

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003
FOR
PRC DEVELOPMENTS LTD**



PRC DEVELOPMENTS LTD
COMPANY INFORMATION
for the Year Ended 31 December 2003

DIRECTORS: R W Menzies
Mrs E C Menzies

SECRETARY: R W Menzies

REGISTERED OFFICE: 14 London Road
LIPHOOK
HAMPSHIRE
GU30 7AN

REGISTERED NUMBER: 3329859

ACCOUNTANTS: Business Progress
Chartered Accountants
Park Row
Herriard Park
Herriard, Basingstoke
Hants RG25 2PL

PRC DEVELOPMENTS LTD
REPORT OF THE DIRECTORS
for the Year Ended 31 December 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of farming and related activities.

DIRECTORS

The directors during the year under review were:

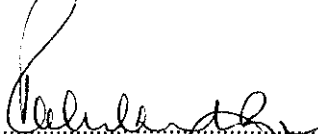
R W Menzies
Mrs E C Menzies

The beneficial interests of the directors holding office on 31 December 2003 in the issued share capital of the company were as follows:

	31.12.03	1.1.03
Ordinary £1 shares		
R W Menzies	200,002	200,002
Mrs E C Menzies	-	-

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:


.....
R W Menzies - Secretary

Date: 07-07-04

PRC DEVELOPMENTS LTD
PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2003

		<u>2003</u>	<u>2002</u>
	Notes	£	£
TURNOVER		2,910	4,199
Cost of sales		<u>1,570</u>	<u>6,644</u>
GROSS PROFIT/(LOSS)		1,340	(2,445)
Administrative expenses		<u>18,092</u>	<u>16,247</u>
		(16,752)	(18,692)
Other operating income		<u>6,554</u>	<u>5,260</u>
OPERATING LOSS	2	(10,198)	(13,432)
Interest payable and similar charges		<u>-</u>	<u>90</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,198)	(13,522)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(10,198)	(13,522)
Deficit brought forward		<u>(46,302)</u>	<u>(32,780)</u>
DEFICIT CARRIED FORWARD		<u>£(56,500)</u>	<u>£(46,302)</u>

The notes form part of these financial statements

PRC DEVELOPMENTS LTD

BALANCE SHEET
31 December 2003

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		335,050		328,450
CURRENT ASSETS:					
Stocks		5,775		1,625	
Debtors	5	5,000		5,000	
Cash at bank		952		4,202	
		11,727		10,827	
CREDITORS: Amounts falling due within one year	6	153,275		135,577	
NET CURRENT LIABILITIES:			(141,548)		(124,750)
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£193,502</u>		<u>£203,700</u>
CAPITAL AND RESERVES:					
Called up share capital	7		250,002		250,002
Profit and loss account			(56,500)		(46,302)
SHAREHOLDERS' FUNDS:			<u>£193,502</u>		<u>£203,700</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, 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).

ON BEHALF OF THE BOARD:

.....
R W Menzies - Director

Approved by the Board on

The notes form part of these financial statements

PRC DEVELOPMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2003**

1. ACCOUNTING POLICIES

Accounting convention

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).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. OPERATING LOSS

The operating loss is stated after charging:

	2003 £	2002 £
Depreciation - owned assets	400	519
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2003 nor for the year ended 31 December 2002.

4. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST:			
At 1 January 2003	329,635	710	330,345
Additions	7,000	-	7,000
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2003	336,635	710	337,345
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:			
At 1 January 2003	1,185	710	1,895
Charge for year	400	-	400
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2003	1,585	710	2,295
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:			
At 31 December 2003	335,050	-	335,050
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2002	328,450	-	328,450
	<u> </u>	<u> </u>	<u> </u>

PRC DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2003

5. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Other debtors	<u>5,000</u>	<u>5,000</u>

6. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Directors current accounts	55,047	54,107
Other creditors	97,728	80,970
Accruals	500	500
	<u>153,275</u>	<u>135,577</u>

7. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	2003 £	2002 £
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003 £	2002 £
250,002	Ordinary	£1	<u>250,002</u>	<u>250,002</u>