

CROCODILE CLIPS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2012

(Company Number SC 167 331)



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

The notes on pages 2 to 4 form part of these abbreviated accounts

CROCODILE CLIPS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****1. ACCOUNTING POLICIES****Basis of preparation of financial statements**

The financial statements are prepared 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 Report of the Directors and all of which are continuing.

Subsidiary undertaking

The company and its subsidiary comprise a small group. The company has not opted to prepare group accounts under section 398 of the Companies Act 2006. The financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover consists of the invoiced value (excluding VAT) for products and services supplied to third parties, and royalties on a receivable basis.

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.

Reserve and associated costs of vouchers for products issued for no or negligible consideration are recognised as a discount on sale only when the actual sale of said products occurs. Research and development tax credits claimed are recognised when received.

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

Fixed asset investments

Non listed investments are stated at cost and are periodically reviewed for impairment.

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.

CROCODILE CLIPS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS (Cont'd)****1. ACCOUNTING POLICIES (cont'd)****Pensions**

The company does not operate a pension scheme at present.

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 the 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****Cost**

	<u>Total</u> £
At start of year	181,217
Additions at cost	309
Disposals	(109)

At end of year	181,417
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Aggregate depreciation

At start of year	172,719
Charge for year	3,926
Depreciation on disposals	(62)

At end of year	176,583
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Net book value

At start of year	8,498
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At end of year	4,834
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Investments

The Company owns one £1 ordinary share (2011 – one), being 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, is incorporated in Scotland and has net assets of £1 at 31 July 2012 (2011 - £1).

CROCODILE CLIPS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (Cont'd)

3. CREDITORS

There were no secured creditors at the period end. Creditors due within one year include directors' current accounts of £86 (2011 - £665) which are interest free and are repayable on demand.

4. SHARE CAPITAL

	<u>2012</u>		<u>2011</u>	
	<u>No.</u>	<u>£</u>	<u>No.</u>	<u>£</u>
<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
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	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 THE DIRECTORS AND RELATED PARTIES

There were no transactions with the directors or related parties, other than business expenses claimed and the directors' current accounts due to the directors by the company (note 3); £44 (2011 - £544) being due to A M Hall and £42 (2011 - £121) being due to D J Sharratt at the balance sheet date.

CROCODILE CLIPS LIMITED**INDEPENDENT AUDITORS' REPORT TO CROCODILE CLIPS LIMITED**

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 1 to 4 together with the financial statements of Crocodile Clips Limited for the year ended 31 July 2012 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

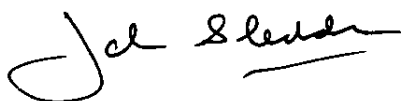
The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



John G Sheddan C.A. (Senior Statutory Auditor)
for and on behalf of **Stewart, Sheddan & Co.**
Chartered Accountants and Statutory Auditors
21 Walker Street,
Edinburgh, EH3 7HX.

21 November 2012