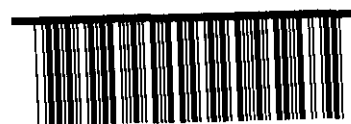


Registered no. 4333049

DEVELOPMENT HELL LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

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



**A40
COMPANIES HOUSE**

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26/05/05**

DEVELOPMENT HELL LIMITED

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DEVELOPMENT HELL LIMITED

INDEPENDENT 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 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

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: *20 May 2005*

STEPHENSON HOUSE
15 CHURCH WALK
PETERBOROUGH
PE1 2TP


DEVELOPMENT HELL LIMITED

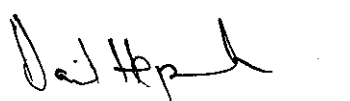
ABBREVIATED BALANCE SHEET AT 31 DECEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS	2		
Tangible assets		7,479	11,779
CURRENT ASSETS			
Debtors		285,343	160,997
Cash at bank and in hand		253,475	201,982
		<u>538,818</u>	<u>362,979</u>
CREDITORS			
Amounts falling due within one year		<u>(316,067)</u>	<u>(206,077)</u>
NET CURRENT ASSETS		<u>222,751</u>	<u>156,902</u>
NET ASSETS		<u>230,230</u>	<u>168,681</u>
CAPITAL AND RESERVES			
Called up share capital	3	2,419	1,850
Share premium account		1,399,631	800,200
Profit and loss account		<u>(1,171,820)</u>	<u>(633,369)</u>
SHAREHOLDERS' FUNDS		<u>230,230</u>	<u>168,681</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 20 May 2005
ON BEHALF OF THE BOARD


.....
J W PERKINS - DIRECTOR


.....
D HEPWORTH - DIRECTOR

The annexed notes form part of these financial statements.

DEVELOPMENT HELL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

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 2004 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 2004 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 2004 (CONT)

2. FIXED ASSETS

	Intangible fixed assets £	Tangible fixed assets £	Total £
Cost			
At 1 January 2004	1,660	16,350	18,010
Additions	-	500	500
Disposals	-	-	-
At 31 December 2004	1,660	16,850	18,510
Depreciation			
At 1 January 2004	1,660	4,571	6,231
Charge for the year	-	4,800	4,800
Disposals	-	-	-
At 31 December 2004	1,660	9,371	11,031
Net book value			
At 31 December 2004	-	7,479	7,479
At 31 December 2003	-	11,779	11,779

DEVELOPMENT HELL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004 (CONT)

3. SHARE CAPITAL

	2004 £	2003 £
Authorised		
25,694 ordinary shares of £0.10 each	2,569	2,000
	=====	=====
Allotted, called up and fully paid		
24,194 ordinary shares of £0.10 each	2,419	1,850
	=====	=====

On the 30 January 2003 the company issued 3 EMI share option agreements for 1200 10 pence ordinary shares which can be exercised upon the earliest of the following events at 10 pence per share:

1. Death in service,
2. Cessation of employment through injury or disability, retirement, transfer or sale of the undertaking or at the directors' discretion,
3. Tenth anniversary of the agreement.

On 1 July 2004 5,694 10 pence ordinary shares were issued at for £600,000.

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.