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Waterfall Creative Limited
Company No - 04816862
DIRECTORS' REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST JULY 2005

Certax Accounting
Professional Accountants & Tax Advisers



Waterfall Creative Limited

**REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST JULY 2005**

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Waterfall Creative Limited

**REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST JULY 2005**

COMPANY INFORMATION

Directors	Mr S K Waterfall Mrs K M Waterfall
Secretary	Mr S K Waterfall
Company number	04816862 England & Wales
Registered office	112 Main Street Newtown Linford Leicestershire LE6 0AF
Accountants	Certax Accounting (Area) Professional Accountants & Tax Advisers 16 Scotlands Road Coalville Leicester LE67 3RD

Waterfall Creative Limited
REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31st July 2005

STATEMENT OF 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
- 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 financial statements 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.

PRINCIPAL ACTIVITIES

The company's principal activity continues to be that of Information Management & Training

DIRECTORS

The Directors in office during the Year and their interests in the company's issued share capital at the end of the Year were as follows:

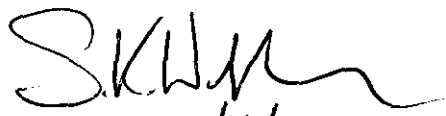
	2005		2004	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
Mr S K Waterfall	1	-	1	-
Mrs K M Waterfall	1	-	1	-

SMALL COMPANY RULES

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

Signed on behalf of the board of directors,

Mr S K Waterfall


Approved by the board : Date : 7/7/05

Waterfall Creative Limited
ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31ST JULY 2005

In accordance with instructions given to us, we have prepared these accounts, without carrying out an audit, from the accounting records of the business and from information and explanations given to us.

Certax Accounting (Area)
Professional Accountants & tax advisors

16 Scotlands Road
Coalville
Leicester
LE67 3RD

Waterfall Creative Limited**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JULY 2005**

	Note	2005 £	2004 £
TURNOVER	2	-	-
Cost of sales		(27)	-
GROSS PROFIT		<u>(27)</u>	<u>-</u>
Distribution costs		-	-
Administrative costs		(2,586)	(2,378)
Other operating income		-	-
OPERATING PROFIT	3	<u>(2,613)</u>	<u>(2,378)</u>
Interest receivable		1	-
Interest payable		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(2,612)</u>	<u>(2,378)</u>
Taxation on profit on ordinary activities	4	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(2,612)</u>	<u>(2,378)</u>
Dividends		-	-
On equity shares		-	-
Non-equity shares		-	-
RETAINED PROFIT FOR THE YEAR		<u>(2,612)</u>	<u>(2,378)</u>
RETAINED PROFIT BROUGHT FORWARD		(2,378)	-
RETAINED PROFIT CARRIED FORWARD		<u><u>(4,990)</u></u>	<u><u>(2,378)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses other than the results for the above two financial periods.

The notes on pages 7a to 7c form part of these accounts

Waterfall Creative Limited
BALANCE SHEET AS AT 31ST JULY 2005

	Note	2005 £	2004
FIXED ASSETS			
Tangible assets	5	3,835	5,343
Intangible assets	6	-	-
		<u>3,835</u>	<u>5,343</u>
CURRENT ASSETS			
Stocks		-	-
Debtors	7	-	-
Cash at bank and in hand		55	131
		<u>55</u>	<u>131</u>
CREDITORS : amounts falling due within one year	8	<u>(8,878)</u>	<u>(7,850)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(8,823)</u>	<u>(7,719)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(4,988)</u>	<u>(2,376)</u>
CREDITORS : amounts falling due after more than one year	9	-	-
NET ASSETS		<u>(4,988)</u>	<u>(2,376)</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		<u>(4,990)</u>	<u>(2,378)</u>
Shareholders' funds		<u>(4,988)</u>	<u>(2,376)</u>

For the financial year ended 31st July 2005, the company was entitled to exemption from audit under Section 249A(1) Companies Act 1985; and no notice has been deposited under Section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 (of the act) and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the 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 Companies Act 1985, so far as applicable to the company.

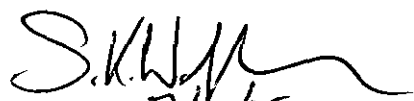
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

The notes on pages 7a to 7c form part of these accounts

Signed on behalf of the board of directors

Mr S K Waterfall

Approved by the board : Date : 7/7/05



7/7/05

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair view of the separable net assets. It is amortised to profit and loss account over its estimated economic life of ten years.

Tangible fixed assets are stated at cost less depreciation.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis.

Freehold buildings	2% straight line basis
Motor vehicles	25% reducing balance basis
Fixtures and fittings	15% reducing balance basis
Office equipment	25% reducing balance basis

Lease and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or assets will crystallise in the near future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Waterfall Creative Limited
NOTES TO THE ACCOUNTS - 31ST JULY 2005

2 Analysis of turnover	2005	2004
Turnover attributable to geographical markets outside the United Kingdom	<u>0%</u>	<u>0%</u>

3 Operating profit	2005	2004
The operating profit is stated after charging:	£	
Depreciation of tangible fixed assets		
- owned by the company	1,816	1,781
- held under finance leases	-	-
Auditors' remuneration	250	250.00
Directors' emoluments	-	-

4 Taxation	2005	2004
	£	£
UK current year taxation		
UK Corporation tax at 25% (19x1 - 25%)	-	-
	<u>-</u>	<u>-</u>

5 Tangible fixed assets	Freehold Land & Buildings	Fixtures & fittings	Motor Vehicles	Office Equipment etc	Total
	£	£	£	£	£
Cost					
At 31st July 2004	-	-	-	5,343	5,343
Additions	-	-	-	308	308
At 31st July 2005	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,651</u>	<u>5,651</u>
Depreciation					
Charge for year	-	-	-	1,816	1,816
At 31st July 2005	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,816</u>	<u>1,816</u>
Net book values					
At 31st July 2005	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,835</u>	<u>3,835</u>

6 Intangible fixed assets	Goodwill
	£
Cost	
Net book values	
At 31st July 2005	<u><u>0</u></u>

7 Debtors	2005	2004
	£	£
Trade debtors	0	0
Other debtors	<u>0</u>	<u>0</u>
	<u>-</u>	<u>-</u>

Waterfall Creative Limited
NOTES TO THE ACCOUNTS - 31ST JULY 2005

8 Creditors	2005	2004
amounts falling due within one year	£	£
Bank loans and overdrafts	-	-
Net obligations under finance lease and hire purchase contracts	-	-
Trade creditors	-	-
Corporation tax	-	-
Other creditors	<u>8,878</u>	<u>7,850</u>
	<u>8,878</u>	<u>7,850</u>
9 Creditors	2005	2004
amounts falling due after more than one year	£	£
Bank loans	-	-
Net obligations under finance lease and hire purchase contracts	-	-
Other creditors	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
10 Share capital	2005	2004
	£	£
Authorised:		
Ordinary shares of £1 each	1000	0
10% Preference Shares of £1 each	0	0
	<u>1,000</u>	<u>0</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2
10% Preference shares of £1 each	0	0
	<u>2</u>	<u>2</u>
11 Movement on shareholders' funds	2005	2004
	£	£
Profit for the year	(2,612)	(2,378)
Less: Dividends	<u>-</u>	<u>-</u>
	(2,612)	(2,378)
Opening shareholders' funds	<u>(2,376)</u>	<u>2</u>
Closing shareholders' funds	<u>(4,988)</u>	<u>(2,376)</u>