

DAEDAL WAYS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006



DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The principal activity of the company is that of management consultants.

DIRECTORS

The directors of the company and their interests in shares of the company are set out below:

	31 March 2006	31 March 2005
	<u>Ordinary Shares of £1 each</u>	<u>Ordinary Shares of £1 each</u>
Mr RN Verhoven	100	100

SMALL COMPANY EXEMPTIONS

This report and the financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 28 December 2006
and signed on their behalf by:



MR RN VERHOVEN
DIRECTOR

DAEDAL WAYS LIMITED

2

PROFIT & LOSS ACCOUNT**FOR THE YEAR ENDED 31 MARCH 2006**

		2006	2005
	Note		
TURNOVER		43,136	56,559
Cost of sales		<u>5,158</u>	<u>2,833</u>
GROSS PROFIT		37,978	53,726
Administrative expenses		<u>33,836</u>	<u>35,300</u>
OPERATING PROFIT/(LOSS)	2	4,142	18,426
Government Incentive		250	-
Interest receivable		<u>146</u>	<u>69</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES before taxation		4,538	18,495
Tax on profit/(loss) on ordinary activities	3	<u>1,729</u>	<u>5,032</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR on ordinary activities after taxation		2,809	13,463
DIVIDENDS	4	<u>-</u>	<u>15,650</u>
RETAINED PROFIT/(LOSS) FOR YEAR		2,809	(2,187)
RETAINED PROFIT/(LOSS) BROUGHT FORWARD		<u>1,931</u>	<u>4,118</u>
RETAINED PROFIT/(LOSS) CARRIED FORWARD		<u><u>£ 4,740</u></u>	<u><u>£ 1,931</u></u>

The notes on pages 4 to 6 form an integral part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2006

	Note	2006	2005
FIXED ASSETS			
Tangible assets	5	5,900	2,196
Intangible assets	5	<u>48,000</u>	<u>56,000</u>
		53,900	58,196
CURRENT ASSETS			
Stocks		-	-
Debtors	6	8,009	12,639
Cash at bank & in hand		<u>10,285</u>	<u>10,060</u>
		18,294	22,699
CREDITORS: amounts falling due within one year	7	<u>67,354</u>	<u>78,864</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(49,060)</u>	<u>(56,165)</u>
NET ASSETS/(LIABILITIES)		<u>£ 4,840</u>	<u>£ 2,031</u>
CAPITAL & RESERVES			
Called up share capital	8	100	100
Profit & loss account		<u>4,740</u>	<u>1,931</u>
		<u>£ 4,840</u>	<u>£ 2,031</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 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 Act relating to the financial statements so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small companies, and the *Financial Reporting Standard for Smaller Entities* (effective January 2005).

These financial statements were approved by the board of directors on 28 December 2006 and signed on their behalf by:



MR RN VERHOVEN
DIRECTOR

The notes on pages 4 to 6 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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).

CASH FLOW STATEMENT

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

TURNOVER

Turnover represents net income from sales within the United Kingdom.

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 any residual value, over their estimated useful lives on the following bases:

Fixtures & equipment	25% reducing balance
---------------------------------	-----------------------------

AMORTISATION

Intangible fixed assets are stated at cost less amortisation.

Goodwill is stated at cost and is being amortised over its estimated useful economic life of 10 years.

DEFERRED TAXATION

Provision is made for deferred taxation as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2006**

	2006	2005
2. OPERATING PROFIT/(LOSS)		
The operating profit/(loss) is stated after charging:		
Depreciation on tangible fixed assets	1,966	732
Loss on disposal of assets	-	-
Amortisation on intangible fixed assets	8,000	8,000
Directors' emoluments	<u>10,080</u>	<u>9,840</u>
3. TAXATION		
Corporation tax at 19%	1,729	5,032
Over provision prior year	-	-
	<u>£ 1,729</u>	<u>£ 5,032</u>
4. DIVIDENDS PAID		
Ordinary - interim	<u>£ -</u>	<u>£ 11,438</u>
5. FIXED ASSETS		
	Intangible assets Goodwill	Tangible assets Fixtures & Equipment
COST		
At 1 April 2005	80,000	3,325
Additions	-	5,670
Disposals	-	-
At 31 March 2006	<u>80,000</u>	<u>8,995</u>
DEPRECIATION		
At 1 April 2005	24,000	1,129
On disposals	-	-
Charge for the year	<u>8,000</u>	<u>1,966</u>
At 31 March 2006	<u>32,000</u>	<u>3,095</u>
WRITTEN DOWN AMOUNTS		
At 1 April 2005	<u>£ 56,000</u>	<u>£ 2,196</u>
At 31 March 2006	<u>£ 48,000</u>	<u>£ 5,900</u>

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2006**

	2006	2005
6. DEBTORS		
Amounts due within one year:		
Trade debtors	8,009	12,639
Prepayments & accrued income	-	-
	£ 8,009	£ 12,639
7. CREDITORS		
Amounts falling due within one year:		
Bank loan & overdraft	-	-
Trade creditors	-	-
Corporation tax	1,730	5,032
Other taxes & social security	777	2,792
Accruals & deferred income	3,600	3,440
Directors' loan account	61,247	67,600
	£ 67,354	£ 78,864
8. SHARE CAPITAL		
AUTHORISED		
500,000 ordinary shares of £1 each	£ 500,000	£ 500,000
ALLOTTED, CALLED UP & FULLY PAID		
100 ordinary shares of £1 each	£ 100	£ 100