

THE FETHER MILES GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004



THE FETHER MILES GROUP LIMITED

COMPANY INFORMATION

Directors	K.B. Fether R. Miles
Secretary	R. Miles
Company number	3332902
Registered office	29/30 Fitzroy Square London W1T 6LQ

THE FETHER MILES GROUP LIMITED

CONTENTS

	Page
Directors' report	1
Profit and loss account	2
Balance sheet	3 - 4
Notes to the financial statements	5 - 13

THE FETHER MILES GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report and financial statements for the year ended 31 March 2004.

Principal activities and review of the business

The principal activities of the company is that of a holding company and property investment.

The directors are satisfied with the performance of the company for the year under review and look to the future with confidence.

Results and dividends

The results for the year are set out on page 2.

Directors

The following directors have held office since 1 April 2003:

K.B. Fether
R. Miles

Directors' interests

At the beginning and end of the year K.B. Fether held 795 'A' Ordinary shares of £0.10 each and R. Miles owned 605 'B' Ordinary shares of £0.10 each.

The directors do not recommend payment of an ordinary dividend.

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

On behalf of the board



R. Miles

Director

Date: 24.6.04

THE FETHER MILES GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover	2	165,000	165,000
Administrative expenses		(43,621)	(41,171)
Operating profit	3	121,379	123,829
Investment income	4	103,413	25,000
Other interest receivable and similar income		73	-
Interest payable and similar charges	5	(21,548)	(24,078)
Profit on ordinary activities before taxation		203,317	124,751
Tax on profit on ordinary activities	6	(18,461)	(18,687)
Profit on ordinary activities after taxation		184,856	106,064
Dividends	7	(118,605)	(20,000)
Retained profit for the year	14	66,251	86,064

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

THE FETHER MILES GROUP LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	8		325,025		329,889
Investments	9		37,238		37,238
			<u>362,263</u>		<u>367,127</u>
Current assets					
Debtors	10	14,825		34,407	
Cash at bank and in hand		40,641		-	
		<u>55,466</u>		<u>34,407</u>	
Creditors: amounts falling due within one year	11	(94,898)		(65,430)	
Net current liabilities			(39,432)		(31,023)
Total assets less current liabilities			<u>322,831</u>		<u>336,104</u>
Creditors: amounts falling due after more than one year	12		(248,342)		(327,865)
			<u>74,489</u>		<u>8,239</u>
Capital and reserves					
Called up share capital	13		1,540		1,540
Other reserves	14		350		350
Profit and loss account	14		72,599		6,349
Shareholders' funds - equity interests	15		<u>74,489</u>		<u>8,239</u>

THE FETHER MILES GROUP LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

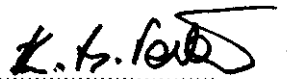
In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 29.6.07



R. Miles
Director



K.B. Fether
Director

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold Property	Straight line over fifty years
Fixtures & equipment	25% Straight line

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	7,621	6,932
	<u> </u>	<u> </u>
 4 Investment income	 2004	 2003
	£	£
Income from shares in group undertakings	103,413	25,000
	<u> </u>	<u> </u>

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

5	Interest payable	2004	2003
		£	£
	On loans repayable after 5 years	21,548	24,078
		<u> </u>	<u> </u>
6	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	19,125	18,687
	Adjustment for prior years	(664)	-
		<u> </u>	<u> </u>
	Current tax charge	18,461	18,687
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	203,317	124,751
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 % (2003 : 19.00 %)	38,630	23,703
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	-	4,826
	Depreciation	1,448	1,317
	Capital allowances	(415)	(274)
	Tax losses utilised	(890)	(6,135)
	Adjustments to previous periods	(664)	-
	Dividends and distributions received	(19,648)	(4,750)
		<u> </u>	<u> </u>
		(20,169)	(5,016)
		<u> </u>	<u> </u>
	Current tax charge	18,461	18,687
		<u> </u>	<u> </u>
	The company has estimated losses of £ 22,727 (2003 : £ 27,409) available for carry forward against future trading profits.		
7	Dividends	2004	2003
		£	£
	Ordinary interim paid	118,605	20,000
		<u> </u>	<u> </u>

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

8 Tangible fixed assets

	Freehold Property £	Fixtures & equipment £	Total £
Cost			
At 1 April 2003	346,605	-	346,605
Additions	-	2,757	2,757
	<hr/>	<hr/>	<hr/>
At 31 March 2004	346,605	2,757	349,362
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2003	16,716	-	16,716
Charge for the year	6,932	689	7,621
	<hr/>	<hr/>	<hr/>
At 31 March 2004	23,648	689	24,337
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2004	322,957	2,068	325,025
	<hr/>	<hr/>	<hr/>
At 31 March 2003	329,889	-	329,889
	<hr/>	<hr/>	<hr/>

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2003 & at 31 March 2004	38,238
Provisions for diminution in value	
At 1 April 2003 & at 31 March 2004	1,000
Net book value	
At 31 March 2004	37,238
At 31 March 2003	37,238

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
FM Design Limited	Great Britain	Ordinary	100
FM Modelmakers Limited	Great Britain	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
FM Design Limited	18,217	71,904
FM Modelmakers Limited	1,000	-

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

10 Debtors	2004 £	2003 £
Amounts owed by subsidiary undertakings	9,966	26,700
Other debtors	4,000	7,707
Prepayments and accrued income	859	-
	<u>14,825</u>	<u>34,407</u>
11 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	-	3,079
Trade creditors	3,744	1,571
Amounts owed to subsidiary undertakings	1,000	2,101
Corporation tax	19,125	18,687
Other taxes and social security costs	-	60
Other creditors	24,012	22,192
Accruals and deferred income	47,017	17,740
	<u>94,898</u>	<u>65,430</u>

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

12 Creditors: amounts falling due after more than one year	2004 £	2003 £
Other loans	248,342	327,865
Analysis of loans		
Wholly repayable within five years	272,354	350,057
	272,354	350,057
Included in current liabilities	(24,012)	(22,192)
	248,342	327,865
Loan maturity analysis		
In more than one year but not more than two years	25,744	23,980
In more than two years but not more than five years	88,919	84,175
In more than five years	133,679	219,710

The building society loan of £272,354 loan is secured by a fixed charge over the company's freehold property.

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

13 Share capital	2004 £	2003 £
Authorised		
8,600 Ordinary shares of £ 1 each	8,600	8,600
795 AA Ordinary shares of 10p each	80	80
605 BB Ordinary shares of 10p each	60	60
795 A Ordinary shares of £ 1 each	795	795
605 B Ordinary shares of £ 1 each	605	605
	<u>10,140</u>	<u>10,140</u>
 Allotted, called up and fully paid		
800 AA Ordinary shares of 10p each	80	80
600 BB Ordinary shares of 10p each	60	60
795 A Ordinary shares of £ 1 each	795	795
605 B Ordinary shares of £ 1 each	605	605
	<u>1,540</u>	<u>1,540</u>

Rights of Shares

The 'AA' Ordinary Shares shall as a class be entitled to a preferential dividend equal to 795/1400 of the profits of the company available for distribution in any financial year excluding capital profits. If there are no 'AA' Ordinary Shares in issue the 'A' Ordinary Shares shall as a class be entitled to the said preferential dividend on the same terms. The 'BB' Ordinary Shares are entitled to same rights in respect of 'B' Ordinary Shares with a preferential dividend ratio of 605/1400.

The remaining profits of the company which are available for distribution and which the company determines to distribute in respect of any financial year shall be distributed only among the holders of Ordinary 'A' and 'B' Shares.

On a return of assets on liquidation or otherwise, any assets remaining after the payment of its liabilities shall be distributed among the holders of ordinary shares but subject thereto shall be distributed amongst the holders of 'A' and 'B' Ordinary Shares only pro rata to the amounts paid up or credited as paid up on such shares held by them.

Every holder of 'A' and 'B' Ordinary Shares shall be entitled to attend and vote at any general meeting of the company with one share representing one vote. The holders of 'AA' and 'BB' Ordinary Shares are not entitled to vote or attend except in relation to a resolution to vary rights attached to these shares which requires the approval of three-quarters of the nominal value of 'AA' and 'BB' Ordinary Shares.

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

14 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2003	350	6,348
Retained profit for the year	-	66,251
	<hr/>	<hr/>
Balance at 31 March 2004	350	72,599
	<hr/>	<hr/>
Other reserves		
Capital redemption reserve		
Balance at 1 April 2003 & at 31 March 2004	350	
	<hr/>	

15 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	184,856	106,064
Dividends	(118,605)	(20,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	66,251	86,064
Opening shareholders' funds	8,239	(77,825)
	<hr/>	<hr/>
Closing shareholders' funds	74,489	8,239
	<hr/>	<hr/>

16 Contingent liabilities

On 27 June 1997 the company entered into a composite guarantee with Barclays Bank Plc whereby there is a right of set off between all bank accounts held by the group companies. At 31 March 2004 the group's net bank borrowings amounted to £Nil (2003: £Nil).

THE FETHER MILES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Administration	3	2
Employment costs		
	£	£
Wages and salaries	3,500	-
Social security costs	-	934
	3,500	934

18 Control

The company is controlled by K.B. Fether and R. Miles.

19 Related party transactions

Included in turnover is a management charge of £15,000 (2003: £15,000) made to FM Design Limited. At the balance sheet date the amount owed by FM Design Limited was £9,966 (2003: £26,700).