

Company Number : 02910754

RANGE SERVANT U.K. LIMITED

DIRECTOR'S REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2004



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RANGE SERVANT U.K. LIMITED

REPORT OF THE DIRECTOR

Company No. 02910754

The Director has pleasure in presenting his report together with the Financial Statements of the Company for the year ended 31st December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of the supply of golfing and ancillary equipment to golf driving ranges.

The Director is disappointed to have to report a loss for the year under review. Due to various economic and financial considerations, the company is likely to significantly curtail its operations in the forthcoming year with a view to achieving profitability.

RESULTS AND DIVIDEND

The results for the year are set out in the Profit and Loss Account on Page 3 of the Financial Statements. The Director cannot recommend a dividend be paid for the year under review.

FIXED ASSETS

Movements in Fixed Assets during the year are summarised in Note 5 to the Financial Statements.

RESEARCH AND DEVELOPMENT

No expenditure has been incurred in respect of research and development.

TAX STATUS

In the opinion of the Director, the Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

CHARITABLE DONATIONS

There were no charitable or political donations in excess of £200 paid during the year.

DIRECTORS AND INTERESTS

The following Director has served throughout the year:

J F Knez-Slovenian

According to the register maintained as required under the Companies Act 1985, the Director had no direct interest in the shares of the company at any time during the year, but does hold a beneficial indirect interest through his shareholding in the holding company.

RANGE SERVANT U.K. LIMITED

REPORT OF THE DIRECTOR (Continued)

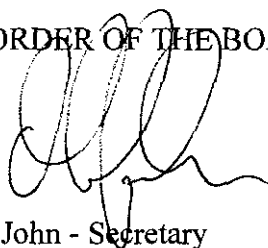
APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Director at a meeting held on 25th April 2005.

AUDITORS

As a result of the Companies Act 1985 (Accounts of Small and Medium-Sized Enterprises and Audit Exemption) (Amendment) Regulations 2004, the company is exempt from appointing an auditor.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'M A John', written over the printed name.

M A John - Secretary

Dated this 25th day of April 2005

RANGE SERVANT U.K. LIMITED

Page 3

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31ST DECEMBER 2004**

<u>2003</u>		<u>Note</u>	<u>£</u>
103,676	TURNOVER - continuing operations	2	544,086
<u>92,496</u>	Cost of Sales		<u>431,159</u>
11,180	GROSS PROFIT		112,927
<u>59,064</u>	Administrative Expenses		<u>144,869</u>
(47,884)	OPERATING LOSS - continuing operations	3	(31,942)
<u>16</u>	INTEREST RECEIVABLE AND SIMILAR INCOME		<u>419</u>
(47,868)	LOSS ON ORDINARY ACTIVITY BEFORE TAXATION		(31,523)
<u>-</u>	Taxation on Loss on Ordinary Activity	4	<u>-</u>
(47,868)	LOSS FOR THE YEAR AFTER TAXATION		(31,523)
(<u>167,437</u>)	Accumulated Losses 31st December 2003		(<u>215,305</u>)
(<u>215,305</u>)	ACCUMULATED LOSSES 31ST DECEMBER 2004		(<u>246,828</u>)

1. There are no recognised gains or losses other than the loss for the financial year.
2. The notes on pages 5 to 5b form part of these Financial Statements.

RANGE SERVANT U.K. LIMITED

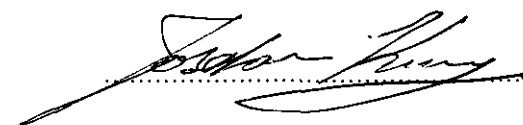
Page 4

BALANCE SHEET AS AT 31ST DECEMBER 2004

AS AT 31.12.03		Note	£	£
	<u>FIXED ASSETS</u>			
1,883	Tangible Assets	5		1,410
	<u>CURRENT ASSETS</u>			
45,471	Stock and Work in Progress	6	130,189	
72,356	Debtors	7	104,748	
1,756	Cash at Bank and in Hand		7,251	
<u>119,583</u>			<u>242,188</u>	
	<u>CREDITORS:</u>			
	<u>Amounts Falling Due Within One Year</u>			
97,658	Other Creditors and Accruals	8	285,200	
<u>21,925</u>	NET CURRENT LIABILITIES			(43,012)
23,808	TOTAL ASSETS LESS CURRENT LIABILITIES			(41,602)
	<u>CREDITORS:</u>			
	<u>Amounts Falling Due After More Than One Year</u>			
239,111	Holding Company Loan	9		205,224
(<u>215,303</u>)				(<u>246,826</u>)
	<u>CAPITAL AND RESERVES</u>			
2	Called Up Share Capital	10		2
(<u>215,305</u>)	Profit and Loss Account - Adverse Balance			(<u>246,828</u>)
(<u>215,303</u>)	SHAREHOLDERS' DEFICIENCY	11		(<u>246,826</u>)

The exemption conferred by Section 249 A (1) not to have these accounts audited applies to the company and the Director confirms that no notice has been deposited under S 249 B(2) of the Companies Act 1985. The Director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and the accounts give a true and fair view of the state of affairs of the company as at 31st December 2004 and of its loss for the year then ended in accordance with the requirements of S226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON 25TH APRIL 2005



J KNEZ - DIRECTOR

The notes on pages 5 to 5b form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

1. **ACCOUNTING POLICIES**

(a) **Accounting Convention**

The attached Financial Statements have been prepared under the historical cost convention and in accordance with all applicable accounting standards.

(b) **Fixed Assets and Depreciation**

Provision for depreciation is made at rates calculated to write off the cost of Fixed Assets over their anticipated useful lives as follows:

Fixtures, Fittings & Equipment - 33 1/3% on a reducing balance basis

(c) **Stock and Work in Progress**

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

(d) **Deferred Taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted. No provision for deferred tax is required this year as the tax losses available exceed the anticipated timing differences.

(e) **Foreign Currency Translation**

Transactions in foreign currencies are converted into sterling using rates of exchange ruling at the date of the transaction. Amounts outstanding at the Balance Sheet date have been converted using the rate applying at that time.

(f) **Cashflow Statement**

As a small company as defined by Section 247 Companies Act 1985, the Company is exempt from preparing a cashflow statement in accordance with FRS1.

2. **TURNOVER AND LOSS**

Turnover is based on the invoiced value of goods and services provided falling within the Company's ordinary activity and is net of value added tax. The turnover and loss is attributable to the sole activity of the Company and is confined to the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<u>2004</u>	<u>2003</u>
	£	£
3. <u>OPERATING LOSS</u>		
(a) The operating loss is arrived at after charging:		
Staff Costs	73,561	21,770
Depreciation - of owned assets	<u>705</u>	<u>942</u>
(b) Staff Costs were incurred as follows:		
Wages and Salaries	66,987	19,624
Social Security Costs	<u>6,574</u>	<u>2,146</u>
	<u>73,561</u>	<u>21,770</u>
4. <u>TAXATION ON LOSS ON ORDINARY ACTIVITY</u>		
No charge to Corporation Tax arises from the results for the year.		
5. <u>FIXED TANGIBLE ASSETS</u>		
	<u>Fixtures, Fittings & Equipment</u>	<u>Total</u>
<u>COST</u>		
As at 31st December 2003	2,825	2,825
Additions in year	<u>232</u>	<u>232</u>
As at 31st December 2004	<u>3,057</u>	<u>3,057</u>
<u>DEPRECIATION</u>		
As at 31st December 2003	942	942
Charge for the year	<u>705</u>	<u>705</u>
As at 31st December 2004	<u>1,647</u>	<u>1,647</u>
<u>NET BOOK VALUES</u>		
As at 31st December 2004	<u>1,410</u>	<u>1,410</u>
As at 31st December 2003	<u>1,883</u>	<u>1,883</u>
6. <u>STOCK AND WORK IN PROGRESS</u>		
Stock of goods for resale valued in accordance with note 1 (c)	<u>130,189</u>	<u>45,471</u>
7. <u>DEBTORS</u>		
Trade Debtors	98,858	67,958
Prepayments and Accrued Income	<u>5,890</u>	<u>4,398</u>
	<u>104,748</u>	<u>72,356</u>
8. <u>CREDITORS: Amounts Falling Due Within One Year</u>		
Trade Creditors	262,056	84,838
Taxation and Social Security	17,438	10,431
Accruals and Deferred Income	<u>5,706</u>	<u>2,389</u>
	<u>285,200</u>	<u>97,658</u>

Included in trade creditors is an amount of £238,552 (2003 : £50,132) due to the holding company in respect of goods supplied.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<u>2004</u> £	<u>2003</u> £
9. <u>CREDITORS: Amounts Falling Due After More Than One Year</u>		
Holding Company Loan	<u>205,224</u>	<u>239,111</u>
The loan is interest-free and has no fixed terms of repayment.		
10. <u>CALLED UP SHARE CAPITAL</u>		
AUTHORISED		
2,500 Ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>
ALLOTTED, ISSUED AND FULLY PAID		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
11. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
Loss for the year	(<u>31,523</u>)	(<u>47,868</u>)
NET DECREASE IN SHAREHOLDERS' FUNDS	(<u>31,523</u>)	(<u>47,868</u>)
Opening shareholders' deficiency	(<u>215,303</u>)	(<u>167,435</u>)
CLOSING SHAREHOLDERS' DEFICIENCY	(<u>246,826</u>)	(<u>215,303</u>)
Equity Interests	(<u>246,826</u>)	(<u>215,303</u>)
12. <u>ULTIMATE PARENT UNDERTAKING</u>		
In the opinion of the Director, the ultimate parent undertaking of Range Servant U.K. Limited is Range Servant AB, a company incorporated in Sweden.		