

SMART PLASTIC CARDS LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2006

TUESDAY



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COMPANY INFORMATION

COMPANY NO:	4416632
REGISTERED OFFICE:	UNIT B2 EAGLE TRADING ESTATE EAGLE STREET WOLVERHAMPTON WV2 2AQ
DIRECTORS:	MISS H GILL MISS K GILL
SECRETARY:	MISS K GILL
BANKERS:	HSBC BANK PLC THE BRIDGE WALSALL WS1 1LN

DIRECTORS REPORT

The Directors present their Annual Report and the Financial Accounts for the year ended 31 March 2006

Principal Activities

The principal activities of the Company consist of personalisation and production of plastic cards.

Business Review

The company achieved a profit of £497,375 (£540,853 2005) before taxation. The directors have made investments in the purchase of a new building for the business and plant and equipment in order to facilitate further expansion and growth.

The directors are confident that the forthcoming year will show continued profitability.

DIVIDENDS

The directors made a dividend payment of £90,000 (£90,000 2005) for the year.

DIRECTORS

The Directors who served during the year and their interests in the share capital of the Company were as follows:

	At 31 Mar 2006	At 31 Mar 2005
Miss H Gill	1	1
Miss K Gill	1	1

TAX STATUS

In the opinion of the Directors the Close Company provision of Income and Corporation Taxes Act 1988 apply to the Company.

BY ORDER OF THE BOARD


MISS K GILL

DIRECTOR

DATED 28 January 2007

STATEMENT OF DIRECTORS RESPONSIBILITIES

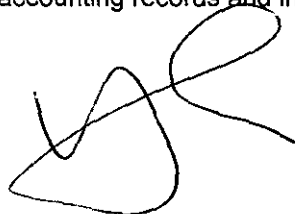
Company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:-

- * select suitable accounting policies and then apply them consistently ;
- * make judgements and estimates that are reasonable and prudent ;
- * state whether applicable accounting standards have been followed ;
- * prepare the financial statements on the going concern basis, unless it is inappropriate 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ACCOUNTANTS REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF SMART
PLASTIC CARDS LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2006 set out on pages 5 to 11, and you consider that the company is exempt from an audit and a report under Section 249 (2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanation supplied to us.

A handwritten signature in black ink, appearing to be 'H Gill', written over a large, faint, stylized 'X' or similar mark.

**H GILL
CHARTERED CERTIFIED ACCOUNTANT
WOLVERHAMPTON**

Dated: 28th January 2007

SMART PLASTIC CARDS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 March 2006

	NOTE	2006 £	2005 £
Turnover	1	1,781,606	1,830,712
Raw Materials and Consumables		894,326	912,365
Gross Profit		887,280	918,347
Other Operating Costs		139,066	154,120
Staff Costs	2	97,696	90,040
Depreciation		127,315	102,827
(Profit)/Loss on disposal of assets		-5,308	15,014
Operating Profit		528,511	556,346
Interest payable	3	31,628	16,914
Interest receivable		-492	-1,421
Profit on ordinary activities before taxation		497,375	540,853
Tax on profit on ordinary activities	4	135,312	127,999
Profit on ordinary activities after taxation		362,063	412,854
Dividend Paid		90,000	90,000
Retained Profit for Year		<u>272,063</u>	<u>322,854</u>

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

The Company has no recognised gains or losses other than the above result for the above financial year.

SMART PLASTIC CARDS LIMITED**BALANCE SHEET**
as at 31 March 2006

	NOTE	2006 £	2005 £
FIXED ASSETS	5	<u>922,469</u>	<u>964,929</u>
CURRENT ASSETS			
Stock		4,461	4,580
Debtors	6	654,057	388,310
Cash in Hand & at Bank		13,365	12,810
		<u>671,883</u>	<u>405,700</u>
CREDITORS			
Amounts falling due within one year	7	555,667	523,619
		<u>116,216</u>	<u>(117,919)</u>
NET CURRENT ASSETS / (LIABILITIES)			
CREDITORS			
Amounts falling due after one year	8	276,456	356,844
		<u>762,229</u>	<u>490,166</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	9	4	4
Profit and Loss Account	10	762,225	490,162
		<u>762,229</u>	<u>490,166</u>
SHAREHOLDERS FUNDS	11		
		<u>762,229</u>	<u>490,166</u>

The Directors are satisfied that the Company is entitled to exemption under Section 249A (1) of the Companies Act 1985 and no members have requested an audit pursuant to Section 249B (2) of the Act.

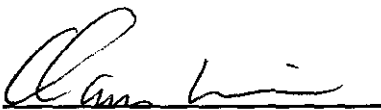
BALANCE SHEET (continued)
as at 31 March 2006

The Directors acknowledge their responsibilities for: -

- (i) ensuring that the company keep proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) 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 Companies Act 1985, and which otherwise with the requirements of this Act relating to accounts, so far as applicable to the Company.

The accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 28th January 2007



MISS K GILL
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible Fixed Assets and Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write down would be charged to operating profit unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses.

The principal annual rates used for other assets are: -

Furniture and Equipment	25%
Plant and Machinery	25%
Motor Vehicles	25%

Deferred Taxation

Deferred Taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied in the period. All turnover is derived from the principle activities within the United Kingdom.

2 EMPLOYEES

	2006	2005
Average weekly number of employees, including Directors	Number	Number
Management	2	2
Administration	2	2
Production	3	3
	<u>7</u>	<u>7</u>
	£	£
Staff cost, including Directors:		
Wages and Salaries	89,195	82,206
Social Security Costs	8,501	7,834
	<u>97,696</u>	<u>90,040</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

DIRECTORS	2006	2005
Emoluments of the company's directors:	£	£
As directors	4,740	4,740
Company contributions to defined contribution pension scheme	-	-
	<u>4,740</u>	<u>4,740</u>
3 INTEREST PAYABLE	£	£
Overdraft Interest	9,193	25
Bank Loan Interest	12,616	9,714
Hire Purchase Interest	9,818	7,175
	<u>31,627</u>	<u>16,914</u>
4 TAXATION	£	£
Taxation Charge for the period:		
Corporation Tax	129,928	131,834
Deferred Taxation		
Prior Year Adjustment	5,384	-3,835
	<u>135,312</u>	<u>127,999</u>

5 FIXED ASSETS

	Freehold Property £	Motor Vehicles £	Plant & Machinery £	Office Equipment £	TOTAL £
COST					
At 1 April 2005	365,993	-	746,879	10,225	1,123,097
Additions		86,976	15,640	899	103,515
Disposals	-10,740	-	-9,900		-20,640
At 31 March 2006	<u>355,253</u>	<u>86,976</u>	<u>752,619</u>	<u>11,124</u>	<u>1,205,972</u>
DEPRECIATION					
At 1 April 2005	-	-	155,338	2,830	158,168
Charged in Year	-	21,744	101,802	3,769	127,315
Disposals	-	-	-1,980	-	-1,980
At 31 March 2006	<u>0</u>	<u>21,744</u>	<u>255,160</u>	<u>6,599</u>	<u>283,503</u>
NET BOOK VALUE					
At 31 March 2006	<u>355,253</u>	<u>65,232</u>	<u>497,459</u>	<u>4,525</u>	<u>922,469</u>
At 31 March 2005	<u>365,993</u>	<u>86,976</u>	<u>591,541</u>	<u>7,395</u>	<u>964,929</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

6 DEBTORS	£	£
Trade Debtors	161,433	274,836
Related Party Debtors	126,649	111,741
Prepayments	20,667	1,733
Vat	8,000	-
Sundry Loans	337,308	-
	<u>654,057</u>	<u>388,310</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	£	£
Trade Creditors	24,383	57,255
Related Party Creditors	233,784	110,781
Corporation Tax	129,928	133,048
Other Taxation and Social Security	5,242	13,988
Directors Loan Account	-	49,799
Bank Loan	28,784	28,784
Hire Purchase	123,933	113,439
Other Creditors	7,488	7,488
Accruals	2,125	9,037
	<u>555,667</u>	<u>523,619</u>

8 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	£	£
Bank Loan	159,174	175,342
Hire Purchase	117,282	181,502
	<u>276,456</u>	<u>356,844</u>

9 SHARE CAPITAL		
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
4 Ordinary Shares of £1 each	<u>4</u>	<u>4</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006**10 RESERVES****Profit & Loss Account**

At 1 April 2005	490,162	167,308
Retained Profit	<u>272,063</u>	<u>322,854</u>
At 31 March 2006	<u>762,225</u>	<u>490,162</u>

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for the financial year	362,063	412,854
Dividends	-90,000	-90,000
	<u>272,063</u>	<u>322,854</u>
Opening shareholders' funds	<u>490,166</u>	<u>167,312</u>
Closing shareholders' funds	<u>762,229</u>	<u>490,166</u>

12 RELATED PARTY TRANSACTIONS

- a) The Company is controlled by the Directors.
- b) There are common shareholders and management with a related party, Card Printing Services Ltd.
- c) The following transactions were made between the related parties during the period :
- Purchases of £708,347 for raw material
- Sales of fixed assets of £6,205
- Rent and other expenses £24,348
- d) Loans of £377,308 are outstanding from related parties at end of year.