

Studio 2 Photography Limited
Abbreviated Financial Statements
The Year Ended 30 September 2006



BEEVER AND STRUTHERS

Chartered Accountants
St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Studio 2 Photography Limited

Abbreviated Accounts

Year Ended 30 September 2006

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Studio 2 Photography Limited

Accountants' Report to the Directors of Studio 2 Photography Limited

Year Ended 30 September 2006

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Directors that we have done so, and state those matters that we have agreed to state to them in this 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 and the Company's Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 30 September 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Beever and Struthers
BEEVER AND STRUTHERS
Chartered Accountants

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

8 August 2007

Studio 2 Photography Limited

Abbreviated Balance Sheet

30 September 2006

		2006		2005 (restated)	
	Note	£	£	£	£
Fixed assets	2				
Tangible assets			36,925		45,679
Current assets					
Stocks		3,283		-	
Debtors		111,157		291,633	
Cash at bank and in hand		7		2,365	
		<u>114,447</u>		<u>293,998</u>	
Creditors: Amounts Falling due Within One Year	3	<u>77,362</u>		<u>215,214</u>	
Net current assets			<u>37,085</u>		<u>78,784</u>
Total assets less current liabilities			<u>74,010</u>		<u>124,463</u>
Creditors: Amounts Falling due after More than One Year			<u>2,795</u>		<u>9,505</u>
			<u>71,215</u>		<u>114,958</u>
Capital and reserves					
Called-up equity share capital	5		1,000		1,000
Share premium account			170		170
Profit and loss account			70,045		113,788
Shareholders' funds			<u>71,215</u>		<u>114,958</u>

The Balance sheet continues on the following page

The notes on page 2 form part of these abbreviated accounts.

Studio 2 Photography Limited

Abbreviated Balance Sheet *(continued)*

30 September 2006

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

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 and authorised for issue on 8/8/07, and are signed on their behalf by



Mr M A Lyons
Director

The notes on page 3 form part of these abbreviated accounts.

Studio 2 Photography Limited

Notes to the Abbreviated Accounts

Year Ended 30 September 2006

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 January 2005)

Changes in Accounting Policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

Financial Reporting Standard for Smaller Entities (effective January 2005)

The adoption of FRSSE 2005 paragraph 14 'Post Balance Sheet Events' has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company Shareholders' funds at 1 October 2004 have been increased by £45,000. For year ended 30 September 2005, the change in accounting policy has resulted in a net decrease in retained profit for the year of £5,000. The balance sheet at 30 September 2005 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £40,000. For year ended 30 September 2006, the change in accounting policy has resulted in a net decrease in retained profit for the year of £40,000.

Turnover

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

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:

Equipment	25% on cost
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Studio 2 Photography Limited

Notes to the Abbreviated Accounts

Year Ended 30 September 2006

1. Accounting Policies *(continued)*

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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.

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.

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.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Studio 2 Photography Limited

Notes to the Abbreviated Accounts

Year Ended 30 September 2006

2. Fixed Assets

	Tangible Assets £
Cost	
At 1 October 2005	137,067
Additions	13,565
Disposals	(1,000)
At 30 September 2006	<u>149,632</u>
Depreciation	
At 1 October 2005	91,388
Charge for year	22,319
On disposals	(1,000)
At 30 September 2006	<u>112,707</u>
Net book value	
At 30 September 2006	<u>36,925</u>
At 30 September 2005	<u>45,679</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

	2006 £	2005 (restated) £
Bank loans and overdrafts	<u>23,701</u>	<u>25,682</u>

4. Related Party Transactions

The Studio (Manchester) Limited is a related party by virtue of common directorship. The following transactions took place with The Studio (Manchester) Limited during the year

	2006 £	2005 £
Purchases	17,674	62,301
Rental Charges	31,200	27,700
Management Charges	6,600	10,800
Sales	9,230	47,177

All terms of trade are on a normal commercial basis. At the balance sheet date, The Studio (Manchester) Limited owed the company £6,231 (2005 - £3,431) and is included as trade debtors £11,065, trade creditors £17,296.

Studio 2 Photography Limited

Notes to the Abbreviated Accounts

Year Ended 30 September 2006

5. Share Capital

Authorised share capital:

	2006	2005 (restated)
	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2006		2005 (restated)	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

6. Overall Control

In the opinion of the directors, the company is under no overall control

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Date 09/08/07