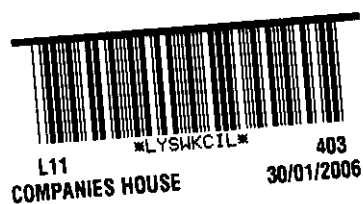


Company Registration No. 3868436 (England and Wales)

COST CUTTING INTERNATIONAL LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004



COST CUTTING INTERNATIONAL LTD

COMPANY INFORMATION

Directors	Robyn Spitz Jane Stapleton
Secretary	R Schweitzer
Company number	3868436
Registered office	38 Wigmore Street London W1U 2HA

COST CUTTING INTERNATIONAL LTD

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COST CUTTING INTERNATIONAL LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

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

Principal activities

The principal activity of the company continued to be that of provision of administrative services.

Directors

The following directors have held office since 1 January 2004:

Robyn Spitz
Jane Stapleton

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	31 December 2004	1 January 2004
Robyn Spitz	-	-
Jane Stapleton	-	-

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



Jane Stapleton

Director

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COST CUTTING INTERNATIONAL LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover	1	7,201	6,649
Administrative expenses		(9,186)	(7,176)
Operating loss		<u>(1,985)</u>	<u>(527)</u>
Interest payable and similar charges		(35)	(20)
Loss on ordinary activities before taxation		<u>(2,020)</u>	<u>(547)</u>
Tax on loss on ordinary activities	2	-	(1)
Loss on ordinary activities after taxation	7	<u><u>(2,020)</u></u>	<u><u>(548)</u></u>

COST CUTTING INTERNATIONAL LTD

BALANCE SHEET AS AT 31 DECEMBER 2004

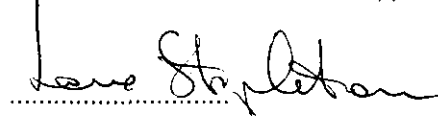
	Notes	2004 £	£	2003 £	£
Fixed assets					
Investments	3		5		5
Current assets					
Debtors	4	6,339		5,060	
Cash at bank and in hand		168		3,354	
		<u>6,507</u>		<u>8,414</u>	
Creditors: amounts falling due within one year	5	<u>(9,361)</u>		<u>(9,248)</u>	
Net current liabilities			<u>(2,854)</u>		<u>(834)</u>
Total assets less current liabilities			<u>(2,849)</u>		<u>(829)</u>
Capital and reserves					
Called up share capital	6		2		2
Profit and loss account	7		<u>(2,851)</u>		<u>(831)</u>
Shareholders' funds			<u>(2,849)</u>		<u>(829)</u>

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.

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).

The financial statements were approved by the Board on



Jane Stapleton
Director

COST CUTTING INTERNATIONAL LTD

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements have been prepared on a going concern basis. The company has obtained undertakings from its shareholders that they will continue to support the company for the foreseeable future and meet all third party liabilities as they fall due. Given this undertaking, the directors consider it appropriate to adopt a going concern basis in preparing the financial statements.

1.2 Turnover

Turnover represents income wholly derived from the company's principal activity.

1.3 Investments

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

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Taxation

	2004	2003
	£	£
Domestic current year tax		
Adjustment for prior years	-	1
	<u>-</u>	<u>1</u>
Current tax charge	<u>-</u>	<u>1</u>

On the basis of these financial statements no provision has been made for corporation tax.

3 Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2004 & at 31 December 2004	<u>5</u>

4 Debtors

	2004	2003
	£	£
Other debtors	<u>6,339</u>	<u>5,060</u>

COST CUTTING INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

5	Creditors: amounts falling due within one year	2004 £	2003 £
	Corporation tax	-	1,020
	Loans from shareholders	1,919	1,919
	Other creditors	5,088	3,192
	Accruals and deferred income	2,354	3,117
		<u>9,361</u>	<u>9,248</u>

6	Share capital	2004 £	2003 £
	Authorised		
	10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
	Allotted, called up and fully paid		
	2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

7	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2004	(831)
	Retained loss for the year	<u>(2,020)</u>
	Balance at 31 December 2004	<u>(2,851)</u>

8 Control

The ultimate controlling party is not known to the director.

9 Related party transactions

The following balances existed with related parties at 31 December 2004:

a) Loan from shareholders - £1,919 (2003 - £1,919).