u>12,808</u>

6 Creditors

	£
Amounts falling due within one year:	
Trade creditors	4,141
Amount owed to Director -A. Ejaz	90
Other creditors	1,880
	<u>6,111</u>

7 Creditors

	£
Amounts falling due after more than one year:	
Amounts owed to Directors -	
A.M.G. Alers-Hankey	7,490
S.P.B. Khan	7,490
	<u>14,980</u>

8 Share Capital

	£
Authorised	
100 Ordinary shares of £1 each	<u>100</u>
Allotted, called up and fully paid	
80 Ordinary shares of £1 each	<u>80</u>

On 12 February 2003, 80 ordinary shares of £1 each were issued for cash, at par.

9 Statement of Movements on Reserves

	Profit and loss account £
Loss for the financial year	<u>(3,153)</u>