

COMPANY REGISTRATION NUMBER 03891212

CHES DYNAMICS LIMITED
ABBREVIATED ACCOUNTS
30 APRIL 2010

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CHESS DYNAMICS LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 30 APRIL 2010

CONTENTS	PAGE
Independent auditor's report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3

CHESS DYNAMICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO CHESS DYNAMICS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Chess Dynamics Limited for the year ended 30 April 2010 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 auditor's 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 our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 to be delivered are properly prepared.

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.



26/8/2010

T J Hewitt, FCCA (Senior Statutory Auditor)
For and on behalf of Clarity Accounting Limited
Chartered Certified Accountants and registered Auditors

Buckingham House
Myrtle Lane
Billingshurst
West Sussex
RH14 9SG

CHESS DYNAMICS LIMITED

ABBREVIATED BALANCE SHEET

30 APRIL 2010

	Note	2010 £	2009 £
FIXED ASSETS	2		
Intangible assets		285,236	204,292
Tangible assets		267,608	142,108
		552,844	346,400
CURRENT ASSETS			
Stocks		1,659,983	1,152,361
Debtors	3	1,127,786	844,069
Cash at bank and in hand		208,556	312,618
		2,996,325	2,309,048
CREDITORS: Amounts falling due within one year	4	1,915,076	2,176,874
NET CURRENT ASSETS		1,081,898	132,174
TOTAL ASSETS LESS CURRENT LIABILITIES		1,634,093	478,574
CREDITORS: Amounts falling due after more than one year	4	1,081,898	114,238
PROVISIONS FOR LIABILITIES		19,123	10,314
		533,072	354,022
CAPITAL AND RESERVES			
Called-up equity share capital	5	100	100
Profit and loss account		532,972	353,922
SHAREHOLDERS' FUNDS		533,072	354,022

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 26/08/10 and are signed on their behalf by


G P BEALL
Director

Company Registration Number 03891212

The notes on page 2 form part of these abbreviated accounts.

CHESS DYNAMICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 APRIL 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Development costs

The company capitalises the initial cost of developing new products and technologies to the extent that the new product or technology is

- a) technically feasible and commercially viable,
- b) clearly defined and expenditure on the product is identifiable, c) not a customer funded development , and
- d) expected to generate profits over a period of time in excess of the total projected development costs

Expenditure which has been capitalised is amortised over it's useful economic life up to a maximum of five years from entry into commercial production

Development expenditure which does not meet these criteria is charged against profits of the year in which it is incurred

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Development costs - 5 years straight line

Fixed assets

All fixed assets are initially recorded at cost

CHESS DYNAMICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 APRIL 2010

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	over the life of the lease
Plant & Machinery	-	10% on cost
Fixtures & Fittings	-	10% on cost
Motor Vehicles	-	10% on cost
Equipment	-	25% on cost

Stock and work in progress

Contracts are considered on an individual basis. Costs and attributable revenue are recognised based on the number of units delivered up to the balance sheet date as a percentage of the total units for the project.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred taxation is recognized in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more, tax, except specifically excluded by FRS 19.

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 of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

CHESS DYNAMICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2010

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Total £
COST			
At 1 May 2009	267,580	224,528	492,108
Additions	126,879	141,863	268,742
Disposals	-	(27,503)	(27,503)
Transfers	-	106,898	106,898
At 30 April 2010	<u>394,459</u>	<u>445,786</u>	<u>840,245</u>
DEPRECIATION			
At 1 May 2009	63,288	82,420	145,708
Charge for year	45,935	47,720	93,655
On disposals	-	(25,669)	(25,669)
Transfers	-	73,707	73,707
At 30 April 2010	<u>109,223</u>	<u>178,178</u>	<u>287,401</u>
NET BOOK VALUE			
At 30 April 2010	<u>285,236</u>	<u>267,608</u>	<u>552,844</u>
At 30 April 2009	<u>204,292</u>	<u>142,108</u>	<u>346,400</u>

3. DEBTORS

Included in debtors is an amount totalling £1,000,000 recoverable after more than one year (2009 - £nil)

4. CREDITORS

Included in creditors amounts falling due within one year are amounts totalling £11,747 (2009 - £37,267) for which security has been given

Included in creditors amounts falling due after more than one year are amounts totalling £6,728 (2009 - £18,475) for which security has been given

5. SHARE CAPITAL

Authorised share capital:

	2010 £	2009 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2010 No	£	2009 No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

6. ULTIMATE PARENT COMPANY

The ultimate parent company is Chess Technologies Limited