

COMPANY REGISTRATION NUMBER 04535199

**Creativity International Limited**  
**Abbreviated Accounts**  
**For the Year Ended**  
**31 December 2008**

**HW**

Chartered Accountants & Registered Auditor  
Sterling House  
71 Francis Road  
Edgbaston  
Birmingham  
B16 8SP

TUESDAY



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13/10/2009  
COMPANIES HOUSE

# **Creativity International Limited**

## **Independent Auditor's Report to Creativity International Limited**

### **UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Creativity International Limited for the year ended 31 December 2008 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 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 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 have been 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 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Sterling House  
71 Francis Road  
Edgbaston  
Birmingham  
B16 8SP

7 October 2009

HW  
Chartered Accountants  
& Registered Auditor

# Creativity International Limited

## Abbreviated Balance Sheet

31 December 2008

|   | Note     | 2008             | 2007             |
|---|----------|------------------|------------------|
|   |          | £                | £                |
| <b>Fixed Assets</b>                                   | <b>2</b> |                  |                  |
| Intangible assets                                     |          | (345,282)        | (369,945)        |
| Tangible assets                                       |          | <u>69,475</u>    | <u>103,881</u>   |
|   |          | (275,807)        | (266,064)        |
| <b>Current Assets</b>                                 |          |                  |                  |
| Stocks  |          | 1,090,175        | 1,015,075        |
| Debtors   |          | 944,725          | 909,471          |
| Cash at bank and in hand                              |          | <u>350,136</u>   | <u>511,407</u>   |
|   |          | 2,385,036        | 2,435,953        |
| <b>Creditors: Amounts Falling due Within One Year</b> |          | <u>613,741</u>   | <u>780,085</u>   |
| <b>Net Current Assets</b>                             |          | <b>1,771,295</b> | <b>1,655,868</b> |
| <b>Total Assets Less Current Liabilities</b>          |          | <b>1,495,488</b> | <b>1,389,804</b> |
| <b>Provisions for Liabilities</b>                     |          | <u>1,844</u>     | <u>8,589</u>     |
|   |          | <u>1,493,644</u> | <u>1,381,215</u> |
| <b>Capital and Reserves</b>                           |          |                  |                  |
| Called-up equity share capital                        | 3        | 598,147          | 598,147          |
| Profit and loss account                               |          | <u>895,497</u>   | <u>783,068</u>   |
| <b>Shareholders' Funds</b>                            |          | <b>1,493,644</b> | <b>1,381,215</b> |

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 30 Sept 2009, and are signed on their behalf by:

C J Bailey  
Director

R W Ireland  
Director

The notes on pages 3 to 5 form part of these abbreviated accounts.

# **Creativity International Limited**

## **Notes to the Abbreviated Accounts**

**Year Ended 31 December 2008**

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### **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 January 2007).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year, exclusive of Value Added Tax.

#### **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:

Goodwill - 5% straight line

#### **Fixed Assets**

All fixed assets are initially recorded at cost.

#### **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:

|                     |                     |
|---------------------|---------------------|
| Plant & Machinery   | - 20% straight line |
| Fixtures & Fittings | - 20% straight line |
| Motor Vehicles      | - 20% straight line |

#### **Stocks**

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

#### **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 tax is recognised in respect of all 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 to receive more tax, with the following exceptions:

# Creativity International Limited

## Notes to the Abbreviated Accounts

Year Ended 31 December 2008

### 1. Accounting Policies *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Invoice Discounting

The company invoice discounts its trade debts. The accounting policy is to include trade debtors discounted with recourse under trade debtors. The returnable element is included in other creditors. Discount fees and interest is charged to the profit and loss account when paid. Bad debts are borne by the company and charged to the profit and loss account when incurred.

### 2. Fixed Assets

|  | Intangible<br>Assets<br>£ | Tangible<br>Assets<br>£ | Total<br>£       |
|--|---------------------------|-------------------------|------------------|
| <b>Cost</b>                            |                           |                         |                  |
| At 1 January 2008 and 31 December 2008 | <u>(493,260)</u>          | <u>209,587</u>          | <u>(283,673)</u> |
| <b>Depreciation</b>                    |                           |                         |                  |
| At 1 January 2008                      | <u>(123,315)</u>          | <u>105,706</u>          | <u>(17,609)</u>  |
| Charge for year                        | <u>(24,663)</u>           | <u>34,406</u>           | <u>9,743</u>     |
| At 31 December 2008                    | <u>(147,978)</u>          | <u>140,112</u>          | <u>(7,866)</u>   |
| <b>Net Book Value</b>                  |                           |                         |                  |
| At 31 December 2008                    | <u>(345,282)</u>          | <u>69,475</u>           | <u>(275,807)</u> |
| At 31 December 2007                    | <u>(369,945)</u>          | <u>103,881</u>          | <u>(266,064)</u> |

# Creativity International Limited

## Notes to the Abbreviated Accounts

Year Ended 31 December 2008

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### 3. Share Capital

#### Authorised share capital:

|                                      | 2008<br>£        | 2007<br>£        |
|--------------------------------------|------------------|------------------|
| 5,000,000 Ordinary shares of £1 each | <u>5,000,000</u> | <u>5,000,000</u> |

#### Allotted, called up and fully paid:

|                            | 2008           |                | 2007           |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | No             | £              | No             | £              |
| Ordinary shares of £1 each | <u>598,147</u> | <u>598,147</u> | <u>598,147</u> | <u>598,147</u> |

### 4. Control

The ultimate controlling party is C J Bailey, a director of the company.