

Graphite Resources Limited

Directors' report and financial statements

for the year ended 30 April 2005

Registered number 4748821



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Graphite Resources Limited

Directors' report and financial statements

<i>Contents</i>	Page
<i>Directors' report</i>	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 9

Graphite Resources Limited

Directors' report

The directors present their report and the financial statements for the year ended 30 April 2005.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Principal activity

The principal activity of the company is that of waste management and recycling.

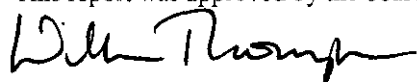
Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares of £1 each	
	2005	2004
W Thompson	50	50
MV Thompson	50	50

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

This report was approved by the board on 22/02/05 and signed on its behalf by


Director



ACCOUNTANTS & BUSINESS ADVISERS

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**Accountants' report on the unaudited financial statements to the directors
of Graphite Resources Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 April 2005 set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.

The Charlton Williamson Partnership

Accountants and Business Advisers

Date: *22 February 2006*

Graphite Resources Limited

Profit and loss account

for the year ended 30 April 2005

		2005	2004
	Notes	£	£
Turnover		-	-
Administrative expenses		(27,694)	(27,349)
Other operating income		220	4,725
Operating loss - continuing operations	2	<u>(27,474)</u>	<u>(22,624)</u>
Interest receivable and similar income		221	104
Loss on ordinary activities before taxation		<u>(27,253)</u>	<u>(22,520)</u>
Taxation	3	-	-
Loss for the financial year	9	<u><u>(27,253)</u></u>	<u><u>(22,520)</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 9 form an integral part of these financial statements.

Graphite Resources Limited

Balance sheet

at 30 April 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Intangible assets	4		9,106		9,106
Tangible assets	5		2,106		-
			<u>11,212</u>		<u>9,106</u>
Current assets					
Work in progress		20,000		-	
Debtors	6	744		-	
Cash at bank and in hand		995		29,432	
		<u>21,739</u>		<u>29,432</u>	
Creditors: amounts falling due within one year	7	(82,624)		(60,958)	
Net current liabilities			<u>(60,885)</u>		<u>(31,526)</u>
Deficiency of assets			<u>(49,673)</u>		<u>(22,420)</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		(49,773)		(22,520)
Equity shareholders' funds	10		<u>(49,673)</u>		<u>(22,420)</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 9 form an integral part of these financial statements.

Graphite Resources Limited

Balance sheet (continued)

Directors' statements required by Section 249B(4)

for the year ended 30 April 2005

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 April 2005 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to 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 .

The financial statements were approved by the board on 22/02/06 and signed on its behalf by



Director

Graphite Resources Limited

Notes to the financial statements

for the year ended 30 April 2005

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

Going concern

The financial statements have been drawn up on the going concern basis which assumes the continued financial support of the directors.

Intangible fixed assets

Costs incurred in developing the company's website are capitalised as incurred. Once the website becomes 'live' the costs will be amortised over three years.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% straight line
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Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Government grants

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Graphite Resources Limited

Notes to the financial statements

for the year ended 30 April 2005

2	Operating loss	2005	2004
		£	£
	<i>Operating loss is stated after charging:</i>		
	Directors' remuneration	9,620	5,180
	Depreciation of tangible fixed assets	359	259
	Loss on disposal of tangible fixed assets	-	4,265
	<i>and after crediting:</i>		
	Government grants	-	4,725
		<u>-</u>	<u>4,725</u>
3	Taxation		
	There is no corporation tax liability arising due to losses incurred during the year.		
4	Intangible fixed assets	Website development	Total
		£	£
	<i>Cost</i>		
	At beginning and end of year	9,106	9,106
	<i>Net book values</i>		
	At 30 April 2005	9,106	9,106
	At 30 April 2004	9,106	9,106
5	Tangible fixed assets	Fixtures, fittings and equipment	Total
		£	£
	<i>Cost</i>		
	At beginning of year	-	-
	Additions	2,465	2,465
	At end of year	2,465	2,465
	<i>Depreciation</i>		
	At beginning of year	-	-
	Charge for the year	359	359
	At end of year	359	359
	<i>Net book values</i>		
	At 30 April 2005	2,106	2,106
	At 30 April 2004	-	-

Graphite Resources Limited

Notes to the financial statements

for the year ended 30 April 2005

6	Debtors	2005	2004
		£	£
	Prepayments and accrued income	<u>744</u>	<u>-</u>
7	Creditors: amounts falling due within one year	2005	2004
		£	£
	Trade creditors	2,255	-
	Directors' loan accounts	78,900	59,900
	Accruals and deferred income	<u>1,469</u>	<u>1,058</u>
		<u>82,624</u>	<u>60,958</u>
8	Share capital	2005	2004
		£	£
	<i>Authorised equity</i>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<i>Allotted, called up and fully paid equity</i>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
9	Reserves	Profit and loss account	Total
		£	£
	At beginning of year	(22,520)	(22,520)
	Loss for the year	<u>(27,253)</u>	<u>(27,253)</u>
	At end of year	<u>(49,773)</u>	<u>(49,773)</u>
10	Reconciliation of movements in shareholders' funds	2005	2004
		£	£
	Loss for the year	(27,253)	(22,520)
	Net proceeds of equity share issue	<u>-</u>	<u>100</u>
		<u>(27,253)</u>	<u>(22,420)</u>
	Opening shareholders' funds	(22,420)	-
	Closing shareholders' funds	<u>(49,673)</u>	<u>(22,420)</u>

Graphite Resources Limited

Notes to the financial statements

for the year ended 30 April 2005

11 Transactions with directors

During the year the company incurred rental charges of £3,719 (2004: £nil) from Graphite Enterprises Limited, a company of which W Thompson and MV Thompson are also directors. At 30 April 2005 the company owed £2,231 (2004: £nil) to Graphite Enterprises Limited.