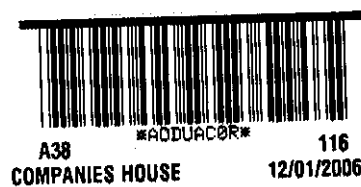


Cool Image Internet Limited
Director's Report and Financial Statements
for the period ended 28th February 2005



Company Number: SC263753

Cool Image Internet Limited

Company Information

Director	Barry Joseph Koerveres
Secretary	Alexander Ritchie Robertson
Company Number	SC263753
Registered Office	Belsize House Belsize Road Dundee DD5 1NF
Business Address	Belsize House Belsize Road Dundee DD5 1NF

Cool Image Internet Limited

Contents

	Page
Director's Report	1
Profit and Loss Account	2
Balance Sheet	3 - 4
Notes to the Financial Statements	5 - 7

The following page does not form part of the statutory financial statements:

Detailed Trading Profit & Loss Account	8
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Cool Image Internet Limited

Director's Report for the period ended 28th February 2005

The director presents his report and financial statements for the period 20th February 2004 to 28th February 2005.

Principal Activity

The company was incorporated on 20th February 2004 and commenced trading in the field of Creative Marketing.

Director and their Interests

The director who served during the period and his interest in the company is as stated below:

	Class of Share	Number of Shares 2005
Barry Joseph Koerveres	Ordinary shares	1

Director's Responsibilities

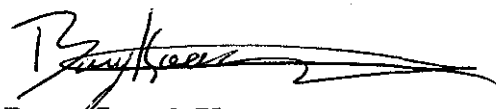
Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements based 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.

In the preparation of this report the director has taken advantage of the exemptions applicable to small companies as conferred by Part II of Schedule B of the Companies Act 1985.

This report was approved by the Board on 2nd December 2005 and signed on its behalf by



Barry Joseph Koerveres
Director

Cool Image Internet Limited

**Profit & Loss Account
for the period ended 28th February 2005**

	Notes	2005 £
Turnover	2	39,286
Cost of sales		<u>7,792</u>
Gross Profit		31,494
Administrative expenses		<u>20,150</u>
Operating Profit	3	11,344
Interest receivable and similar income		<u>90</u>
Profit on ordinary activities before taxation		11,434
Taxation	4	<u>12</u>
Profit for the period after taxation		11,422
Dividends		<u>-</u>
Retained profit carried forward		<u><u>11,422</u></u>

There are no recognised gains or losses other than the profit or loss for the above financial period.

The notes on pages 5 to 7 form an integral part of these financial statements.

Cool Image Internet Limited

Balance Sheet as at 28th February 2005

	Notes	2005	
		£	£
Fixed Assets			
Tangible assets	5		1,667
Current Assets			
Debtors	6	4,139	
Cash at bank and in hand		<u>6,758</u>	
		10,897	
Creditors: amounts falling due within one year	7	<u>1,141</u>	
Net Current Assets			<u>9,756</u>
Net Assets			<u><u>11,423</u></u>
Capital and Reserves			
Called up share capital	8		1
Profit and loss account			<u>11,422</u>
Equity Shareholder's Funds	9		<u><u>11,423</u></u>

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 7 form an integral part of these financial statements.

Cool Image Internet Limited

Balance Sheet (continued)

**Director's statements required by Section 249B(4)
for the period ended 28th February 2005**

In approving these financial statements as director of the company I hereby confirm:

- a) that for the period stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 28th February 2005; and
- c) that I acknowledge my responsibility for:
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

In preparing these financial statements:

- Advantage has been taken, in the preparation of the financial statements, of special exemptions applicable to small companies.
- In the opinion of the director the company is entitled to those exemptions on the basis that it qualifies as a small company under Section 247 of the Companies Act 1985.

The financial statements were approved by the Board on 2nd December 2005 and signed on its behalf by


.....
Barry Joseph Koerveres
Director

The notes on pages 5 to 7 form an integral part of these financial statements.

Cool Image Internet Limited

Notes to the Financial Statements for the period ended 28th February 2005

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the period.

1.3 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.4 Depreciation

Depreciation has been provided on all fixed assets at rates designed to write off their cost or valuation less any residual value over the estimated useful economic life of the assets as follows:

Computer	33.33% Straight line method
----------	-----------------------------

1.5 Stock

Stock and work in progress is valued at the lower of cost and net realisable value.

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

3. Operating Profit

Operating profit is stated after charging:-

	2005
	£
Director's remuneration	9,857
Depreciation	833
	<u> </u>

Cool Image Internet Limited

Notes to the Financial Statements for the period ended 28th February 2005

4. Taxation		2005
		£
Corporation tax at Small Companies Rate		<u>12</u>
5. Tangible assets	Computer Equipment	Total
	£	£
Cost		
At 20th February 2004	-	-
Additions	<u>2,500</u>	<u>2,500</u>
At 28th February 2005	<u>2,500</u>	<u>2,500</u>
Depreciation		
At 20th February 2004	-	-
Charge for the period	<u>833</u>	<u>833</u>
At 28th February 2005	<u>833</u>	<u>833</u>
Net Book Values		
At 28th February 2005	<u>1,667</u>	<u>1,667</u>
6. Debtors		2005
		£
Trade debtors		2,786
Director's current account		<u>1,353</u>
		<u>4,139</u>

Cool Image Internet Limited

**Notes to the Financial Statements
for the period ended 28th February 2005**

**7. Creditors: amounts falling due
within one year**

2005

£

Trade creditors	668
Corporation tax	12
Other taxes & social security costs	<u>461</u>
	<u><u>1,141</u></u>

8. Share Capital

2005

£

Authorised equity

100 Ordinary shares of £1 each

100

Allotted, called up and fully paid equity

1 Ordinary share of £1 each

1

9. Reconciliation of movements in shareholder's funds

2005

£

Profit for the period	11,422
Proceeds of equity share issue	<u>1</u>
Closing shareholder's funds	<u><u>11,423</u></u>