05158366

CELLPIPE LIMITED

REPORT

AND UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 JULY 2005

CELLPIPE LIMITED

DIRECTOR	J S Samuel
SECRETARY	S C Whiteington
ACCOUNTANTS	Drake & Co Chartered Accountants and Registered Auditors Drake House 80 Guildford Street Chertsey Surrey KT16 9AD
REGISTERED OFFICE	7 Rook Road Wooburn Green High Wycombe Buckinghamshire HP10 0PY
COMPANY REGISTRATION NUMBER	05158366

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

CELLPIPE LIMITED

REPORT OF THE DIRECTOR

The Director presents his Report and Financial Statements for the period from incorporation on 21 June 2004 to 31 July 2005.

PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review was computer, communication supply and consultancy.

DIRECTOR

The Director in office in the period and his beneficial interests in the issued share capital were as follows:

	Number of Ordinary Shares of £1 each	
	At 31.7.05	At 21.6.04
J S Samuel	100	100

STATEMENT OF 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 affairs of the company and of the profit or loss of the company for that period. In preparing those Financial Statements the Director is required to:

- Select suitable accounting policies and apply them consistently.
- Make reasonable and prudent judgements and estimates.
- Prepare Financial Statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

Further, the Director is responsible for:

- Keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company.
- Ensuring that the Financial Statements comply with the Companies Act 1985.
- Safeguarding the company's assets.
- Taking reasonable steps for the prevention and detection of fraud and other irregularities.

CELLPIPE LIMITED

REPORT OF THE DIRECTOR (CONTINUED)

SMALL COMPANY EXEMPTIONS

This report, which has been prepared taking advantage of special exemptions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Board on 26 February 2006 and signed on its behalf.

J S Samuel
Director

26/02 2006

ACCSNR.CELLPIPELTD310705

CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED ACCOUNTS OF CELLPIPE LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the company for the period ended 31 July 2005 set out on pages 4 to 11, and you consider that the company is exempt from an audit under the Companies Act 1985. In accordance with your instructions, we have compiled these accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and the information and explanations supplied to us.

In accordance with the engagement letter dated 22 June 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the period ended 31 July 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Drake & Co
Chartered Accountants
and Registered Auditors
Drake House
80 Guildford Street
Chertsey
Surrey KT16 9AD

27 February 2006

CELLPIPE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2005

	Note	£
TURNOVER	1	88,248
Cost of sales		42,393
GROSS PROFIT		45,855
Selling and distribution costs		(416)
Administrative expenses		(20,301)
OPERATING PROFIT	2	25,138
Interest receivable and similar income		42
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,180
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	4,913
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		20,267
DIVIDENDS	4	17,000
RETAINED PROFIT FOR THE PERIOD CARRIED FORWARD		3,267

All results relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

The notes on pages 7 to 11 form part of these Financial Statements.

CELLPIPE LIMITED

BALANCE SHEET AS AT 31 JULY 2005

	Note	£	£
FIXED ASSETS			
Tangible Assets	5		562
CURRENT ASSETS			
Debtors	7	7,393	
Cash at bank and in hand		6,818	
		14,211	
CREDITORS: amounts falling due within one year	8	11,403	
NET CURRENT ASSETS			2,808
TOTAL ASSETS LESS CURRENT LIABILITIES			3,370
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	9		3
			3,367
CAPITAL AND RESERVES			
Called up share capital	10		100
Profit and Loss Account			3,267
SHAREHOLDERS' FUNDS	12		3,367

The notes on pages 7 to 11 form part of these Financial Statements.

BALANCE SHEET AS AT 31 JULY 2005 (CONTINUED)

The Director has taken advantage in the preparation of these Financial Statements of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

For the period in question the company was entitled to the exemption conferred by subsection (1) of Section 249A.

No notice has been deposited under subsection (2) of section 249B in relation to its Financial Statements for the financial period.

The Director acknowledges his responsibility for:

1. Ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, 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 financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to Financial Statements, so far as applicable to the company.

J S Samuel Director

Approved by the Board 26/02 2006

The notes on pages 7 to 11 form part of these Financial Statements.

CELLPIPE LIMITED

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

FINANCIAL REPORTING STANDARD NUMBER 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

TURNOVER

Turnover represents sales in the period.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rate calculated to write off the cost, less estimated residual value, of each asset over its expected useful life:

Plant, furniture and equipment	25% reducing balance

DEFERRED TAXATION

Deferred taxation is provided for, at the rate of tax applicable when the timing difference is expected to reverse, on income and expenditure dealt with for taxation purposes in periods different from those for accounting purposes. Deferred taxation liabilities are provided in full; deferred taxation assets are provided to the extent that it is likely that they will be recovered.

TAXATION

Corporation Tax payable is provided on taxable profits at the current rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2005

1. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company and arose as follows:

	%
U.K.	98.4
Rest of the World	1.6

2. OPERATING PROFIT

	£
The operating profit is stated after charging:	
Depreciation of owned tangible fixed assets	188
Director's emoluments	2,722

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the period:	
Current taxation:	
U.K. Corporation Tax based on the adjusted result for the period	4,910
Deferred taxation:	
Arising on origination and reversal of timing differences	3
	4,913

Factors affecting tax charge for the period:

The tax assessed for the period is different from the rate of corporation tax in the U.K. The difference is explained below:

Profit on ordinary activities before taxation	25,180
Taxation at the average small company rate of 17% applicable in the U.K. on the profit on ordinary activities	4,326
Effects of permanent differences:	
Disallowable expenses	587
Effects of timing differences:	
Arising on origination and reversal of timing differences	(3)
Current tax charge for the period	4,910

4. DIVIDENDS

	£
Dividends paid	17,000

5. TANGIBLE FIXED ASSETS

	Plant, furniture and equipment £	Total £
COST		
At 21 June 2004	-	-
Additions	750	750
At 31 July 2005	750	750
DEPRECIATION		
At 21 June 2004	-	-
Charge for the period	188	188
At 31 July 2005	188	188
NET BOOK AMOUNT		
At 31 July 2005	562	562
At 21 June 2004	-	-

6. CAPITAL COMMITMENTS

	£
Capital expenditure that has been contracted for but has not been provided for in the Financial Statements.	Nil

7. DEBTORS

Trade debtors	7,393

8. CREDITORS: amounts falling due within one year

	£
Trade creditors	2,718
Taxation	4,910
Other creditors	276
Accruals and deferred income	1,158
Social security and other taxes	2,341
	11,403

9. DEFERRED TAXATION

At 21 June 2004	-
Accelerated capital allowances	3
At 31 July 2005	3

10. CALLED UP SHARE CAPITAL

Authorised:	
500,000 Ordinary shares of £1 each	500,000
Allotted, Issued & Fully Paid:	
100 Ordinary shares of £1 each	100

11. SHARE ALLOTMENTS

During the period the company allotted 100 £1 ordinary shares at par.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	£
Profit for the financial period	20,267
Dividends	17,000
	3,267
Other recognised gains and losses relating to the period:	
New share capital subscribed	100
Net addition to shareholder's funds	3,367
Opening shareholders' funds	-
Closing shareholders' funds	3,367
Equity Interests	3,367

13. RELATED PARTIES

J S Samuel is the Director and the major equity shareholder of the company and is the ultimate controlling party. At 31 July 2005 he is owed £276 by the company.

14. CONTINGENT LIABILITIES

No contingent liabilities exist.