

**Interactive Software Limited**  
**Abbreviated Accounts**  
**For the Year Ended**  
**31 December 2004**



# Interactive Software Limited

## Independent Auditors' Report to the Company

### PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company 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 audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of the Directors and the Auditors**

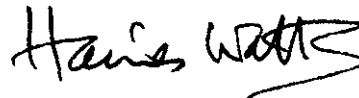
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (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 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 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 Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



HAINES WATTS  
Chartered Accountants  
& Registered Auditors

Sterling House  
71 Francis Road  
Edgbaston  
Birmingham  
B16 8SP

8 March 2005

# Interactive Software Limited

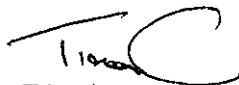
## Abbreviated Balance Sheet

31 December 2004

	Note	2004 £	£	2003 £	£
<b>Fixed Assets</b>	<b>2</b>				
Tangible assets			67,564		48,236
<b>Current Assets</b>					
Debtors		353,682		211,072	
Cash at bank and in hand		199,773		197,329	
		<u>553,455</u>		<u>408,401</u>	
<b>Creditors: Amounts Falling due Within One Year</b>	<b>3</b>	<u>408,090</u>		<u>272,769</u>	
<b>Net Current Assets</b>			<u>145,365</u>		<u>135,632</u>
<b>Total Assets Less Current Liabilities</b>			<u>212,929</u>		<u>183,868</u>
<b>Creditors: Amounts Falling due after More than One Year</b>	<b>4</b>		-		15,912
<b>Provisions for Liabilities and Charges</b>			<u>1,044</u>		<u>-</u>
			<u>211,885</u>		<u>167,956</u>
<b>Capital and Reserves</b>					
Called-up equity share capital	6		60		60
Other reserves			40		40
Profit and loss account			<u>211,785</u>		<u>167,856</u>
<b>Shareholders' Funds</b>			<u>211,885</u>		<u>167,956</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 04/03/2005.... and are signed on their behalf by:



T Leek  
Director

The notes on pages 3 to 5 form part of these abbreviated accounts.

# Interactive Software Limited

## Notes to the Abbreviated Accounts

Year Ended 31 December 2004

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### 1. Accounting Policies

#### **Basis of Accounting**

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).

#### **Cash Flow Statement**

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, less amounts invoiced for work in advance.

#### **Fixed Assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	- 25% reducing balance
Computer Equipment	- 20% straight line

#### **Hire Purchase Agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension Costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

# Interactive Software Limited

## Notes to the Abbreviated Accounts

Year Ended 31 December 2004

### 1. Accounting Policies *(continued)*

#### Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Fixed Assets

	<b>Tangible Assets £</b>
<b>Cost</b>	
At 1 January 2004	165,355
Additions	<u>41,471</u>
<b>At 31 December 2004</b>	<u><b>206,826</b></u>
<b>Depreciation</b>	
At 1 January 2004	117,119
Charge for year	<u>22,143</u>
<b>At 31 December 2004</b>	<u><b>139,262</b></u>
<b>Net Book Value</b>	
<b>At 31 December 2004</b>	<u><b>67,564</b></u>
At 31 December 2003	<u>48,236</u>

### 3. Creditors: Amounts Falling due Within One Year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2004 £</b>	<b>2003 £</b>
Hire Purchase	<u><b>15,912</b></u>	<u><b>21,216</b></u>

# Interactive Software Limited

## Notes to the Abbreviated Accounts

Year Ended 31 December 2004

### 4. Creditors: Amounts Falling due after More than One Year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2004	2003
	£	£
Hire Purchase	<u>-</u>	<u>15,912</u>

### 5. Transactions With Directors

T Leek, a director has provided a loan to the company. This was repaid in full during the year. The balance on the directors loan account at the end of the year was £Nil (2003:£506).

### 6. Share Capital

#### Authorised share capital:

	2004	2003
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>