

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004
FOR
INFOGISTICS LIMITED**

208321



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FOR THE YEAR ENDED 30 SEPTEMBER 2004**

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INFOGISTICS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

DIRECTORS:

A Mikheev
S P Finch

SECRETARY:

MBM Secretarial Services Limited

REGISTERED OFFICE:

39 Castle Street
Edinburgh
EH2 3BH

REGISTERED NUMBER:

SC 208321

ACCOUNTANTS:

LWC Accountants LLP
18 Greenside Lane
Edinburgh
EH1 3AH

INFOLOGISTICS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2004

The directors present their report with the financial statements of the company for the year ended 30 September 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing text analysis, content extraction and document retrieval software solutions to a range of commercial users.

DIRECTORS

The directors during the year under review were:

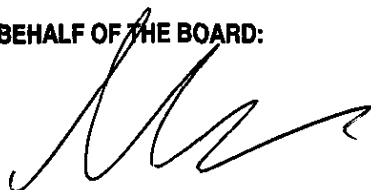
A Mikheev
S P Finch

The beneficial interests of the directors holding office on 30 September 2004 in the issued share capital of the company were as follows:

	30/9/04	1/10/03
Ordinary share capital £0.01 shares		
A Mikheev	4,675	4,675
S P Finch	4,675	4,675

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

ON BEHALF OF THE BOARD:



.....
A Mikheev - Director

Date: 29 July 2005

INFOLOGISTICS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

		<u>30/9/04</u>	<u>30/9/03</u>
	Notes	£	£
TURNOVER		246,073	135,902
Cost of sales		<u>-</u>	<u>1,162</u>
GROSS PROFIT		246,073	134,740
Administrative expenses		<u>244,716</u>	<u>154,972</u>
OPERATING PROFIT/(LOSS)	2	1,357	(20,232)
Interest receivable and similar income		<u>626</u>	<u>569</u>
		1,983	(19,663)
Interest payable and similar charges		<u>2,783</u>	<u>5,339</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(800)	(25,002)
Tax on loss on ordinary activities	3	<u>-</u>	<u>(563)</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(800)	(24,439)
Deficit brought forward		<u>(39,654)</u>	<u>(15,215)</u>
DEFICIT CARRIED FORWARD		<u>£(40,454)</u>	<u>£(39,654)</u>

The notes form part of these financial statements

INFOLOGISTICS LIMITED
**BALANCE SHEET
30 SEPTEMBER 2004**

		<u>30/9/04</u>		<u>30/9/03</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	4		19,998		29,998
Tangible assets	5		<u>13,161</u>		<u>6,684</u>
			33,159		36,682
CURRENT ASSETS:					
Debtors	6	33,170		37,202	
Cash at bank		<u>63,889</u>		<u>31,604</u>	
		97,059		68,806	
CREDITORS: Amounts falling due within one year	7	<u>87,851</u>		<u>54,580</u>	
NET CURRENT ASSETS:			<u>9,208</u>		<u>14,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			42,367		50,908
CREDITORS: Amounts falling due after more than one year	8		<u>36,589</u>		<u>44,330</u>
			<u>£5,778</u>		<u>£6,578</u>
CAPITAL AND RESERVES:					
Called up share capital	10		100		100
Share premium	11		46,132		46,132
Profit and loss account			<u>(40,454)</u>		<u>(39,654)</u>
SHAREHOLDERS' FUNDS:			<u>£5,778</u>		<u>£6,578</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2004.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year 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 applicable to the company.

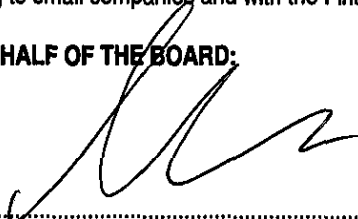
The notes form part of these financial statements

INFOGISTICS LIMITED

BALANCE SHEET
30 SEPTEMBER 2004

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



.....
A Mikheev - Director

Approved by the Board on 29 July 2005

The notes form part of these financial statements

INFOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Intangible Assets

Intangible assets are capitalised and amortised in equal instalments over the director's estimate of their useful economic life.

The Intellectual Property Rights are amortised over five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 50% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. OPERATING PROFIT/(LOSS)

The operating profit (2003 - operating loss) is stated after charging/(crediting):

	30/9/04	30/9/03
	£	£
Depreciation - owned assets	5,825	2,353
Profit on disposal of fixed assets	(705)	-
Amortisation of intangible fixed assets	<u>-</u>	<u>10,000</u>
Directors' emoluments and other benefits etc	<u>67,704</u>	<u>48,078</u>

3. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	30/9/04	30/9/03
	£	£
Deferred taxation	<u>-</u>	<u>(563)</u>
Tax on loss on ordinary activities	<u>-</u>	<u>(563)</u>

Factors that may affect future tax charges

The company has trading losses of £21,182 available to carry forward against future profits of the company.

INFOLOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

4. INTANGIBLE FIXED ASSETS

	<u>Patents and licences</u>
	£
COST:	
At 1 October 2003	
and 30 September 2004	<u>49,998</u>
AMORTISATION:	
At 1 October 2003	20,000
Charge for year	<u>10,000</u>
At 30 September 2004	<u>30,000</u>
NET BOOK VALUE:	
At 30 September 2004	<u>19,998</u>
At 30 September 2003	<u>29,998</u>

5. TANGIBLE FIXED ASSETS

	<u>Computer equipment</u>
	£
COST:	
At 1 October 2003	11,853
Additions	13,297
Disposals	<u>(1,405)</u>
At 30 September 2004	<u>23,745</u>
DEPRECIATION:	
At 1 October 2003	5,169
Charge for year	5,825
Eliminated on disposals	<u>(410)</u>
At 30 September 2004	<u>10,584</u>
NET BOOK VALUE:	
At 30 September 2004	<u>13,161</u>
At 30 September 2003	<u>6,684</u>

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30/9/04 £	30/9/03 £
Trade debtors	32,670	35,304
Prepayments & accrued income	500	500
Corporation tax recoverable	<u>-</u>	<u>1,398</u>
	<u>33,170</u>	<u>37,202</u>

INFOGISTICS LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**
**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30/9/04	30/9/03
	£	£
Bank loans	22,222	22,222
Trade creditors	2,857	-
Director's current accounts	24,410	14,945
Social security & other taxes	36,662	12,199
Accrued expenses	<u>1,700</u>	<u>5,214</u>
	<u>87,851</u>	<u>54,580</u>

The bank loan is secured by a bond and floating charge over the assets of the company. The loan bears interest at 3% per annum over and fluctuating with the lender's base rate but with a minimum of 7% per annum.

**8. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30/9/04	30/9/03
	£	£
Bank loans	<u>36,589</u>	<u>44,330</u>

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	30/9/04	30/9/03
	£	£
Expiring: Within one year	<u>4,500</u>	<u>4,500</u>

10. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	30/9/04	30/9/03
			£	£
10,000	Ordinary share capital	£0.01	<u>100</u>	<u>100</u>

Allotted and issued: Number:	Class:	Nominal value:	30/9/04	30/9/03
			£	£
10,000	Ordinary share capital	£0.01	<u>100</u>	<u>100</u>

11. SHARE PREMIUM

	30/9/04	30/9/03
	£	£
Brought forward	<u>46,132</u>	<u>46,132</u>

12. RELATED PARTY DISCLOSURES

The balance on the director's current account is in relation to monies owed by the company to one of the company directors S P Finch. The balance is interest free, unsecured and repayable on demand.



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INFOGISTICS LIMITED

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
INFOGISTICS LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 September 2004 set out on pages three to eight and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

LWC Accountants LLP.

LWC Accountants LLP
18 Greenside Lane
Edinburgh
EH1 3AH

Date: 29 July 2005