

INSPIRE DESIGNS LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2006

REGISTERED NUMBER 4424455

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INSPIRE DESIGNS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2006

DIRECTORS

R T Hooper
N Ward
A K Butt

SECRETARY

R T Hooper

REGISTERED OFFICE

Unit 10
Vanguard Trading Estate
Storforth Lane
Chesterfield
Derbyshire
S40 2TZ

COMPANY NUMBER

4424455

ACCOUNTANT

David Beastall
Chartered Management Accountants
14 Challands Way
Hasland
Chesterfield
Derbyshire
S41 0ER

INSPIRE DESIGNS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2006

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6	Balance Sheet
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The following do not form part of the statutory financial statements:

13	Trading and Profit and Loss Account
14	Profit and Loss Account Summaries

INSPIRE DESIGNS LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2006

The directors present their report and the financial statements of the company for the year ended 31 May 2006.

PRINCIPAL ACTIVITIES

The principal activities of the company continued to be that of software and electronic design and manufacture.

DIRECTORS

The directors who served during the year and their beneficial interests in the issued ordinary share capital were as follows:

	2006	2005
	No.	No.
R T Hooper	25	25
N Ward	25	25
A K Butt	25	25

SMALL COMPANY EXEMPTIONS

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

This report was approved by the board on 21 February 2007 and signed on their behalf.



Signed
R T Hooper

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
INSPIRE DESIGNS LTD
FOR THE YEAR ENDED 31 MAY 2006

In accordance with the engagement letter , and in order to assist you to fulfil your duties under the Companies Act 1985, I have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movements in Shareholders' Funds and the related notes from the accounting records and information and explanations you have given to me.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might compile the financial statements that I have been engaged to compile, report to the Company's Board of Directors that I have done so, and state those matters that I have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for my work or for this report.

I 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 for the year ended 31 May 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.

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



David Beastall
Accountant

14 Challands Way
Hasland
Chesterfield
Derbyshire
S41 0ER

16 February 2007

INSPIRE DESIGNS LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2006

	Notes	2006 £	2005 £
TURNOVER	2		
Continuing operations		681,887	507,688
Cost of sales	3	374,222	193,669
GROSS PROFIT		307,665	314,019
Net operating expenses	3	220,698	188,125
OPERATING PROFIT	4		
Continuing operations		86,967	125,894
Interest receivable and similar income	5	592	622
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87,559	126,516
Tax on ordinary activities	6	19,416	25,276
PROFIT FOR THE FINANCIAL YEAR		68,143	101,240

The company made no recognised gains and losses other than those reported in the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements

INSPIRE DESIGNS LTD
BALANCE SHEET AT 31 MAY 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	8	42,397	38,113
CURRENT ASSETS			
Stock	9	64,000	61,465
Debtors	10	127,498	118,985
Cash at bank and in hand		21,703	19,540
		213,201	199,990
CREDITORS: Amounts falling due within one year	11	76,599	89,822
NET CURRENT ASSETS		136,602	110,168
TOTAL ASSETS LESS CURRENT LIABILITIES		178,999	148,281
PROVISIONS FOR LIABILITIES	12	(2,762)	(2,687)
NET ASSETS		£ 176,237	£ 145,594
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	176,137	145,494
EQUITY SHAREHOLDERS FUNDS		£ 176,237	£ 145,594

In approving these financial statements as directors of the company we hereby confirm the following. For the year in question the company was entitled to exemption under section 249A(1) of the Companies Act 1985. Members have not required the company, under section 249B(2), to obtain an audit for the year ended 31 May 2006. We acknowledge our responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts 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 for the financial year then ended in accordance with the requirements of section 226, and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the company.

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

The accounts were approved by the board of directors on 21 February 2007



R T Hooper, Director

The notes on pages 8 to 12 form part of these financial statements

INSPIRE DESIGNS LTD
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MAY 2006

	2006	2005
	£	£
Profit for the financial year	68,143	101,240
Dividends	37,500	-
	<hr/> 30,643	<hr/> 101,240
New share capital subscribed	-	25
	<hr/> 30,643	<hr/> 101,265
Net addition to shareholders' funds	145,594	44,329
Opening shareholders' funds	<hr/> £ 176,237	<hr/> £ 145,594
Closing shareholders' funds	<hr/> £ 176,237	<hr/> £ 145,594

The notes on pages 8 to 12 form part of these financial statements

INSPIRE DESIGNS LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES

1a. Basis of accounting

The financial statements have been prepared under the historical cost convention.

1b. Tangible fixed assets

Fixed assets are shown at historical cost.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

	2006	2005
	%	%
Plant and equipment	25	25
Fixtures and fittings	25	25
Equipment	25	25
Motor vehicle	25	25

1c. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis, including transport.

1d. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, 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 taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1e. Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services in the normal course of business.

INSPIRE DESIGNS LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES (CONTINUED)

1f. Cash flow statement

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

2. TURNOVER

Turnover and profit on ordinary activities before taxation are attributable to software and electronic design and manufacture.

3. COST OF SALES AND NET OPERATING EXPENSES

	2006	2005
	£	£
Cost of sales	£ 374,222	£ 193,669
Net operating expenses:		
Distribution costs	11,779	9,855
Administrative expenses	194,786	165,566
Depreciation	14,133	12,704
	<u>£ 220,698</u>	<u>£ 188,125</u>

4. OPERATING PROFIT

	2006	2005
	£	£
Profit on ordinary activities is stated after charging:		
Depreciation and amortisation		
Tangible assets: owned	14,133	12,704
Directors' remuneration	90,036	94,008
Research and development	2,477	3,229

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2006	2005
	£	£
Other interest receivable	592	622
	<u>£ 592</u>	<u>£ 622</u>

INSPIRE DESIGNS LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2006

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006	2005
	£	£
UK Corporation tax	19,416	25,276
	<hr/>	<hr/>
	£ 19,416	£ 25,276
	<hr/>	<hr/>

7. DIVIDENDS

	2006	2005
	£	£
Ordinary dividends:-		
Final paid	37,500	-
	<hr/>	<hr/>
	£ 37,500	£ -
	<hr/>	<hr/>

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Equipment £	Total £
Cost			
At 1 June 2005	31,849	22,670	54,519
Additions	18,848	2,493	21,341
	<hr/>	<hr/>	<hr/>
At 31 May 2006	50,697	25,163	75,860
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 June 2005	9,665	9,665	19,330
For the year	10,258	3,875	14,133
	<hr/>	<hr/>	<hr/>
At 31 May 2006	19,923	13,540	33,463
	<hr/>	<hr/>	<hr/>
Net Book Amounts			
At 31 May 2006	£ 30,774	£ 11,623	£ 42,397
	<hr/>	<hr/>	<hr/>
At 31 May 2006	£ 22,184	£ 13,005	£ 35,189
	<hr/>	<hr/>	<hr/>

INSPIRE DESIGNS LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2006

9. STOCK	2006 £	2005 £
Stock comprises:		
Stock	64,000	61,465
	<u>£ 64,000</u>	<u>£ 61,465</u>

10. DEBTORS	2006 £	2005 £
Trade debtors	127,498	118,985
	<u>£ 127,498</u>	<u>£ 118,985</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2006 £	2005 £
Trade creditors	40,492	58,611
Corporation tax	16,654	22,589
Accruals and deferred income	19,453	8,622
	<u>£ 76,599</u>	<u>£ 89,822</u>

12. PROVISIONS FOR LIABILITIES	2006 £	2005 £
Deferred taxation	2,762	2,687
	<u>£ 2,762</u>	<u>£ 2,687</u>

Deferred taxation:

The provision for deferred taxation is made up of accelerated capital allowances.

	2006 £	2005 £
Balance at 1 June 2005	2,687	-
Charge for the year	75	2,687
Balance at 31 May 2006	<u>£ 2,762</u>	<u>£ 2,687</u>

INSPIRE DESIGNS LTD
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2006

13. SHARE CAPITAL

	2006	2005
	£	£
Authorised:	1000	1,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
100 Ordinary shares of £100 each	£ 100	£ 100
	<hr/>	<hr/>

14. RECONCILIATION OF RESERVES

	Profit & loss account £
At 1 June 2005	145,494
Profit for the year	68,143
Dividends paid	(37,500)
	<hr/>
At 31 May 2006	£ 176,137
	<hr/>

INSPIRE DESIGNS LTD
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2006

	2006		2005
	£	£	£
Turnover	681,887		507,688
Cost of sales:			
Stock at 31 May 2006	61,465		-
Purchases	376,757		255,134
	438,222		255,134
Stock at 31 May 2006	64,000		61,465
	374,222		193,669
Gross profit	307,665		314,019
Other income	592		622
	308,257		314,641
Less:			
Distribution costs	6,626		4,786
Selling and marketing costs	5,153		5,069
Research and development	2,477		3,229
Administrative expenses	192,309		162,337
Depreciation and amortisation	14,133		12,704
	220,698		188,125
Net profit for the year before taxation	87,559		126,516
Taxation	19,416		25,276
Net profit for the year after taxation	68,143		101,240
Final dividends	37,500		-
	37,500		-
	30,643		101,240
Retained profits brought forward	145,494		44,254
Retained profits carried forward	£ 176,137		£ 145,494

This page does not form part of the Company's Statutory Financial Statements and is prepared for the information of the Directors only.

INSPIRE DESIGNS LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MAY 2006

	2006 £	2005 £
Other income		
Other interest receivable	592	622
	<u>592</u>	<u>622</u>
 Distribution costs:		
Freight out, carriage, packing	6,626	4,786
	<u>£ 6,626</u>	<u>£ 4,786</u>
 Selling and marketing costs:		
Advertising & sales promotion	-	291
Travel & subsistence	4,666	4,232
Entertaining	487	546
	<u>£ 5,153</u>	<u>£ 5,069</u>
 Research and development:		
Research and development	2,477	3,229
	<u>£ 2,477</u>	<u>£ 3,229</u>

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INSPIRE DESIGNS LTD
PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 MAY 2006

	2006	2005
	£	£
Administrative expenses:		
Rent and rates payable	16,918	14,629
Light and heat	1,374	1,145
Repairs & renewals	840	840
Directors remuneration	90,036	94,008
General wages	59,353	30,516
Social security	13,388	11,482
Accountancy	1,020	1,591
Professional Fees	2,913	2,072
Insurance	3,419	2,829
Laundry and cleaning	414	493
Printing	-	56
Stationery & office supplies	21	1,120
Telephone	859	1,071
Sundry expenses	1,264	48
Bank charges	490	437
	<hr/> £ 192,309 <hr/>	<hr/> £ 162,337 <hr/>
 Depreciation and amortisation:		
Depreciation of plant & machinery	8,970	7,513
Depreciation of vehicles	1,288	-
Depreciation of fixtures & fittings	2,435	2,529
Depreciation of equipment	1,440	2,662
	<hr/> £ 14,133 <hr/>	<hr/> £ 12,704 <hr/>

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