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COMPANY No. 3143283

MEGAFLEX LIMITED

**FINANCIAL STATEMENTS
31st JANUARY 2006**



DIRECTORS REPORT

Director : M. J. Copely

Secretary: A-M. Copely

Registered office: 21 Farthingate Close, Southwell, Notts NG25 0HU

The director presents his report with the accounts for the year ended 31st January 2006.

PRINCIPAL ACTIVITIES

The company is engaged in the supply of industrial plastics, specialising in thermoplastic tubes and hoses.

DIRECTORS AND DIRECTORS INTERESTS

The director of the company shown above held office throughout the year.

The directors interest in the ordinary £1 shares of the company at 31st January 2005 and 2006 was:

M. J. Copely	1
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DIRECTORS RESPONSIBILITIES

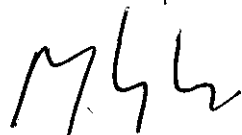
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

Signed



M. J. Copely - Director

Approved by the director: 9th November 2006

MEGAFLEX LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st JANUARY 2006**

	Note	2006 £	2005 £
TURNOVER	1(f)	102,173	74,689
Cost of sales		54,422	42,172
GROSS PROFIT		47,751	32,517
Administrative expenses		24,334	26,172
OPERATING PROFIT		23,417	6,345
Interest payable and similar charges		1,731	2,206
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	21,686	4,139
Taxation		2,963	825
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		18,723	3,314
Dividends paid		8,339	8,339
		10,384	(5,025)
LOSSES BROUGHT FORWARD		(30,761)	(25,736)
LOSSES CARRIED FORWARD		(20,377)	(30,761)

CONTINUING OPERATIONS

None of the above company's activities has been acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above two financial years.

MEGAFLEX LIMITED**BALANCE SHEET – 31st JANUARY 2006**

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible assets	3		1,695		210
CURRENT ASSETS					
Stocks		3,448		3,863	
Debtors	4	18,061		14,396	
Deferred tax	10	532		-	
		<u>22,041</u>		<u>18,259</u>	
CREDITORS – amounts falling due within one year					
Bank overdraft (secured)	5	1,692		13,129	
Bank loan instalments (secured)	5	2,280		2,000	
Trade and other creditors	6	34,773		29,060	
Corporation tax		3,500		825	
		<u>42,245</u>		<u>45,014</u>	
NET CURRENT LIABILITIES			<u>(20,204)</u>		<u>(26,755)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES/(DEFICIT)			<u>(18,509)</u>		<u>(26,545)</u>
CREDITORS – amounts falling due after more than one year					
Bank loan instalments (secured)	5		1,867		4,215
NET DEFICIT			<u>(20,376)</u>		<u>(30,760)</u>
CAPITAL AND RESERVES					
Called up share capital	7		1		1
Profit and loss account – (deficit)			<u>(20,377)</u>		<u>(30,761)</u>
SHAREHOLDERS FUNDS (DEFICIT)	8		<u>(20,376)</u>		<u>(30,760)</u>

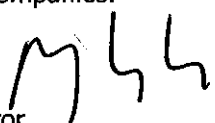
The exemption conferred by Section 249A(1) of the Companies Act 1985 not to have these accounts audited applies to the company and the director confirms that no notice has been deposited under Section 249B(2).

The director acknowledges his responsibilities for ensuring that:

- the company keeps accounting records which comply with Section 221 of the Companies Act 1985;
- the accounts give a true and fair view of the state of affairs of the company as at 31st January 2006 and of its profit for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

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

Signed



M. J. Copely – Director

Approved by the director: 9th November 2005

MEGAFLEX LIMITED**NOTES ON THE ACCOUNTS – 31st JANUARY 2006****1. ACCOUNTING POLICIES****a) Basis of accounting**

The accounts have been prepared under the historical cost convention.

b) Depreciation of tangible fixed assets

The cost of tangible fixed assets is written off by monthly instalments over their expected useful lives as follows:

Computers, equipment and fixtures	4 years
Motor vehicle	5 years

c) Stocks

Stocks and work in progress are valued at the lower of cost, on a first in first out basis, and net realisable value after making due allowance for any obsolete or slow moving items

d) Deferred taxation

Provision is made in full for deferred tax, using the liability method, on all material timing differences which are not expected to continue in the future.

e) Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

f) Turnover

Turnover comprises the invoice value of sales of goods by the company, exclusive of VAT.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging:

	2006 £	2005 £
Director – aggregate emoluments	4,867	4,333
Depreciation of tangible fixed assets	409	800
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MEGAFLEX LIMITED**NOTES ON THE ACCOUNTS – 31st JANUARY 2006****3. TANGIBLE FIXED ASSETS**

	Plant & machinery etc. £
Cost:	
At 31 st January 2005	9,562
Additions	1,894
Cost of disposals	(1,658)
	<hr/>
At 31 st January 2006	9,798
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Depreciation:	
At 31 st January 2005	9,352
Charge for the year	409
Relating to disposals	(1,658)
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At 31 st January 2006	8,103
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Net book amounts:	
At 31 st January 2006	1,695
	<hr/> <hr/>
At 31 st January 2005	210
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4. DEBTORS

	2006 £	2005 £
Due within one year		
Trade debtors	17,824	14,110
Others	237	286
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	18,061	14,396
	<hr/> <hr/>	<hr/> <hr/>

5. BANK BORROWINGS

Bank overdraft (secured)	1,692	13,129
Bank loan (secured) – repayable within one year	2,280	2,000
– “ “ “ 2 to 5 years	1,867	4,215
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Total secured borrowings	5,839	19,344
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The loan is repayable by equal monthly instalments and bears interest at 11% pa

MEGAFLEX LIMITED**NOTES ON THE ACCOUNTS – 31st JANUARY 2006****6. TRADE AND OTHER CREDITORS**

	2006 £	2005 £
Trade creditors	10,845	12,141
Other taxation and social security	195	325
Other creditors	1,900	1,051
" " - directors loan account	21,833	15,543
	<u>34,773</u>	<u>29,060</u>

7. CALLED UP SHARE CAPITALAt 31st January 2005 and 2006

	Authorised	Allotted, called up issued & fully paid
Shares of £1 each	<u>1,000</u>	<u>1</u>

8. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS

	2006 £	2005 £
Profit for the year after taxation	18,723	3,314
Dividends paid	(8,339)	(8,339)
	<u>10,384</u>	<u>(5,025)</u>
Opening shareholders funds at 31 st January 2005 (deficit)	(30,760)	(25,735)
Closing shareholders funds at 31 st January 2006 (deficit)	<u>(20,376)</u>	<u>(30,760)</u>

9. TRANSACTIONS WITH THE DIRECTOR

The director provides financial support for the company as indicated in note 6 and also guarantees the bank borrowings. No interest is charged on the balance outstanding and no repayment terms exist.

10. DEFERRED TAXATION

Provision has now been made for deferred tax assets as defined in FRS 19 on the basis that suitable taxable profits will be generated in the foreseeable future to make recoverability relatively certain. (2005-provision not made due to uncertainty.)

The estimated potential amount of benefit comprises:

	2006 £
Capital allowance timing differences at 19%	<u>532</u>