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SMALL STEPS LIMITED
REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



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for the Year Ended 31 December 2005**

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COMPANY INFORMATION
for the Year Ended 31 December 2005

DIRECTOR: W A Curley

SECRETARY: A Curley

REGISTERED OFFICE: 12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

REGISTERED NUMBER: 3616733 (England and Wales)

ACCOUNTANTS: Cooper Adams Ltd
Chartered Accountants
12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

**REPORT OF THE DIRECTOR
for the Year Ended 31 December 2005**

The director presents his report with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of management & engineering consultancy.

DIRECTOR

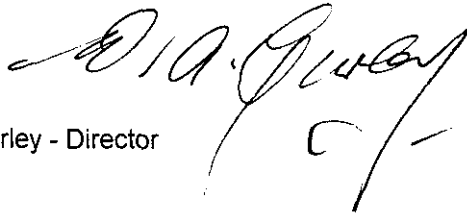
W A Curley was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.05	1.1.05
Ordinary £1 shares	10	10

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:

A handwritten signature in black ink, appearing to read 'W A Curley', with a large, stylized flourish extending from the bottom right.

W A Curley - Director

6 September 2006

SMALL STEPS LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2005

	Notes	2005 £	2004 £
TURNOVER		33,206	11,768
Administrative expenses		<u>20,749</u>	<u>16,412</u>
OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	12,457	(4,644)
Tax on profit/(loss) on ordinary activities	3	<u>1,235</u>	<u>(1,162)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>11,222</u></u>	<u><u>(3,482)</u></u>

The notes form part of these financial statements

SMALL STEPS LIMITED

BALANCE SHEET
31 December 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	4	1,341	1,947
CURRENT ASSETS			
Debtors	5	5,782	2,718
Cash at bank		4,158	3,684
		9,940	6,402
CREDITORS			
Amounts falling due within one year	6	4,531	8,821
NET CURRENT ASSETS/(LIABILITIES)		5,409	(2,419)
TOTAL ASSETS LESS CURRENT LIABILITIES		6,750	(472)
CAPITAL AND RESERVES			
Called up share capital	7	10	10
Profit and loss account	8	6,740	(482)
SHAREHOLDERS' FUNDS		6,750	(472)

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2005.

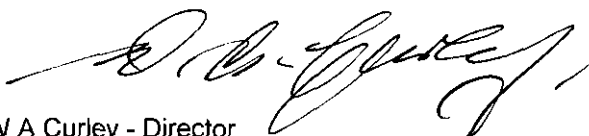
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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 6 September 2006 and were signed by:


W A Curley - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2005

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The company is showing net current liabilities and net liabilities at 31.12.2004. The director has confirmed that he will continue to support the company financially to allow it to continue its operations. On this basis, the director considers it appropriate to prepare the financial statements on a going concern basis.

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 services, 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 reducing balance
Computer equipment	- 33% on reducing balance

Deferred tax

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

2. OPERATING PROFIT/(LOSS)

The operating profit (2004 - operating loss) is stated after charging:

	2005 £	2004 £
Depreciation - owned assets	<u>606</u>	<u>891</u>
Director's emoluments and other benefits etc	<u>8,377</u>	<u>8,428</u>
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	<u>1</u>	<u>1</u>

3. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2005 £	2004 £
Current tax:		
UK corporation tax	<u>1,235</u>	<u>(1,162)</u>
Tax on profit/(loss) on ordinary activities	<u>1,235</u>	<u>(1,162)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2005

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2005			
and 31 December 2005	668	4,461	5,129
DEPRECIATION			
At 1 January 2005	389	2,793	3,182
Charge for year	56	550	606
At 31 December 2005	445	3,343	3,788
NET BOOK VALUE			
At 31 December 2005	223	1,118	1,341
At 31 December 2004	279	1,668	1,947

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	4,862	-
Other debtors	920	-
Corporation Tax Debtor	-	1,162
VAT	-	1,556
	5,782	2,718

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Social security and other taxes	294	332
VAT	2,769	-
Corporation tax	1,235	-
Directors' current accounts	233	8,489
	4,531	8,821

7. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005 £	2004 £
100	Ordinary	£1	100	100
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005 £	2004 £
10	Ordinary	£1	10	10

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2005**8. RESERVES**

	Profit and loss account £
At 1 January 2005	(482)
Profit for the year	11,222
Dividends	<u>(4,000)</u>
At 31 December 2005	<u>6,740</u>

**REPORT OF THE ACCOUNTANTS TO THE DIRECTOR OF
SMALL STEPS LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2005 set out on pages three to seven 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 and explanations supplied to us.

Cooper Adams Ltd

Cooper Adams Ltd
Chartered Accountants
12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

6 September 2006