

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002
FOR
PRC DEVELOPMENTS LTD**



PRC DEVELOPMENTS LTD
COMPANY INFORMATION
for the Year Ended 31 December 2002

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 2002**

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

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:

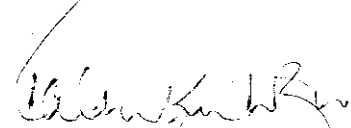
R W Menzies
Mrs E C Menzies

The beneficial interests of the directors holding office on 31 December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02
Ordinary £1 shares		
R W Menzies	200,002	157,704
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

Dated: 14.2.03

PRC DEVELOPMENTS LTD
PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2002

		<u>2002</u>	<u>2001</u>
	Notes	£	£
TURNOVER		4,199	3,129
Cost of sales		<u>6,644</u>	<u>5,178</u>
GROSS LOSS		(2,445)	(2,049)
Administrative expenses		<u>16,247</u>	<u>10,757</u>
		(18,692)	(12,806)
Other operating income		<u>5,260</u>	<u>5,811</u>
OPERATING LOSS	2	(13,432)	(6,995)
Interest payable and similar charges		<u>90</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(13,522)	(6,995)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(13,522)	(6,995)
Deficit brought forward		<u>(32,780)</u>	<u>(25,785)</u>
DEFICIT CARRIED FORWARD		<u>£(46,302)</u>	<u>£(32,780)</u>

The notes form part of these financial statements

PRC DEVELOPMENTS LTD

BALANCE SHEET
31 December 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		328,450		328,969
CURRENT ASSETS:					
Stocks		1,625		2,000	
Debtors	5	5,000		5,000	
Cash at bank		4,202		3,245	
		10,827		10,245	
CREDITORS: Amounts falling due within one year	6	135,577		121,992	
NET CURRENT LIABILITIES:			(124,750)		(111,747)
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£203,700</u>		<u>£217,222</u>
CAPITAL AND RESERVES:					
Called up share capital	7		250,002		250,002
Profit and loss account			(46,302)		(32,780)
SHAREHOLDERS' FUNDS:			<u>£203,700</u>		<u>£217,222</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2002.

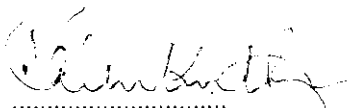
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2002 in accordance with Section 249B(2) of the Companies Act 1985.

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 14.2.03

PRC DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2002

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 taxation

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:

	2002 £	2001 £
Depreciation - owned assets	519	577
Directors' emoluments and other benefits etc	-	-

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2002 nor for the year ended 31 December 2001.

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST:			
At 1 January 2002 and 31 December 2002	329,635	710	330,345
DEPRECIATION:			
At 1 January 2002	785	591	1,376
Charge for year	400	119	519
At 31 December 2002	1,185	710	1,895
NET BOOK VALUE:			
At 31 December 2002	328,450	-	328,450
At 31 December 2001	328,850	119	328,969

PRC DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2002

5. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2002 £	2001 £
Other debtors	<u>5,000</u>	<u>5,000</u>

6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2002 £	2001 £
Directors current accounts	54,107	49,357
Other creditors	80,970	71,960
Accruals	500	675
	<u>135,577</u>	<u>121,992</u>

7. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2002 £	2001 £
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
250,002	Ordinary	£1	<u>250,002</u>	<u>250,002</u>