COMPANY NUMBER 3025035

CLOCKWORK LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

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CLOCKWORK LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

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The following schedules do not form part of the Statutory Financial Statements

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CLOCKWORK LIMITED

DIRECTORS AND ADVISERS

DIRECTOR	R C Courtney
SECRETARY	Mrs J Courtney
REGISTERED OFFICE	228 Brooklyn Road Cheltenham Goucester GL51 8EA
COMPANY NUMBER	3025035 (England and Wales)
ACCOUNTANTS	Scott Vevers Chartered Accountants 65 East Street Bridport Dorset DT6 3LB
BANKERS	Lloyds TSB Bank Plc 3 South Street Wareham Dorset BH20 4LX

CLOCKWORK LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2005

The Director presents his annual report and financial statements of the company for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be the provision of computer services. No trading arose during the year but has recommenced in the current year.

DIRECTOR

The Director who served during the year and his beneficial interest in the company's issued ordinary share capital was as follows:

	Number of Ordinary £1 Shares	
	31 March 2005	31 March 2004
R C Courtney	2	2

DIVIDENDS

Interim dividends totalling £Nil were paid during the year (2004 - £Nil).

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 year. 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.

This report was approved by the Board on 18 December 2005, and 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

.....

R C COURTNEY
Director

CLOCKWORK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005	2004
Turnover	2	-	1826
Administrative Expenses		652	5103
		(652)	(3277)
Interest Receivable		32	71
Loss on ordinary activities before taxation	3	(620)	(3206)
Tax on Loss on ordinary activities	4	-	-
Loss for the Financial Year		(620)	(3206)
Dividends	5	-	-
Retained Loss for the Financial Year	12	£(620)	£(3206)

The notes on pages 5 to 8 form part of these financial statements.

CLOCKWORK LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

	Notes		2005		2004
TANGIBLE FIXED ASSETS	6		172		440
INTANGIBLE FIXED ASSETS	7		-		-
CURRENT ASSETS					
Debtors	8	-		268	
Stock		100		100	
Cash at Bank and in Hand		1137		1391	
		1237		1759	
CREDITORS					
Amounts Falling Due Within One Year	9	5058		5228	
NET CURRENT LIABILITIES			(3821)		(3469)
TOTAL ASSETS LESS CURRENT LIABILITIES			(3649)		(3029)
PROVISIONS FOR LIABILITIES AND CHARGES	10		-		-
			£(3649)		£(3029)
CAPITAL AND RESERVES					
Called Up Share Capital	11		2		2
Profit and Loss Account	12		(3651)		(3031)
Equity Shareholders Funds			£(3649)		£(3029)

The Director considers 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. Shareholders holding 10% or more of the Company's share capital have not issued a notice requiring an audit. The Director acknowledges his 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 31 March 2005 and of its Loss 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 accounts so far as applicable to the Company.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board of Directors on 18 December 2005 and signed on its behalf.

.....

R C COURTNEY
Director

The notes on pages 5 to 8 form part of these financial statements.

1. ACCOUNTING POLICIES

a) 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 June 2002), on the assumption that the Company continues to be a Going Concern and incorporate the results of the principal activities which are described in the Directors' Report and which are continuing.

The Director has reviewed the Company's operation, and the current trading position is being very closely monitored by the Director, with a view to continuing profitability. The Director believes that adequate finance will be available in order to continue trading.

On this assumption the Director considers it appropriate to prepare the financials statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of this financial support by either the Company bank or themselves. Should the Going Concern basis not be appropriate, adjustment would have to be made to reduce the value of assets to their realisable amount, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets.

The Company has taken special advantage of the exemption in FRS1 from the requirement to prepare a cashflow statement on the grounds that it is a small Company.

b) Turnover

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

c) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off the cost of each asset, less its estimated residual value, over their expected useful life:-

Fixtures, Fittings and Equipment	3 Years Straight Line Method

d) Intangible Fixed Assets and Amortisation

The company acquired exclusive rights under a management consultancy agreement which are included on the balance sheet under intangible fixed assets at cost. The agreement is for a five year period and amortisation is provided at the following annual rates in order to write off the cost, less its estimated residual value, over its expected useful life.

Management Rights	5 Years Straight Line Method

e) Deferred Taxation

Provision is made for taxation deferred using the incremental liability approach in respect of all timing differences between the incidence of income and expenditure for taxation and accounting purposes that have originated but not reversed at the balance sheet date.

f) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. TURNOVER

The company did not export any of its turnover during the year.

3. OPERATING LOSS

The operating loss is entirely attributable to continuing activities and is stated after charging:-

	2005	2004
Directors Remuneration	-	448
Depreciation on Tangible Fixed Assets		
- Owned by the Company	268	1234
Amortisation on Intangible Fixed Assets	-	1000

Benefits in Kind of the Director during the year ended 31 March 2005 amounted to £Nil (2004 - £197)

4. TAXATION

	2005	2004
UK Current Year Taxation -		
UK Corporation Tax at 0% (2004 - 0%)	-	-
Deferred Taxation (Note 10)	-	-
	£ -	£ -

5. DIVIDENDS

	2005	2004
Interim dividends paid of £Nil (2004 - £Nil) per Ordinary Share of £1 each	£ -	£ -

6. TANGIBLE FIXED ASSETS

	Fixtures, Fittings and Equipment
COST	
At 1 April 2004 and At 31 March 2005	11414
DEPRECIATION	
At 1 April 2004	10974
Charge for the Year	268
At 31 March 2005	11242
NET BOOK VALUE	
At 31 March 2005	£172
At 31 March 2004	£440

7. INTANGIBLE FIXED ASSETS

	Management Rights
COST	
At 1 April 2004 and At 31 March 2005	5000
AMORTISATION	
At 1 April 2004 and At 31 March 2005	5000
NET BOOK VALUE	
At 31 March 2005	£ -
At 31 March 2004	£ -

8. DEBTORS

Due within One Year	**2005**	**2004**
Trade Debtors	-	-
Other Debtors and Prepayments	-	268
	£ -	£268

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	**2004**
Directors Current Account	4808	4798
Corporation Tax	-	-
Other Creditors	-	-
Taxation and Social Security	-	30
Accruals	250	400
	£5058	£5228

10. DEFERRED TAXATION

	Provided For	Maximum Potential Liability	Provided For	Maximum Potential Liability
	2005	**2005**	**2004**	**2004**
Accelerated Capital Allowances	£ -	£ -	£ -	£ -

11. CALLED UP SHARE CAPITAL

	2005	2004
Authorised Ordinary Shares of £1 Each	£1000	£1000
Allotted Ordinary Shares of £1 Each Fully Paid	£2	£2

12. PROFIT AND LOSS ACCOUNT

	2005	2004
Balance at 1 April 2004	(3031)	175
Retained Loss for the Financial Year	(620)	(3206)
Balance at 31 March 2005	£(3651)	£(3031)

13. CONTINGENT LIABILITIES

In the opinion of the Director the company had no contingent liabilities at 31 March 2005.

14. CAPITAL COMMITMENTS

At 31 March 2005 there were no amounts of capital expenditure contracted for, but not provided in these accounts, nor any amounts authorised by the Director but not contracted.

15. RELATED PARTY TRANSACTIONS

Included in Creditors – Amount falling due within one year is a loan from the Director, Mr R C Courtney of £4808 (2004 - £4798). This loan is on a normal commercial basis and is interest free.

16. ULTIMATE CONTROL

The Company is controlled by Mr R C Courtney who owns 100% of the issued Share Capital.