

**MIDLAND RESOURCES UK LIMITED**

**DIRECTORS' REPORT**

**AND**

**FINANCIAL STATEMENTS**

**31ST DECEMBER 2008**

TUESDAY



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COMPANIES HOUSE

# MIDLAND RESOURCES UK LIMITED

## Directors

D R Roe  
A. Shnaider  
E. Chifrin

## Secretary and Registered Office

Mrs. M. E. Calvert  
Jubilee Works, Clifton Street  
Miles Platting, Manchester, M40 8JN

## DIRECTORS' REPORT

The directors submit their report financial statements for the year ended 31st December 2008.

### PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The company's principal activity in the year under review was to act as a sales agent for entities participating in the international trade in ferrous metals.

On 30 September 2003, the company withdrew from its agency agreements and ceased trading after experiencing a decline in the attainable turnover within its markets. The directors continue to seek alternative business opportunities through which activities can be expanded. In the interim, the shareholders continue to fund minimal operations.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which 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 of the company for that period. The directors consider that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and confirm that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the Companies Act 1985. The directors also have responsibility for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year are named above.

The interests of the directors in the ordinary share capital of the company during the year was as follows:-

	£1 ordinary shares	
	At 31st December 2008	At 1st January 2008
A. Shnaider	122,500	122,500

None of the remaining directors have a direct beneficial interest in the company.

**MIDLAND RESOURCES UK LIMITED**

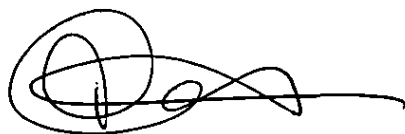
**DIRECTORS' REPORT – CONTINUED**

**AUDITORS**

Due to the cessation of operations, the company is exempt from the statutory requirement for audit of its financial statements.

The above 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**

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line and a small flourish.

**Mrs. M. E. Calvert**  
**Company Secretary**

**22 October 2009**

**MIDLAND RESOURCES UK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31ST DECEMBER 2008**

	Notes	2008 £	2007 £
<b>TURNOVER &amp; OTHER INCOME</b>	1.1	-	3,043
<b>ADMINISTRATIVE EXPENSES</b>		<u>(258,812)</u>	<u>(284,333)</u>
<b>OPERATING LOSS</b>		(258,812)	(281,290)
<b>EXCEPTIONAL ITEM</b>	4	259,000	282,000
<b>INTEREST PAYABLE</b>		-	-
<b>INTEREST RECEIVABLE</b>		-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	188	710
<b>TAXATION</b>		-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE YEAR</b>		188	710
<b>RETAINED LOSS BROUGHT FORWARD</b>		<u>(244,478)</u>	<u>(245,188)</u>
<b>RETAINED LOSS CARRIED FORWARD</b>		<u>£(244,290)</u>	<u>£(244,478)</u>

The notes on pages 5 to 7 form part of these financial statements.

## MIDLAND RESOURCES UK LIMITED

## BALANCE SHEET

AS AT 31ST DECEMBER 2008


	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	5	17,916	26,876
Investments	6	<u>193,473</u>	<u>193,473</u>
		211,389	220,349
<b>CURRENT ASSETS</b>			
Debtors	7	-	6,803
Cash at bank and in hand		<u>16,317</u>	<u>21,785</u>
		16,317	28,588
<b>CREDITORS : Amounts falling due within one year</b>	8	<u>(221,996)</u>	<u>(243,415)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(205,679)</u>	<u>(214,827)</u>
<b>NET ASSETS</b>		<u>£5,710</u>	<u>£5,522</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	250,000	250,000
Profit and loss account		<u>(244,290)</u>	<u>(244,478)</u>
		<u>£5,710</u>	<u>£5,522</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

For the year ended 31 December 2008 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for:

- i) ensuring the company keeps accounting records which comply with section 221; and
- ii) preparing accounts which give a true & fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board on

  
D.R. Roe - Director

22 October 2009

The notes on pages 5 to 7 form part of these financial statements.

**MIDLAND RESOURCES UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31ST DECEMBER 2008**

**1. ACCOUNTING POLICIES**

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) and with applicable Accounting Standards. Any material departures from Accounting Standards are described below.

**1.1 Turnover**

Turnover is the aggregate value of sums received and receivable for consultancy fees and commissions.

**1.2 Depreciation**

Depreciation is provided on all tangible fixed assets in order to write off the cost of the fixed assets over their estimated useful lives as follows :-

Land and buildings	:	10% straight line
Leasehold improvements	:	20% straight line
Computer equipment	:	33 $\frac{1}{3}$ % straight line
Fixtures and fittings	:	20% straight line

**1.3 Investments**

Investments are stated at cost less provision for any permanent diminution in value.

**1.4 Operating Leases**

Rental payments under operating leases are charged directly to the profit and loss account on a straight line basis over the lease term.

**1.5 Pension Costs**

The company operates a defined contribution pension scheme. All pension costs are written off to the profit and loss account when they are incurred.

<b>2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
The profit is stated after charging:		
Depreciation:		
Owned assets	8,960	8,960
	<u>8,960</u>	<u>8,960</u>
<b>3. DIRECTORS AND EMPLOYEES</b>	<b>£</b>	<b>£</b>
The amounts paid to directors in respect of remuneration was as follows:-		
Aggregate emoluments	142,000	142,000
Pension costs	-	-
	<u>£142,000</u>	<u>£142,000</u>

## MIDLAND RESOURCES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

31ST DECEMBER 2008

4. EXCEPTIONAL ITEM	2008 £	2007 £
Waiver of funding loan from related party (Note 10)	£259,000	£282,000
5. TANGIBLE FIXED ASSETS		
	<b>Land and Buildings £</b>	
<b>Cost</b>		
At 1st January 2008	89,596	
Additions	-	
Disposals	-	
At 31st December 2008	<u>89,596</u>	
<b>Depreciation</b>		
At 1st January 2008	62,720	
On disposals	-	
Provided in year	<u>8,960</u>	
At 31st December 2008	<u>71,680</u>	
<b>Net Book Value</b>		
At 31st December, 2008	<u>£17,916</u>	
At 31st December, 2007	<u>£26,876</u>	
6. INVESTMENTS	2008 £	2007 £
Cost at 1st January 2008 and at 31st December 2008	<u>£193,473</u>	<u>£193,473</u>

The company holds 9% of the ordinary share capital of Joint Stock Commercial Bank "Industrialbank", a company registered in the Ukraine.

## MIDLAND RESOURCES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

31ST DECEMBER 2008

<b>7. DEBTORS</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Other debtors	-	6,803
	<u>£ -</u>	<u>£6,803</u>
<b>8. CREDITORS : Amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,562	-
Tax & social security	-	6,866
Amount due to related undertaking	218,434	236,549
	<u>£221,996</u>	<u>£243,415</u>
<b>9. SHARE CAPITAL</b>		
<b>Authorised</b>		
1,000,000 ordinary shares of £1 each	<u>£1,000,000</u>	<u>£1,000,000</u>
<b>Issued, called up and fully paid</b>		
250,000 ordinary shares of £1 each	<u>£250,000</u>	<u>£250,000</u>

**10. RELATED PARTY TRANSACTIONS**

Midland Resources Holding Limited provided funding for the company through an interest free loan. The balance due to MRH at 31st December 2008 was £218,434.33, after irrevocable waiver of £259,000 of the loan balance on 31st December, 2008 (2007 : £236,548.73). This portion of the loan balance was waived by the company's principals, after consultation with the shareholders, in order to maintain the solvency of the company.



**MIDLAND RESOURCES UK LIMITED**  
**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

	2008 £	2007 £
<b>TURNOVER &amp; OTHER INCOME</b>	-	3,043
<b>ADMINISTRATIVE EXPENSES – see page 9</b>	<u>(258,812)</u>	<u>(284,333)</u>
<b>OPERATING LOSS</b>	(258,812)	(281,290)
<b>EXCEPTIONAL ITEM</b>	259,000	282,000
Interest payable	-	-
Interest receivable	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>	<u>£188</u> =====	<u>£710</u> =====

This page does not form part of the financial statements.

## MIDLAND RESOURCES UK LIMITED

## SCHEDULE TO THE PROFIT AND LOSS ACCOUNT

31ST DECEMBER 2008

	2008 £	2007 £
<b>ADMINISTRATIVE EXPENSES</b>		
Directors' remuneration	142,000	142,000
Salaries	35,000	35,000
Social security	21,270	21,324
Rent, rates and service charge	5,628	27,390
Professional fees	670	1,444
Couriers	592	1,124
Telephone and fax	40,968	38,041
Printing, postage and stationery	834	1,105
Office cleaning and maintenance	142	295
Travel and subsistence	2,100	6,544
Entertaining	57	30
Bank charges	296	306
Subscriptions	295	770
Depreciation		
- Flat	8,960	8,960
	<u>£258,812</u>	<u>£284,333</u>

This page does not form part of the financial statements.