

Company No.: 02454057

CO-OPERATIVE ASSISTANCE NETWORK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MAY 2006

Company Secretary: N.M. Brown

Registered Office & Business Address: 1 Brunswick Place, Southampton, SO15 2AN

Principal Bankers: Co-operative Bank plc, Albert Hall Building, High Street, Colchester, CO1 1JW

The financial statements for the year have been produced without audit.

CO-OPERATIVE ASSISTANCE NETWORK LIMITED
YEAR ENDED 31ST MAY 2006

PROFIT AND LOSS ACCOUNT FOR THE YEAR

| | Notes | 2006 | 2005 |
|--|-------|----------------|-----------------|
| SALES | | 151,623 | 154,712 |
| DEVELOPED CAN PRODUCTS | | 7,184 | 3,430 |
| COST OF SALES | | <u>(9,338)</u> | <u>(12,186)</u> |
| GROSS PROFIT | | 149,468 | 145,956 |
| ADMINISTRATIVE EXPENSES | 2 | (145,383) | (136,675) |
| DEPRECIATION | 3 | (4,624) | (3,720) |
| OPERATING PROFIT | | <u>(538)</u> | <u>5,561</u> |
| INTEREST RECEIVABLE | | | |
| Loan interest | 4 | 4,248 | 4,248 |
| TOTAL OTHER INCOME | | 4,248 | 4,248 |
| NET PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>3,710</u> | <u>9,809</u> |
| TAX ON PROFIT ON ORDINARY ACTIVITIES | 5 | 135 | - |
| PROFIT FOR THE FINANCIAL YEAR | | <u>3,575</u> | <u>9,809</u> |
| Dividends | 6 | - | - |
| Charitable Donations | 7 | 50 | 400 |
| RETAINED PROFIT | | <u>3,525</u> | <u>9,409</u> |
| BALANCE BROUGHT FORWARD | 13 | 2,006 | (7,404) |
| BALANCE CARRIED FORWARD | | <u>5,531</u> | <u>2,006</u> |

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The "Notes to the financial statements" form part of these financial statements.

CO-OPERATIVE ASSISTANCE NETWORK LIMITED
YEAR ENDED 31ST MAY 2006

BALANCE SHEET AT YEAR END

| | Notes | 2006 | 2005 |
|--|-------|---------------------|---------------------|
| Fixed Assets | | | |
| Office Equipment | | 3,739 | 2,955 |
| Furniture and Fixtures | | 1,492 | 1,697 |
| Art | | 290 | 290 |
| CAN Products | | <u>12,335</u> | <u>7,298</u> |
| Shares held | 8 | <u>17,856</u> | <u>12,241</u> |
| | | 270 | 270 |
| | | 18,126 | 12,511 |
| Current Assets | | | |
| Cash | 9 | 5 | 5 |
| Debtors, Prepayments & Work In Progress | 10 | <u>86,198</u> | <u>116,279</u> |
| | | 86,204 | 116,284 |
| <i>less</i> | | | |
| Current Liabilities | | | |
| Creditors: Amounts falling within one year | 11 | <u>75,960</u> | <u>92,909</u> |
| Net Current Assets | | <u>10,244</u> | <u>23,375</u> |
| Total Assets Less Current Liabilities | | <u>28,370</u> | <u>35,886</u> |
| Creditors: Amounts falling due after more than one year | 12 | <u>21,739</u> | <u>32,880</u> |
| Net Worth | | <u><u>6,631</u></u> | <u><u>3,006</u></u> |
| Financed By: | | | |
| Reserves b/f | | 2,006 | (7,404) |
| Profit for Year | 13 | 3,525 | 9,409 |
| Loan Stock | 14 | <u>1,100</u> | <u>1,000</u> |
| | 15 | <u><u>6,631</u></u> | <u><u>3,006</u></u> |

The "Notes to the financial statements" form part of these financial statements.

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirms that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The director acknowledge their responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985:
- ii) The financial statements give a true and fair view of the state of affairs of the company as at year end and of its profit for the year then ended 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 is applicable to the company.

The financial statements were approved by the Board and signed on its behalf by:

| | | |
|--------|------|-----------------------------|
| Signed | Name | 21st September 2006 Date |
|--------|------|-----------------------------|

CO-OPERATIVE ASSISTANCE NETWORK LIMITED
YEAR ENDED 31ST MAY 2006

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

Notes

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents the total invoice value of services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

| | |
|------------------------|----------------------|
| Office equipment | 50% Reducing balance |
| Furniture & Fittings | 20% Reducing balance |
| Motor vehicles | not applicable |
| Art | 0% |
| Developed CAN products | 25% Straight line |

1.4 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable

1.5 GOODWILL

Purchased goodwill is written off immediately against reserves. Goodwill which is generated by the activities of the company is not recognised as an asset on the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

1.6 WORK IN PROGRESS

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. No element of profit is included in the valuation of work in progress.

1.7 CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

1.7 ACCOUNTING PERIOD

The accounting period covers the 12 month duration up to the date stated at the top of each page of these accounts.

2. DIRECTORS' REMUNERATION

Wages and salaries, including Social Security costs
 Annual bonus

2006

2005

| | |
|---------------|---------------|
| 56,245 | 75,132 |
| - | - |
| <u>56,245</u> | <u>75,132</u> |

3. OPERATING PROFIT

The operating profit is stated after charging:

Depreciation

| | |
|-------|-------|
| 4,624 | 3,720 |
|-------|-------|

4. INTEREST RECEIVED

Interest receivable

| | |
|-------|-------|
| 4,248 | 4,248 |
|-------|-------|

5. CORPORATION TAX ANNUAL RETURN

Corporation tax chargeable
 Corporation tax prior year adjustment
 Interest on corporation tax
 Interest paid by corporation tax
 Corporation tax losses relief for previous years
 Total payment to Inland Revenue

| | |
|------------|----------|
| 135 | - |
| - | - |
| - | - |
| - | - |
| - | - |
| <u>135</u> | <u>-</u> |

CO-OPERATIVE ASSISTANCE NETWORK LIMITED
YEAR ENDED 31ST MAY 2006

6. DIVIDENDS & PROFIT DISTRIBUTION

Ordinary Dividend:-

Interim dividends paid

Final dividend paid

| | |
|----------|----------|
| - | - |
| - | - |
| - | - |
| <u>-</u> | <u>-</u> |

Profit Distribution:- (noted on P&L as "Overhead")

Interim profit distribution paid

Final profit distribution paid

| | |
|----------|----------|
| - | - |
| - | - |
| - | - |
| <u>-</u> | <u>-</u> |

7. CHARITABLE DONATIONS

| | |
|-----------|------------|
| 50 | 400 |
| <u>50</u> | <u>400</u> |

8. TANGIBLE ASSETS

Cost at beginning of year

Additions during year

At year end

| | |
|---------------|---------------|
| 35,624 | 29,938 |
| 10,239 | 5,686 |
| <u>45,863</u> | <u>35,624</u> |

Depreciation at beginning of year

Depreciation charge during period

Depreciation at year end

| | |
|---------------|---------------|
| 23,383 | 19,663 |
| 4,624 | 3,720 |
| <u>28,007</u> | <u>23,383</u> |

Net book value at year end

| | |
|---------------|---------------|
| <u>17,856</u> | <u>12,241</u> |
|---------------|---------------|

Net book value at beginning of year

| | |
|--------|--------|
| 12,241 | 10,275 |
|--------|--------|

9. CASH

Current bank account

Deposits and Cash

| | |
|----------|----------|
| - | - |
| 5 | 5 |
| <u>5</u> | <u>5</u> |

10. DEBTORS, PREPAYMENTS & WORK IN PROGRESS

Trade debtors

Other debtors

Work in progress

Prepayments

| | |
|---------------|----------------|
| 56,953 | 97,963 |
| - | - |
| 29,245 | 18,316 |
| - | - |
| <u>86,198</u> | <u>116,279</u> |

11. CREDITORS; AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors

Other Creditor

Corporation Tax

PAYE

VAT

Wages

Profit share provision

Loans

Payments received in advance

Accruals

Bank account overdraft

Credit card

| | |
|---------------|---------------|
| 2,842 | 23,459 |
| 3,786 | 2,199 |
| 135 | - |
| 1,761 | 3,374 |
| 8,178 | 12,563 |
| - | - |
| 450 | 400 |
| 38,190 | 11,885 |
| 17,581 | 30,329 |
| - | - |
| 2,157 | 6,985 |
| 880 | 1,715 |
| <u>75,960</u> | <u>92,909</u> |

12. CREDITORS; AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Loans

Members' investments

| | |
|---------------|---------------|
| 2,595 | 10,784 |
| 19,145 | 22,096 |
| <u>21,739</u> | <u>32,880</u> |

CO-OPERATIVE ASSISTANCE NETWORK LIMITED
YEAR ENDED 31ST MAY 2006

13. PROFIT & LOSS ACCOUNT

| | | |
|---------------------------------------|---------------------|---------------------|
| Retained profits at beginning of year | 2,006 | (7,404) |
| Profits during the year | <u>3,525</u> | <u>9,409</u> |
| Retained profits at year end | <u><u>5,531</u></u> | <u><u>2,006</u></u> |

14. LOAN STOCK

| | | |
|--|--------------|--------------|
| | <u>1,100</u> | <u>1,000</u> |
|--|--------------|--------------|

15. RECONCILIATION OR MOVEMENTS IN MEMBERS FUNDS

| | | |
|-------------------------------|----------|----------|
| Profit for the financial year | 3,525 | 9,409 |
| Dividends | <u>-</u> | <u>-</u> |
| | 3,525 | 9,409 |

| | | |
|--------------------------------|------------|----------|
| New loan stock subscribed | - | 1,000 |
| Interest on loan stock | <u>100</u> | <u>-</u> |
| New addition to members' funds | 3,625 | 10,409 |

| | | |
|-------------------------------------|-------|---------|
| Members' funds at beginning of year | 3,006 | (7,404) |
|-------------------------------------|-------|---------|

| | | |
|----------------------------|---------------------|---------------------|
| Members' funds at year end | <u><u>6,631</u></u> | <u><u>3,006</u></u> |
|----------------------------|---------------------|---------------------|

Represented by:-

Equity interests:-

| | | |
|-----------------------------|-------|-------|
| Loan stock | 1,100 | 1,000 |
| Retained profit at year end | 5,531 | 2,006 |

| | | |
|--|---------------------|---------------------|
| | <u><u>6,631</u></u> | <u><u>3,006</u></u> |
|--|---------------------|---------------------|