

CROCODILE CLIPS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2007

(Company Number SC 167 331)



Stewart, Sheddan & Co., C A
Edinburgh

CROCODILE CLIPS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO CROCODILE CLIPS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of Crocodile Clips Limited for the year ended 31 July 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

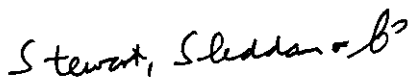
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Stewart, Sheddan & Co., C A
Registered Auditors
Edinburgh

15 February 2008

CROCODILE CLIPS LIMITED**ABBREVIATED BALANCE SHEET**
AS AT 31 JULY 2007

	<u>Note</u>	<u>2007</u>	<u>2006</u>
		£	£
<u>Fixed assets</u>			
Tangible assets	2	27,496	25,425
Investments	2	1	1
<u>Current assets</u>			
Stocks		8,700	14,220
Debtors (due within one year)		192,948	208,103
Cash at bank and in hand		198,699	276,212
		400,347	498,535
<u>Creditors (amounts falling due within one year)</u>	3	(95,361)	(116,318)
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<u>Net current assets</u>		304,986	382,217
<u>Total assets less current liabilities</u>		332,483	407,643
<u>Creditors (amounts falling due after one year)</u>	3		
		332,483	407,643
<u>Provisions for liabilities</u>		(1,572)	(1,468)
<u>Net assets</u>		330,911	406,175
		=====	=====
<u>Capital and reserves</u>			
Called up share capital	4	1,130	1,130
Share premium account		163,670	163,670
Profit and loss account		166,111	241,375
		--	--
<u>Equity shareholders' funds</u>		330,911	406,175
		=====	=====

Abbreviated accounts statement

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

The abbreviated accounts on pages 2 to 5 were approved by the Board of Directors on 15 February 2008, and signed on its behalf



A M Hall (Director)

CROCODILE CLIPS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

1 ACCOUNTING POLICIES

Basis of preparation of accounts

The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention, and in accordance with applicable accounting standards, and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing

Turnover

Turnover consists of the invoiced value (excluding VAT) for products and services supplied to third parties

Income

For accounting purposes, sales of products will be counted as income at the point of delivery or at the date of invoicing if delivery is less than three months after invoicing

A service sale worth less than £5,000 per month for up to one year will be counted as income in the month the order is processed. Income for future years will be applied on the appropriate anniversary of the sale

The income from any service sale or bespoke product development worth £5,000 or more per month will be spread evenly throughout the lifetime of the contract

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided in equal amounts each period in order to write off the original cost less residual value of tangible fixed assets over their estimated useful economic lives. Estimated useful economic lives are

Computer related	2 years
Other equipment	4 years
Fixtures and fittings	10 years

The fixed asset investment of £1 in Crocodile Clips (Trustees) Limited (CCTL) is stated at cost, and the accounts of the company do not consolidate the result of CCTL in line with the exemption provided by s 248 of the Companies Act 1985

Stocks

Stock is valued at the lower of cost, on a first in first out basis, and net realisable value, after making due allowance for obsolete and slow moving items. Work in progress and finished goods are valued at cost including attributable direct labour and overhead costs after making due allowance for obsolete or slow moving items

Debtors

Known bad debts are written off and provision is made for any debts considered to be doubtful

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, 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 taxation is measured on a non discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse. Foreign withholding taxes are written off in the year if they are not expected to be recoverable against UK corporation tax liabilities

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and their useful economic lives. Outstanding obligations under the leases, net of finance charges, are included in creditors. Operating lease costs are charged to the profit and loss account on a straight line basis over the lease period

Pensions

The company does not operate a pension scheme at present

CROCODILE CLIPS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS (Cont'd)****Research and development**

Computers and equipment for research and development are included as fixed assets and written off in accordance with the company's depreciation policy, other research and development expenditure is written off in the year in which it is incurred

Government and other grants

Revenue grants receivable are taken to profit and loss account in the period to which they relate

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction Exchange differences are taken into account in arriving at the operating profit

2 FIXED ASSETS**Tangible Assets**

Total
£

Cost

At start of year	201,995
Additions at cost	12,725
Disposals	(5,172)

At end of year	209,548
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Aggregate depreciation

At start of year	176,570
Charge for year	10,553
Depreciation on disposals	(5,071)

At end of year	182,052
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Net book value

At start of year	25,425
	=====

At end of year	27,496
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Investments

The Company owns the whole issued share capital of Crocodile Clips (Trustees) Limited, which is the first appointed Trustee of the Crocodile Clips Employee Benefit Trust The £1 ordinary share was acquired at par This wholly owned subsidiary is non trading and is incorporated in Scotland

3 CREDITORS

There were no secured creditors at the year end Creditors due within one year include directors' current accounts of £283 (2006 £911) which are interest free and have no fixed repayment date

CROCODILE CLIPS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS (Cont'd)****4 SHARE CAPITAL**

	<u>2007</u>		<u>2006</u>	
	<u>No</u>	<u>£</u>	<u>No</u>	<u>£</u>
<u>Authorised</u>				
"A" Ordinary shares of £0 0001 each	500,000,000	50,000	500,000,000	50,000
Ordinary shares of £0 0001 each	500,000,000	50,000	500,000,000	50,000
	1,000,000,000	100,000	1,000,000,000	100,000
	=====	=====	=====	=====
<u>Allotted, called up and fully paid</u>				
"A" Ordinary shares of £0 0001 each	10,000,000	1,000	10,000,000	1,000
Ordinary shares of £0 0001 each	1,300,000	130	1,300,000	130
	11,300,000	1,130	11,300,000	1,130
	=====	=====	=====	=====

The Ordinary and "A" Ordinary shares have equal voting rights, except in relation to certain allotments and transfers of shares where consent of 51% of the holders of "A" Ordinary shares is required, and for Ordinary shareholders who have ceased to be employed by the company who may have no voting rights

5 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

There were no transactions with directors or related parties, other than business expenses claimed and the directors' current accounts due to the directors by the company (note 3), £nil (2006 £665) being due to Andrew Hall and £283 (2006 £246) being due to Dominic Sharratt at the balance sheet date

The controlling party is A M Hall, director, who owns 88.49% of the issued share capital, comprising 100% of the "A" Ordinary shares