

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006
FOR
CREATE INTERIORS LIMITED**



CREATE INTERIORS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2006**

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CREATE INTERIORS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2006

DIRECTOR: J F Otter

SECRETARY: Mrs F Otter

REGISTERED OFFICE: 257b Croydon Road
Beckenham
Kent
BR3 3PS

REGISTERED NUMBER: 4491399

AUDITORS: Edwards Chartered Accountants
257b Croydon Road
Beckenham
Kent
BR3 3PS

CREATE INTERIORS LIMITED

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2006**

The director presents his report with the financial statements of the company for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of office fit outs

DIRECTORS

The directors during the year under review were

J F Otter

W Allen

- resigned 31 1 06

The director holding office at 31 December 2006 did not hold any beneficial interest in the issued share capital of the company at 1 January 2006 or 31 December 2006

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Edwards Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



Mrs F Otter - Secretary

19 June 2007

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CREATE INTERIORS LIMITED**

We have audited the financial statements of Create Interiors Limited for the year ended 31 December 2006 on pages four to eight. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters 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 director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Director is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

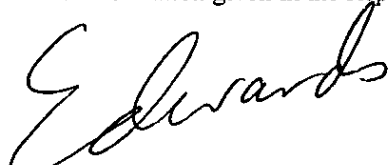
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Director is consistent with the financial statements.



Edwards Chartered Accountants
257b Croydon Road
Beckenham
Kent
BR3 3PS

19 June 2007

CREATE INTERIORS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
TURNOVER		3,957,869	4,405,206
Cost of sales		<u>3,687,825</u>	<u>4,061,530</u>
GROSS PROFIT		270,044	343,676
Administrative expenses		<u>598,281</u>	<u>758,487</u>
OPERATING LOSS	2	(328,237)	(414,811)
Interest receivable and similar income		<u>70</u>	<u>38</u>
		(328,167)	(414,773)
Interest payable and similar charges		<u>17,099</u>	<u>10,050</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(345,266)	(424,823)
Tax on loss on ordinary activities	3	<u>(439)</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(344,827)</u>	<u>(424,823)</u>

The notes form part of these financial statements

CREATE INTERIORS LIMITED

**BALANCE SHEET
31 DECEMBER 2006**

	Notes	2006 £	£	2005 £	£
FIXED ASSETS					
Tangible assets	4		5,186		8,250
CURRENT ASSETS					
Stocks	5	(12,004)		(100,056)	
Debtors	6	124,612		1,115,273	
		<u>112,608</u>		<u>1,015,217</u>	
CREDITORS					
Amounts falling due within one year	7	1,035,956		1,596,802	
NET CURRENT LIABILITIES			<u>(923,348)</u>		<u>(581,585)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(918,162)</u>		<u>(573,335)</u>
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Profit and loss account	9		<u>(918,163)</u>		<u>(573,336)</u>
SHAREHOLDERS' FUNDS			<u>(918,162)</u>		<u>(573,335)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the director on 19 June 2007 and were signed by



J F Otter - Director

CREATE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Long term contracts are stated at net cost less foreseeable losses less any applicable payments on account The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date Attributable profit is recognised as the difference between recorded turnover and related costs

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company operates a defined contribution pension scheme Contributions payable for the year are charged in the profit and loss account

2 OPERATING LOSS

The operating loss is stated after charging

	2006	2005
	£	£
Depreciation - owned assets	3,659	3,271
Auditor's remuneration	1,500	1,500
Pension costs	573	5,201
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	4,458	72,602
	<u> </u>	<u> </u>

CREATE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2006**

3 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows

	2006 £	2005 £
Current tax		
UK corporation tax	<u>(439)</u>	-
Tax on loss on ordinary activities	<u><u>(439)</u></u>	<u><u>-</u></u>

4 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2006	2,020	13,281	15,301
Additions	<u>595</u>	<u>-</u>	<u>595</u>
At 31 December 2006	<u><u>2,615</u></u>	<u><u>13,281</u></u>	<u><u>15,896</u></u>
DEPRECIATION			
At 1 January 2006	860	6,191	7,051
Charge for year	<u>472</u>	<u>3,187</u>	<u>3,659</u>
At 31 December 2006	<u><u>1,332</u></u>	<u><u>9,378</u></u>	<u><u>10,710</u></u>
NET BOOK VALUE			
At 31 December 2006	<u><u>1,283</u></u>	<u><u>3,903</u></u>	<u><u>5,186</u></u>
At 31 December 2005	<u><u>1,160</u></u>	<u><u>7,090</u></u>	<u><u>8,250</u></u>

5 STOCKS

	2006 £	2005 £
Excess payments on account	<u><u>(12,004)</u></u>	<u><u>(100,056)</u></u>

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	122,912	1,057,161
Other debtors	<u>1,700</u>	<u>58,112</u>
	<u><u>124,612</u></u>	<u><u>1,115,273</u></u>

CREATE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2006**

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Bank loans and overdrafts	8,555	374
Trade creditors	421,156	1,099,737
Amounts owed to group undertakings	502,044	444,750
Taxation and social security	99,755	14,900
Other creditors	4,446	37,041
	<u>1,035,956</u>	<u>1,596,802</u>

8 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2006 £	2005 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

Allotted, issued and fully paid Number	Class	Nominal value	2006 £	2005 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

9 RESERVES

	Profit and loss account £
At 1 January 2006	(573,336)
Deficit for the year	<u>(344,827)</u>
At 31 December 2006	<u>(918,163)</u>

10 ULTIMATE PARENT COMPANY

In the opinion of the directors, the immediate and ultimate parent undertaking is Techcrete Limited, company number 2071631. Copies of their accounts are available to the public from Companies House, Crown Way, Cardiff CF14 3UZ.

11 GOING CONCERN

The company suffered a loss for the year and reports negative shareholders' funds.

The accounts have been prepared on the going concern basis as the directors are confident of the ongoing support of group companies.