

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
FOR
CREATE INTERIORS LIMITED**



CREATE INTERIORS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2004**

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CREATE INTERIORS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2004

DIRECTORS: J F Otter
W Allen
J McNabola

SECRETARY: Mrs F Otter

REGISTERED OFFICE: 257b Croydon Road
Beckenham
Kent
BR3 3PS

REGISTERED NUMBER: 4491399

AUDITORS: Edwards Chartered Accountants
257b Croydon Road
Beckenham
Kent
BR3 3PS

CREATE INTERIORS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report with the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of office fit outs.

DIRECTORS

The directors during the year under review were:

J F Otter
W Allen
A Clark - resigned 31.8.04
J McNabola

The directors holding office at 31 December 2004 did not hold any beneficial interest in the issued share capital of the company at 1 January 2004 or 31 December 2004.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 directors are 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 directors are 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. They 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.

AUDITORS

The auditors, Edwards Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



Mrs F Otter - Secretary

11 October 2005

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CREATE INTERIORS LIMITED**

We have audited the financial statements of Create Interiors Limited for the year ended 31 December 2004 on pages four to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Edwards Chartered Accountants
257b Croydon Road
Beckenham
Kent
BR3 3PS

11 October 2005

CREATE INTERIORS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
TURNOVER		3,159,673	2,105,086
Cost of sales		<u>2,816,950</u>	<u>1,532,404</u>
GROSS PROFIT		342,723	572,682
Administrative expenses		<u>537,603</u>	<u>518,843</u>
OPERATING (LOSS)/PROFIT	2	(194,880)	53,839
Interest payable and similar charges		<u>2,459</u>	<u>44</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(197,339)	53,795
Tax on (loss)/profit on ordinary activities	3	<u>(6,845)</u>	<u>12,216</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(190,494)</u>	<u>41,579</u>
(DEFICIT)/RETAINED PROFIT FOR THE YEAR		<u><u>(190,494)</u></u>	<u><u>41,579</u></u>

The notes form part of these financial statements

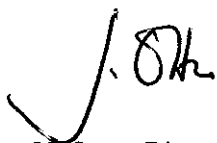
CREATE INTERIORS LIMITED

**BALANCE SHEET
31 DECEMBER 2004**

	Notes	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	4		8,948		7,117
CURRENT ASSETS					
Stocks	5	(49,962)		39,757	
Debtors	6	620,591		465,546	
Cash at bank		-		59,698	
		<u>570,629</u>		<u>565,001</u>	
CREDITORS					
Amounts falling due within one year	7	<u>728,089</u>		<u>528,983</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(157,460)</u>		<u>36,018</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(148,512)</u>		<u>43,135</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
	8		-		1,153
			<u>(148,512)</u>		<u>41,982</u>
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Profit and loss account	10		<u>(148,513)</u>		<u>41,981</u>
SHAREHOLDERS' FUNDS			<u>(148,512)</u>		<u>41,982</u>

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).

ON BEHALF OF THE BOARD:



J F Otter - Director

Approved by the Board on 11 October 2005

CREATE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

1. ACCOUNTING POLICIES

Accounting convention

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).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Long term contracts are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as Turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded Turnover and related costs.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. OPERATING (LOSS)/PROFIT

The operating loss (2003 - operating profit) is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	2,419	1,228
Auditor's remuneration	1,500	1,500
Pension costs	1,718	-
	<u>145,916</u>	<u>165,000</u>
Directors' emoluments and other benefits etc	<u>145,916</u>	<u>165,000</u>

CREATE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2004**

3. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2004 £	2003 £
Current tax:		
UK corporation tax	(5,692)	11,727
Deferred tax	(1,153)	489
Tax on (loss)/profit on ordinary activities	<u>(6,845)</u>	<u>12,216</u>

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2004	1,750	6,728	8,478
Additions	270	3,980	4,250
At 31 December 2004	<u>2,020</u>	<u>10,708</u>	<u>12,728</u>
DEPRECIATION			
At 1 January 2004	99	1,262	1,361
Charge for year	358	2,061	2,419
At 31 December 2004	<u>457</u>	<u>3,323</u>	<u>3,780</u>
NET BOOK VALUE			
At 31 December 2004	<u>1,563</u>	<u>7,385</u>	<u>8,948</u>
At 31 December 2003	<u>1,651</u>	<u>5,466</u>	<u>7,117</u>

5. STOCKS

	2004 £	2003 £
Stocks	-	39,757
Excess payments on account	<u>(49,962)</u>	<u>-</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	514,076	414,835
Amounts owed by group undertakings	70,387	50,711
Other debtors	36,128	-
	<u>620,591</u>	<u>465,546</u>

CREATE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2004**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Bank loans and overdrafts	19,405	-
Trade creditors	668,185	409,612
Taxation and social security	13,291	38,297
Other creditors	27,208	81,074
	<u>728,089</u>	<u>528,983</u>

8. PROVISION FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Deferred tax	-	1,153
	<u>-</u>	<u>1,153</u>
		Deferred tax
		£
Balance at 1 January 2004		1,153
Accelerated capital allowances		<u>(1,153)</u>
Balance at 31 December 2004		<u>-</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2004	2003
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004	2003
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

10. RESERVES

	Profit and loss account
	£
At 1 January 2004	41,981
Deficit for the year	<u>(190,494)</u>
At 31 December 2004	<u>(148,513)</u>

11. ULTIMATE PARENT COMPANY

In the opinion of the directors, the immediate and ultimate parent undertaking is Techcrete Limited, company number 2071631. Copies of their accounts are available to the public from Companies House, Crown Way, Cardiff CF14 3UZ.

CREATE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2004**

12. GOING CONCERN

The company suffered a loss for the year and reports negative shareholders' funds.

The accounts have been prepared on the going concern basis as the directors are confident of the ongoing support of group companies.