

CITYLEND LIMITED

Registered No: 2911534

ACCOUNTS FOR THE PERIOD ENDED 31ST AUGUST 2004



Citylend Limited

Accounts

For the Period Ended 31st August 2004

Contents

Page

- | | |
|--------|-------------------------------|
| 1. | Report of the Directors |
| 3. | Profit and Loss Account |
| 4. | Balance Sheet |
| 5 - 6. | Notes and Accounting Policies |

CITYLEND LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 31ST AUGUST 2004

The Directors submit their Annual Report and Accounts for the twelve months ended 31st August 2004.

Principal Activity

The activity of the Company is that of an investment holding company in both Russia and the United Kingdom.

Business Review

In view of the prevailing conditions in Russia, all current activities are being treated with extreme caution. As such it is not possible to predict future direction.

The Directors do not recommend the payment of a dividend.

Post Balance Sheet Events

There have been no events since the end of the Company's financial period which affected the state of affairs at 31st August, 2004.

Directors

The Directors during the period under review and the shares in the Company in which they were beneficially interested at the beginning and end of the period were:

	<u>Ordinary Shares of £1 each</u>	
	<u>31 August 2004</u>	<u>31 August 2003</u>
P Stanley	9599	9599
V Essin	2001	2001
O Solomatina	1001	1001
A Wesson	NIL	NIL

CITYLEND LIMITED

REPORT OF THE DIRECTORS (CONT)

FOR THE PERIOD ENDED 31ST AUGUST 2004

Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that 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 income and expenditure for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the period ended 31 August 2004. The directors also are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

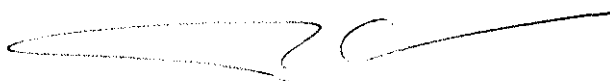
Auditors

The directors have taken advantage of recent legislation such that companies of this size are no longer required to appoint auditors. This action has been ratified by the company's shareholders.

In particular, the directors confirm that:

- (a) for the period ended 31st August 2004 the company was entitled to exemption under subsection (1) of Section 249A of the Companies Act 1985; and
- (b) no notice has been deposited under subsection (2) of Section 249B,

BY ORDER OF THE BOARD



P STANLEY
Director

CITYLEND LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST AUGUST 2004

Notes

	2004	2003
	£	£
Net Profit (loss) for the year	(0)	(18)
Interest payable and similar charges	<hr/>	<hr/>
Profit (Loss) on ordinary activities before taxation	(0)	(18)
Tax on ordinary activities	<hr/>	<hr/>
Net profit (Loss) for the year	(0)	(18)
Investments written off		(16650)
Losses brought forward	(22498)	(5830)
Losses carried forward	<hr/> <hr/> (22498)	<hr/> <hr/> (22498)

CITYLEND LIMITEDBALANCE SHEET AS AT 31ST AUGUST 2004

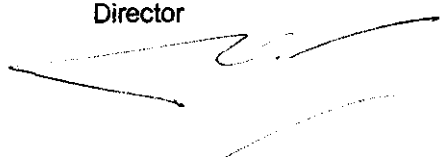
	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	1	NIL	NIL
Less: depreciation			
Investments	2	2	2
		<hr/>	<hr/>
		2	2
Current assets			
Debtors	6		
Cash at bank and in hand		0	0
		<hr/>	<hr/>
Total assets less current liabilities		2	2
		<hr/>	<hr/>
Share capital and reserves			
Share capital	8	22500	22500
Profit and loss account		(22498)	(22498)
		<hr/>	<hr/>
Equity shareholders' funds		2	2
		<hr/>	<hr/>

The Directors have:

- taken advantage of the Companies Act 1985 in not having these accounts audited;
- for the year ended 31st August 2004 the company was entitled to exemption under Section 249A (1) of the Companies Act 1985.
- have confirmed that no notice has been deposited under s249B(2) of the Companies Act 1985;
- acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with s221 of the Companies Act 1985;
- acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its profit for the year then ended in accordance with the requirements of s226, and which otherwise comply with the requirement of this Act relating to accounts, so far as applicable to this company.
- taken advantage of sections 246 and 247 and schedule 8, Companies Act 1985 (as inserted by section 13 and schedule 6, Companies Act 1989) in relation to the provision of information for small and medium sized enterprises.

The accounts on pages 3 and 6 were approved by the board of directors on the 4th December 2004 and signed on its behalf by:

P Stanley
Director



CITYLEND LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31ST AUGUST 2004

1. Principal Accounting Policies

The accounts have been prepared in accordance with applicable Accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Account convention

The accounts have been prepared in accordance with the historical cost convention.

(b) Fixed Assets and Depreciation

The tangible assets represented by motor vehicles were disposed of during 1996. These were previously depreciated at 25% per annum.

2. Investments

Investments were previously stated at cost, however in view of the position in Russia and the unfortunate death of Mr Frank Sheridan who was pursuing these investments it was thought prudent to write down their value to £2 during the year ended 31st August 2003

3. Employees and Directors

The company has no employees and the directors receive no remuneration.

4. Auditors

No auditors have been appointed for the period ended 31st August 2004.

5. Taxation

No corporation tax is payable for the current period.

6. Debtors

Debtors represented amounts due as income from investments and sundry charges and as these could not be recovered they were written off in a previous year.

CITYLEND LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST AUGUST 2004

7. **Creditors:** amounts falling due within one year

The company incurs no debts as the costs are generally met by one of the directors as they occur.

8. **Share capital**

	2004	2003
	£	£
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
Issued, called up and fully paid		
22,500 ordinary shares of £1 each	22,500	22,500
	<u> </u>	<u> </u>