COMPANY REGISTRATION NUMBER 4046884

WINCAN EUROPE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2005

DAUMAN & CO LIMITED
Chartered Accountants & Registered Auditors
9 Station Parade
Uxbridge Road
Ealing Common
London W5 3LD

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A11
COMPANIES HOUSE
11/03/2006

WINCAN EUROPE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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WINCAN EUROPE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES
The principal activity of the company during the year was the distribution and support of software products.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2005	At 1 January 2005
Paul Woodhouse	-	-
Alessandro Caldara	-	-

DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are 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.

AUDITOR
A resolution to re-appoint Dauman & Co Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

WINCAN EUROPE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2005

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered Office:
13 Cherry Street
Woking
Surrey
GU21 6EE

Signed by order of the directors

Paul Woodhouse

Company Secretary

Approved by the directors on 2.3.06

WINCAN EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINCAN EUROPE LIMITED

YEAR ENDED 31 DECEMBER 2005

We have audited the financial statements of Wincan Europe Limited for the year ended 31 December 2005 on pages 5 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and on the basis of the accounting policies set out on page 7.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom

WINCAN EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINCAN EUROPE LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2005

Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and

the financial statements have been properly prepared in accordance with the Companies Act 1985.

Dauman and Co Ltd

DAUMAN & CO LIMITED
Chartered Accountants
& Registered Auditors

9 Station Parade
Uxbridge Road
Ealing Common
London W5 3LD

2.3.06

WINCAN EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
TURNOVER		**595,739**	446,914
Cost of sales		**408,916**	309,297
GROSS PROFIT		**186,823**	137,617
Administrative expenses		**152,400**	138,007
OPERATING PROFIT/(LOSS)	2	**34,423**	(390)
Interest payable and similar charges		**1,654**	1,014
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**32,769**	(1,404)
Tax on profit/(loss) on ordinary activities	3	**6,663**	–
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**26,106**	(1,404)
Balance brought forward		**9,096**	10,500
Balance carried forward		**35,202**	9,096

WINCAN EUROPE LIMITED

BALANCE SHEET

31 DECEMBER 2005

	Note	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	4		**30,040**		32,556
CURRENT ASSETS					
Debtors	5	**30,478**		28,047	
Cash at bank		**8,626**		–	
		39,104		28,047	
CREDITORS: Amounts falling due within one year	6	**23,942**		27,636	
NET CURRENT ASSETS			**15,162**		411
TOTAL ASSETS LESS CURRENT LIABILITIES			**45,202**		32,967
CREDITORS: Amounts falling due after more than one year	7		–		13,871
			45,202		19,096
CAPITAL AND RESERVES					
Called-up equity share capital	9		**10,000**		10,000
Profit and loss account			**35,202**		9,096
SHAREHOLDERS' FUNDS			**45,202**		19,096

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 2.3.06 and are signed on their behalf by:

PAUL WOODHOUSE

WINCAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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 March 2000).

Turnover

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

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:

Motor Vehicles	-	25% per annum on reducing balance
Equipment	-	25% per annum on reducing balance

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.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2005	2004
	£	£
Directors' emoluments	**34,000**	33,600
Depreciation of owned fixed assets	**10,014**	10,851
Loss on disposal of fixed assets	**–**	1,551
Auditor's fees	**2,300**	2,160

WINCAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

3. TAXATION ON ORDINARY ACTIVITIES

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year at –% (2004 - –%)	**6,663**	-
Total current tax	**6,663**	-

4. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Equipment £	Total £
COST			
At 1 January 2005	**25,971**	**26,223**	**52,194**
Additions	**–**	**7,498**	**7,498**
At 31 December 2005	**25,971**	**33,721**	**59,692**
DEPRECIATION			
At 1 January 2005	**6,492**	**13,146**	**19,638**
Charge for the year	**4,870**	**5,144**	**10,014**
At 31 December 2005	**11,362**	**18,290**	**29,652**
NET BOOK VALUE			
At 31 December 2005	**14,609**	**15,431**	**30,040**
At 31 December 2004	19,479	13,077	32,556

Hire purchase agreements

Included within the net book value of £30,040 is £Nil (2004 - £19,479) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2004 - £6,492).

5. DEBTORS

	2005 £	2004 £
Trade debtors	**28,606**	27,322
Prepayments and accrued income	**1,872**	725
	30,478	28,047

WINCAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

6. CREDITORS: Amounts falling due within one year

	2005		2004	
	£	£	£	£
Bank loans and overdrafts		–		6,812
Trade creditors		**9,443**		6,604
Other creditors including taxation and social security:				
Corporation tax	**6,663**		–	
PAYE and social security	–		4,358	
VAT	**3,948**		661	
Hire purchase agreements	–		4,973	
Accruals and deferred income	**3,888**		4,228	
		14,499		14,220
		23,942		27,636

7. CREDITORS: Amounts falling due after more than one year

	2005		2004	
	£	£	£	£
Hire purchase agreements		–		13,871

8. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of CD Lab AG, a company incorporated in Switzerland. During the year the company purchased goods from CD Lab AG for the sum of £294,301(2004:£182,810) and at 31st December 2005 owed CD Lab AG £nil (2004:£375).

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

9. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
10,000 Ordinary shares of £1 each	**10,000**	10,000

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	**10,000**	**10,000**	10,000	10,000