

Registered no. 4333049

DEVELOPMENT HELL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

STEPHENSON SMART & CO
STEPHENSON HOUSE
15 CHURCH WALK
PETERBOROUGH
PE1 2TP



DEVELOPMENT HELL LIMITED

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DEVELOPMENT HELL LIMITED

AUDITORS' REPORT TO DEVELOPMENT HELL LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5 for the year ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 properly prepared in accordance with those provisions.

Stephenson Smart & Co

STEPHENSON SMART & CO
Registered Auditors

Date: 1 July 2004.

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DEVELOPMENT HELL LIMITED

ABBREVIATED BALANCE SHEET AT 31 DECEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS	2		
Tangible assets		11,779	6,272
CURRENT ASSETS			
Debtors		160,997	3,794
Cash at bank and in hand		201,982	707,789
		<u>362,979</u>	<u>711,583</u>
CREDITORS			
Amounts falling due within one year		<u>(206,077)</u>	<u>(33,643)</u>
NET CURRENT ASSETS		156,902	677,940
NET ASSETS		<u>168,681</u>	<u>684,212</u>
CAPITAL AND RESERVES			
Called up share capital	3	1,850	1,800
Share premium account		800,200	800,200
Profit and loss account		<u>(633,369)</u>	<u>(117,788)</u>
SHAREHOLDERS' FUNDS		<u>168,681</u>	<u>684,212</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 30 June 2004
ON BEHALF OF THE BOARD


J W PERKINS - DIRECTOR

The annexed notes form part of these financial statements.

DEVELOPMENT HELL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Turnover

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

Basis of Preparation of Financial Statements

The full financial statements from which these abbreviated accounts have been extracted, have been prepared in accordance with the Financial Reporting Standard for Small Entities (effective June 2002) under the historical cost convention.

The effect of events in relation to the year ended 31 December 2003 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 2003 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Office equipment	- 20% per annum of written down value
Furniture, fixtures and fittings	- 15% per annum of written down value
Website costs	- Written off over 4 years

Intangible Fixed Assets

Patents and trademarks are capitalised and amortised through the profit and loss account in equal annual instalments over their useful economic lives.

DEVELOPMENT HELL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003 (CONT)

2. FIXED ASSETS

	Intangible fixed assets £	Tangible fixed assets £	Total £
Cost			
At 1 January 2003	1,660	7,787	9,447
Additions	-	8,971	8,971
Disposals	-	(408)	(408)
At 31 December 2003	<u>1,660</u>	<u>16,350</u>	<u>18,010</u>
Depreciation			
At 1 January 2003	1,660	1,515	3,175
Charge for the year	-	3,138	3,138
Disposals	-	(82)	(82)
At 31 December 2003	<u>1,660</u>	<u>4,571</u>	<u>6,231</u>
Net book value			
At 31 December 2003	<u>-</u>	<u>11,779</u>	<u>11,779</u>
At 31 December 2002	<u>-</u>	<u>6,272</u>	<u>6,272</u>

DEVELOPMENT HELL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003 (CONT)

3. SHARE CAPITAL

	2003 £	2002 £
Authorised		
20,000 ordinary shares of £0.10 each	2,000	2,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
18,500 ordinary shares of £0.10 each	1,850	1,800
	<u> </u>	<u> </u>

On the 30 January 2003 the company issued 3 EMI (Enterprise Management Incentive) share option agreements for 1,200 10 pence ordinary shares which can be exercised upon the earliest of the following events at 10 pence per share:

1. Within 12 months following death in service,
2. Within 12 months following the cessation of employment through injury or disability, retirement, transfer or sale of the undertaking or at the directors' discretion,
3. At any time upto the tenth anniversary of the agreement.

On 1 December 2003 500, 10 pence ordinary shares were issued at par value.

4. TRANSACTIONS WITH DIRECTORS

Transactions with Directors

During the year £24,996 was paid to Mrs A Hepworth, the wife of D Hepworth, as a marketing consultant. This amount was invoiced by Mrs Hepworth under normal commercial terms.