05158366

# CELLPIPE LIMITED

# REPORT

# AND UNAUDITED FINANCIAL STATEMENTS

# FOR THE YEAR ENDED

# 31 JULY 2006

**CELLPIPE LIMITED**

| | |
|---|---|
| **DIRECTOR** | J S Samuel |
| **SECRETARY** | S C Whiteington |
| **ACCOUNTANTS** | Drake & Co<br>Chartered Accountants<br>and Registered Auditors<br>Drake House<br>80 Guildford Street<br>Chertsey<br>Surrey KT16 9AD |
| **REGISTERED OFFICE** | 7 Rook Road<br>Wooburn Green<br>High Wycombe<br>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 year ending 31 July 2006.

**PRINCIPAL ACTIVITY**

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

**DIRECTOR**

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

| | Number of Ordinary Shares of £1 each | |
|---|---|---|
| | At 31.7.06 | At 1.8.05 |
| 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 28 November 2006 and signed on its behalf.

J S Samuel
Director

28/11/2006

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**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 year ended 31 July 2006 set out on pages 4 to 12, 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 year ended 31 July 2006 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

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

7 December 2006

CELLPIPE LIMITED

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2006

| | Note | Year ended 31.7.06 £ | Period 21.6.04 to 31.7.05 £ |
|---|---|---|---|
| **TURNOVER** | 1 | 145,204 | 88,248 |
| Cost of sales | | 87,916 | 42,393 |
| **GROSS PROFIT** | | 57,288 | 45,855 |
| Selling and distribution costs | | - | (416) |
| Administrative expenses | | (14,198) | (20,301) |
| Other operating income | | 250 | - |
| **OPERATING PROFIT** | 2 | 43,340 | 25,138 |
| Interest receivable and similar income | | 52 | 42 |
| Interest payable and similar charges | | (5) | - |
| **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | 43,387 | 25,180 |
| TAX ON PROFIT ON ORDINARY ACTIVITIES | 3 | 8,532 | 4,913 |
| **PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION** | | 34,855 | 20,267 |
| **DIVIDENDS** | 4 | 32,000 | 17,000 |
| **RETAINED PROFIT FOR THE YEAR (2005: PERIOD)** | | 2,855 | 3,267 |
| **RETAINED PROFIT BROUGHT FORWARD** | | 3,267 | - |
| **RETAINED PROFIT CARRIED FORWARD** | | 6,122 | 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 current year or preceding period.

The notes on pages 7 to 12 form part of these Financial Statements.

**CELLPIPE LIMITED**

**BALANCE SHEET AS AT 31 JULY 2006**

| | Note | 2006 £ | 2006 £ | 2005 £ | 2005 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible Assets | 5 | | 621 | | 562 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 7 | 16,061 | | 7,393 | |
| Cash at bank and in hand | | 17,127 | | 6,818 | |
| | | 33,188 | | 14,211 | |
| **CREDITORS:** amounts falling due within one year | 8 | 27,577 | | 11,403 | |
| **NET CURRENT ASSETS** | | | 5,611 | | 2,808 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 6,232 | | 3,370 |
| **PROVISIONS FOR LIABILITIES AND CHARGES** | | | | | |
| Deferred taxation | 9 | | 10 | | 3 |
| | | | 6,222 | | 3,367 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 10 | | 100 | | 100 |
| Profit and Loss Account | | | 6,122 | | 3,267 |
| **SHAREHOLDERS' FUNDS** | 11 | | 6,222 | | 3,367 |

The notes on pages 7 to 12 form part of these Financial Statements.

**BALANCE SHEET AS AT 31 JULY 2006 (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 year 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 year.

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 year 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 28/11/2006

The notes on pages 7 to 12 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 computer hardware and computer consultancy services provided in the year.

### REVENUE RECOGNITION

Turnover represents revenue earned under a wide variety of contracts including those to provide professional services and advice to third parties.

Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under those contracts.

It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including recoverable expenses and disbursements, but excluding Value Added Tax.

For incomplete contracts, an assessment is made of the extent to which revenue has been earned. This assessment takes into account the nature of the assignment, its stage of completion and the relevant contract terms.

Unbilled revenue is included in debtors, under "prepayments and accrued income".

### 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 |

### STOCKS

Stocks are valued at the lower cost and net realisable value, on a first in, first out basis.

### WORK IN PROGRESS

Work in progress is valued at the cost of direct materials and labour plus attributable overheads based on a normal level of activity.

CELLPIPE LIMITED

## ACCOUNTING POLICIES (CONTINUED)

### CONTRACT WORK IN PROGRESS

Contract work in progress is valued at the cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Where it is considered that the outcome of a long-term contract can be assessed with reasonable certainty, credit is taken for that proportion of the total profit estimated to arise which the Director considers fairly reflects the work carried out at the balance sheet date.

Provision is made in full for any foreseeable losses.

### 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.

### LEASING

Rentals paid under operating leases are charged to profit and loss account on a straight-line basis over the lease term.

Assets acquired under finance leases and hire purchase contracts are capitalised as fixed assets in the balance sheet and the corresponding obligations are disclosed as creditors.

## 1. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company and arose wholly in the UK.

## 2. OPERATING PROFIT

| | 2006 | 2005 |
|---|---|---|
| | £ | £ |
| The operating profit is stated after charging: | | |
| Depreciation of owned tangible fixed assets | 207 | 188 |
| Director's emoluments | 2,320 | 2,722 |

## 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the year (2005: period)

| | 2006 | 2005 |
|---|---|---|
| Current taxation: | | |
| U.K. Corporation Tax based on the adjusted result for the year (2005: period) | 8,525 | 4,910 |
| Deferred taxation: | | |
| Arising on origination and reversal of timing differences | 7 | 3 |
| | 8,532 | 4,913 |

Factors affecting tax charge for the year (2005: period)

The tax assessed for the year (2005: period) is different from the rate of corporation tax in the U.K. The difference is explained below:

| | 2006 | 2005 |
|---|---|---|
| Profit on ordinary activities before taxation | 43,387 | 25,180 |
| Taxation at the average small company rate of 18.8% (2005: 17%) applicable in the U.K. on the profit on ordinary activities | 8,165 | 4,326 |
| Effects of permanent differences: | | |
| Disallowable expenses and tax-free income | 367 | 587 |
| Effects of timing differences: | | |
| Arising on origination and reversal of timing differences | (7) | (3) |
| Current tax charge for the year (2005: period) | 8,525 | 4,910 |

## 4. DIVIDENDS

| | 2006 £ | 2005 £ |
|---|---|---|
| Dividends paid | 32,000 | 17,000 |

## 5. TANGIBLE FIXED ASSETS

| | Plant, furniture and equipment £ | Total £ |
|---|---|---|
| **COST** | | |
| At 1 August 2005 | 750 | 750 |
| Additions | 266 | 266 |
| At 31 July 2006 | 1,016 | 1,016 |
| **DEPRECIATION** | | |
| At 1 August 2005 | 188 | 188 |
| Charge for the year | 207 | 207 |
| At 31 July 2006 | 395 | 395 |
| **NET BOOK AMOUNT** | | |
| At 31 July 2006 | 621 | 621 |
| At 31 July 2005 | 562 | 562 |

## 6. CAPITAL COMMITMENTS

| | 2006 £ | 2005 £ |
|---|---|---|
| Capital expenditure that has been contracted for but has not been provided for in the Financial Statements. | Nil | Nil |

## 7. DEBTORS

| | 2006 £ | 2005 £ |
|---|---|---|
| Trade debtors | 15,901 | 7,393 |
| Other debtors | 160 | - |
| | 16,061 | 7,393 |

## 8. CREDITORS: amounts falling due within one year

| | 2006 £ | 2005 £ |
|---|---|---|
| Trade creditors | 70 | 2,718 |
| Taxation | 8,524 | 4,910 |
| Other creditors | 10,506 | 276 |
| Accruals and deferred income | 3,010 | 1,158 |
| Social security and other taxes | 5,467 | 2,341 |
| | 27,577 | 11,403 |

## 9. DEFERRED TAXATION

| | 2006 £ | 2005 £ |
|---|---|---|
| At 1 August 2005 | 3 | - |
| Accelerated capital allowances | 7 | 3 |
| At 31 July 2006 | 10 | 3 |

## 10. CALLED UP SHARE CAPITAL

| | 2006 £ | 2005 £ |
|---|---|---|
| Authorised: | | |
| 500,000 Ordinary shares of £1 each | 500,000 | 500,000 |
| Allotted, Issued & Fully Paid: | | |
| 100 Ordinary shares of £1 each | 100 | 100 |

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 JULY 2006 (CONTINUED)

### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

| | 2006<br>£ | 2005<br>£ |
|---|---|---|
| Profit for the financial year (2005: period) | 34,855 | 20,267 |
| Dividends | 32,000 | 17,000 |
| | 2,855 | 3,267 |
| Other recognised gains and losses relating to the year (2005: period): | | |
| New share capital subscribed | - | 100 |
| Net addition to shareholder's funds | 2,855 | 3,367 |
| Opening shareholder's funds | 3,367 | - |
| Closing shareholder's funds | 6,222 | 3,367 |
| **Equity Interests** | 6,222 | 3,367 |

### 12. RELATED PARTIES

J S Samuel is the Director and the sole equity shareholder of the company and is the ultimate controlling party. At 31 July 2006 he is owed £10,506 (2005: £276) by the company.

### 13. CONTINGENT LIABILITIES

No contingent liabilities exist.