

Company Registration No. 1833521 (England and Wales)

THREE X COMMUNICATION LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2006

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THREE X COMMUNICATION LIMITED

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THREE X COMMUNICATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THREE X COMMUNICATION LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the period ended 30 September 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

Mazars LLP

Mazars LLP

Chartered Accountants
Registered Auditor

21st August 2007

Mazars House
Gelderd Road
Gildersome
LEEDS
West Yorkshire
LS27 7JN

THREE X COMMUNICATION LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Intangible assets	2		-		61,406
Tangible assets	2		57,288		69,834
			<u>57,288</u>		<u>131,240</u>
Current assets					
Debtors		212,471		852,142	
Cash at bank and in hand		430,581		509,048	
		<u>643,052</u>		<u>1,361,190</u>	
Creditors: amounts falling due within one year		<u>(341,570)</u>		<u>(1,523,630)</u>	
Net current assets/(liabilities)			<u>301,482</u>		<u>(162,440)</u>
Total assets less current liabilities			<u><u>358,770</u></u>		<u><u>(31,200)</u></u>
Capital and reserves					
Called up share capital	3	3,840,000		3,320,000	
Profit and loss account		(3,481,230)		(3,351,200)	
Shareholders' funds			<u><u>358,770</u></u>		<u><u>(31,200)</u></u>
Equity interests		(2,901,230)		(3,291,200)	
Non-equity interests		3,260,000		3,260,000	
		<u><u>358,770</u></u>		<u><u>(31,200)</u></u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board on 17 August 2007

Martin Port
Director

THREE X COMMUNICATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

An impairment review is carried out on an annual basis and any impaired research and development is written off as a charge to the profit and loss account

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	
Land and buildings Leasehold	20% straight line
Computer equipment	33 3% or 25% straight line
Fixtures, fittings & equipment	25% straight line

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance had not been discounted

THREE X COMMUNICATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2006

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 January 2006	588,834	523,564	1,112,398
Additions	4,237	21,627	25,864
Disposals	-	(52,559)	(52,559)
At 30 September 2006	593,071	492,632	1,085,703
Depreciation			
At 1 January 2006	527,428	453,732	981,160
On disposals	-	(52,559)	(52,559)
Charge for the period	65,643	34,171	99,814
At 30 September 2006	593,071	435,344	1,028,415
Net book value			
At 30 September 2006	-	57,288	57,288
At 31 December 2005	61,406	69,834	131,240

3 Share capital

	2006 £	2005 £
Authorised		
580,000 Ordinary Shares of £1 each	580,000	60,000
3,260,000 Non-cumulative Preference shares of £1 each	3,260,000	3,260,000
	3,840,000	3,320,000
Allotted, called up and fully paid		
580,000 Ordinary Shares of £1 each	580,000	60,000
3,260,000 Non-cumulative Preference shares of £1 each	3,260,000	3,260,000
	3,840,000	3,320,000

On 29 September 2006 520,000 ordinary shares of £1 each were allotted at par. The non-cumulative preference shares carry no dividend entitlement and may be redeemed at par at the discretion of the company. In the event of a winding up, this class of shares ranks ahead of the ordinary shares and is entitled to £1 per share on any distribution arising.