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Free Spirits Limited

**Directors' Report and
Financial Statements**

Year Ended 31 March 2007



Free Spirits Limited
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Year Ended 31 March 2007

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Free Spirits Limited
Company Information
Year Ended 31 March 2007

Directors	I Rae A Rae
Secretary	I Rae
Registered Office	Southernden Fletching Common Newick Lewes East Sussex BN8 4JJ
Registered number	5003969 (England & Wales)
Accountants	The Tax Practice (Guildford) Limited 11 Goldfinch Gardens Guildford Surrey GU4 7DN

Free Spirits Limited
Directors' Report
Year Ended 31 March 2007

The directors present their report with the financial statements of the company for the year

Principal activity

The principle activity of the company in the year was that of internet consultancy and sales.

Review of business

The results for the year and the financial position of the company are as shown in the attached financial statements

Dividends

The dividends paid during the year are shown in the financial statements

Directors

The directors during the year were

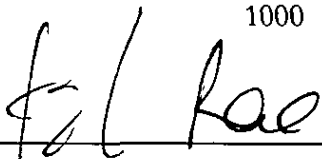
I Rae
A Rae

The beneficial interests of the directors holding office at the period end in the issued share capital of the company were

Ordinary £1 shares

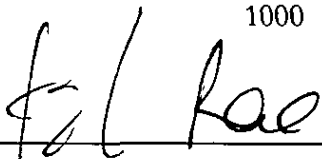
I Rae	1,000
A Rae	1000

On behalf of the board:



I Rae - Secretary

Date



July 12 2007

Free Spirits Limited
Profit and Loss Account
Year Ended 31 March 2007

	Notes	Year Ended 31.3.2006 £	Year Ended 31.3.2006 £
Turnover		303,225	178,419
Cost of sales		-186,689	-110,924
Gross profit		116,536	67,495
Administrative expenses		-83,202	-44,204
Operating profit/(loss)	3	33,334	23,291
(before taxation)			
Other income		0	0
Tax on operating profit/(loss)	4	-5,090	-4,479
Operating profit/(loss)		28,244	18,811
(after taxation)			
Dividends paid		-28,000	-29,900
		244	-11,089
Balance brought forward		14	11,103
Balance carried forward		258	14

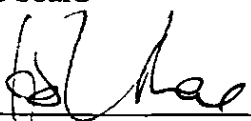
The notes form part of these financial statements

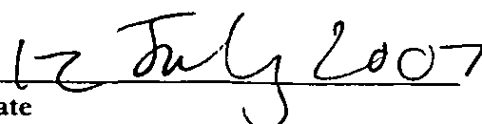
Free Spirits Limited
Balance Sheet
Year Ended 31 March 2007

		Year Ended 31.3.2006	Year Ended 31.3.2006
	Notes	£	£
Fixed assets			
Office equipment	5	8,709	2,606
Plant and machinery	5	7,645	0
Furniture and fixtures	5	1,015	
Property		525,261	0
Goodwill		9,829	0
Current assets			
Debtors	6	12,054	3,730
Stock		20,554	5,808
Work in progress		5,500	0
Cash at bank		7,270	9,878
		45,377	19,417
Creditors			
Amounts due within one year	7	-44,892	-30,163
Net current assets/(liabilities)		486	-10,746
Total assets less current liabilities		552,943	-8,140
Creditors			
Amounts due after more than one year	8	-546,685	10,154
		6,258	2,014
Capital and reserves			
Called up share capital	9	6,000	2,000
Profit and loss account		258	14
Shareholder's funds		6,258	2,014

For the period the Company is entitled to exemption under section 249A(1) of the Companies Act 1985 ("the Act") and the Directors confirm that no member has requested an audit in pursuant to section 249B(2) of the Act. The Directors acknowledge their responsibilities for both 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 financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Act in relation to financial statements, so far as applicable to the company.

On behalf of the board


 I Rae - Director


 Date

The notes form part of these financial statements

Free Spirits Limited
Notes to the Financial Statements
Year Ended 31 March 2007

1 Accounting policies

- 1 The financial statements have been prepared under the historical cost convention
- 2 Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company
- 3 Turnover represents net invoiced fees, excluding value added tax
- 4 Depreciation is provided at 25% per annum in order to write off each assets over its estimated useful life
- 5 Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future

2 Staff costs

	Year Ended 31 3 07	Year Ended 31 3 06
	£	£
Wages and salaries	20,227	9,892

The average monthly number of employees during the year was

	Year Ended 31 3 07	Year Ended 31 3 06
Management	2	2

3 Operating profit/(loss)

The operating profit/(loss) is stated after charging

	Year Ended 31 3 07	Year Ended 31 3 06
	£	£
Depreciation	2,675	2,776
Directors' emoluments	12,000	12,000

Notes to the Financial Statements (continued)

4 Taxation

	Year Ended 31 3 07	Year Ended 31 3 06
	£	£
UK corporation tax on ordinary activities	5,090	4,479

5 Tangible fixed assets

Office equipment

	Year Ended 31 3 07	Year Ended 31 3 06
	£	£
Cost brought forward	4,669	3,584
Disposals	-	-
Additions	8,778	1,085
Cost carried forward	13,447	4,669
Depreciation brought forward	2,063	896
Disposals	-	-
Charge for year	2,675	1,167
Depreciation carried forward	4,738	2,063
Net book value	8,709	2,606

Plant and machinery

	Year Ended 31 3 07	Year Ended 31 3 06
	£	£
Cost brought forward	0	0
Disposals	-	-
Additions	7,645	0
Cost carried forward	7,645	0
Depreciation brought forward	0	0
Disposals	-	-
Charge for year	0	0
Depreciation carried forward	0	0
Net book value	7,645	0

Notes to the Financial Statements (continued)

Fixtures and fittings		Year Ended	Year Ended
		31 3 07	31 3 06
		£	£
	Cost brought forward	0	0
	Disposals	-	-
	Additions	1,015	0
	Cost carried forward	1,015	0
	Depreciation brought forward	0	0
	Disposals	-	-
	Charge for year	0	0
	Depreciation carried forward	0	0
	Net book value	1,015	0
6 Debtors	Amounts falling due within one year		
		Year Ended	Year Ended
		31 3 07	31 3 06
		£	£
	Trade debtors	12,054	3,730
		12,054	3,730
7 Creditors	Amounts falling due within one year		
		Year Ended	Year Ended
		31 3 07	31 3 06
		£	£
	Other creditors	42,016	21,159
	Wages	1,987	3,093
	PAYE	697	1,415
	VAT	-4,898	16
	Corporation tax	5,090	4,479
		44,892	30,163

Notes to the Financial Statements (continued)

8 Creditors	Amounts falling due after more than one year	Year Ended	Year Ended
		31 3 07	31 3 06
		£	£
	Directors' current account	147,685	-10,154
	Mortgage and other loans	399,000	0
		<hr/>	<hr/>
		546,685	-10,154
		<hr/>	<hr/>
9 Called up share capital			
	Authorised		
		31 3 07	31 3 2006
		£	£
	1,000 ordinary £1 shares	2,500	2,500
	Issued and fully paid		
		31 3 07	31 3 2006
		£	£
	1 ordinary £1 shares	2,000	2,000

Free Spirits Limited
Accountant's Report to the Board
Year Ended 31 March 2007

In accordance with the note on the balance sheet you are responsible for the preparation of the financial statements for the year set out on pages three to nine and in your view the company is exempt from an audit in accordance with section 249A of the Companies Act 1985

On your instructions we have compiled these unaudited financial statements in order to assist you in fulfilling your statutory responsibilities from the accounting records and information and explanations supplied to us and certify that they are in accordance therewith

The Tax Practice (Guildford) Limited
11 Goldfinch Gardens
Guildford
Surrey
GU4 7DN

Free Spirits Limited
Profit and Loss Account
Year Ended 31 March 2007

	Year Ended 31.3.2007		Year Ended 31.3.2006	
	£	£	£	£
Income				
Sales		303,225		178,419
Cost of sales				
Purchases	84,360		47,386	
Direct expenses	102,329		63,538	
		<hr/>	<hr/>	
		-186,689		-110,924.05
Gross profit		<hr/>	<hr/>	
		116,536		67,495
Expenditure				
Bad debts	61		0	
Bank charges	13,307		215	
Branding and web design	694		654	
Consultancy and training	1,550		3,411	
Depreciation of equipment	2,675		1,167	
Directors remuneration	12,000		12,000	
IT costs	1,925		2,918	
Legal & professional	440		315	
Market research	515		134	
PR & promotions	670		1,165	
Premises costs	18,730		1,358	
Printing postage and stationery	2,321		2,096	
Staff salaries	20,227		9,892	
Telephone and internet	0		2,776	
Travel costs	8,086		6,102	
		<hr/>	<hr/>	
		-83,202		-44,204
		<hr/>	<hr/>	
		33,334		23,291
Bank interest received		0		0
		<hr/>	<hr/>	
		33,334		23,291
		<hr/>	<hr/>	

This page does not form part of the statutory financial statements