REG

COMPANY REGISTRATION NUMBER 3809721

BLUE WATER CONSULTING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST JULY 2005

ROSS BROOKE LIMITED
Chartered Accountants
21/22 Park Way
Newbury
Berkshire
RG14 1EE

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BLUE WATER CONSULTING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2005

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BLUE WATER CONSULTING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The director	G Vipond
Company secretary	Mrs L. Vipond
Registered office	21/22 Park Way Newbury Berkshire RG14 1EE
Accountants	Ross Brooke Limited Chartered Accountants 21/22 Park Way Newbury Berkshire RG14 1EE

BLUE WATER CONSULTING LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST JULY 2005

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31st July 2005.

PRINCIPAL ACTIVITIES
The principal activity of the company during the year was computer consultancy.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY
The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary A Shares of £1 each	
	At 31 July 2005	At 1 August 2004
G Vipond	2	2

SMALL COMPANY PROVISIONS
This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the director

Lena Vipond

MRS L. VIPOND
Company Secretary

Approved by the director on 22.9.05

BLUE WATER CONSULTING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST JULY 2005

	Note	2005 £	2004 £
TURNOVER		93,960	77,360
Administrative expenses		22,792	22,844
Other operating income		(13,800)	(13,800)
OPERATING PROFIT	2	84,968	68,316
Interest receivable		1,127	734
Interest payable and similar charges		(9,565)	(8,046)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		76,530	61,004
Tax on profit on ordinary activities		14,230	11,346
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		62,300	49,658
Equity dividends paid		53,070	51,020
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		9,230	(1,362)

The notes on pages 5 to 7 form part of these financial statements.

BLUE WATER CONSULTING LIMITED

BALANCE SHEET

31ST JULY 2005

	Note	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	3		294,717		294,096
CURRENT ASSETS					
Debtors due within one year	4	2,175		14	
Cash at bank		28,576		34,442	
		30,751		34,456	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	21,637		15,794	
NET CURRENT ASSETS			9,114		18,662
TOTAL ASSETS LESS CURRENT LIABILITIES			303,831		312,758
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	6		145,643		163,800
			158,188		148,958
CAPITAL AND RESERVES					
Called-up equity share capital	8		2		2
Profit and loss account	9		158,186		148,956
SHAREHOLDERS' FUNDS			158,188		148,958

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

(i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and

(ii) preparing financial statements 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, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

These financial statements were approved and signed by the director on 22.9.05

G VIPOND
Director

The notes on pages 5 to 7 form part of these financial statements.

BLUE WATER CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2005

1. ACCOUNTING POLICIES

(i) 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).

(ii) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

(iii) Fixed assets

All fixed assets are initially recorded at cost.

(iv) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	25% per annum of net book value
Office Equipment	-	25% per annum of net book value

(v) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(vi) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2005	2004
	£	£
Director's emoluments	12,000	12,000
Depreciation of owned fixed assets	348	249

3. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1st August 2004	293,351	2,208	237	295,796
Additions	–	–	969	969
At 31st July 2005	293,351	2,208	1,206	296,765
DEPRECIATION				
At 1st August 2004	–	1,538	162	1,700
Charge for the year	–	168	180	348
At 31st July 2005	–	1,706	342	2,048
NET BOOK VALUE				
At 31st July 2005	293,351	502	864	294,717
At 31st July 2004	293,351	670	75	294,096

4. DEBTORS

	2005 £	2004 £
Trade debtors	2,175	–
Other debtors	–	14
	2,175	14

During the year the director received a loan from the company, the maximum balance of which stood at £5,932. This was repaid by the end of the year. Interest was charged on a commercial basis.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Other creditors including taxation and social security:		
Corporation tax	14,230	11,346
PAYE and social security	317	–
VAT	3,246	–
Directors current accounts	3,844	4,068
Accruals and deferred income	–	380
	21,637	15,794

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Bank loans and overdrafts	145,643	163,800

7. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Vipond.

8. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
97,000 Ordinary A shares of £1 each	97,000	97,000
1,000 Ordinary B shares of £1 each	1,000	1,000
1,000 Ordinary C shares of £1 each	1,000	1,000
1,000 Ordinary D shares of £1 each	1,000	1,000
	100,000	100,000

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary A shares of £1 each	2	2	2	2

9. PROFIT AND LOSS ACCOUNT

	2005	2004
	£	£
Balance brought forward	148,956	150,318
Retained profit/(accumulated loss) for the financial year	9,230	(1,362)
Balance carried forward	158,186	148,956