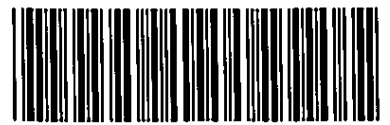


Report of the Director and
Financial Statements
For The Year Ended 31 December 2006
for
Drole Computing Services Limited

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COMPANIES HOUSE

Drole Computing Services Limited

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For The Year Ended 31 December 2006

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Drole Computing Services Limited
Company Information
For The Year Ended 31 December 2006

DIRECTOR: C J Lester-Smith

SECRETARY: Seymour Macintyre Limited

REGISTERED OFFICE: Holcombe House
London Road
Sunningdale
Berkshire
SL5 0EY

REGISTERED NUMBER: 1865914 (England and Wales)

AUDITORS: Wright Vigar Limited
Registered Auditors
Chartered Accountants & Business Advisers
12 Exchange Street
Retford
Nottinghamshire
DN22 6BL

Drole Computing Services Limited

Report of the Director
For The Year Ended 31 December 2006

The director presents his report with the financial statements of the company for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of computer consultancy services

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

COMPANY PERFORMANCE

TURNOVER

Turnover increased by 0.42% in the year. The director considers that the current year to 31 December 2007 turnover levels will be maintained.

CASHFLOW

Bank deposits have increased during the year and they are expected to be maintained during the current year.

FUTURE DEVELOPMENTS

The Director is of the opinion that the current year to 31 December 2007 will show the turnover being maintained in line with 2006 and that the financial position of the Company will remain satisfactory.

RISKS AND UNCERTAINTIES

The Director of the Company regularly considers and reviews any risks and uncertainties that are either currently faced by the Company or will potentially be faced by the Company in the future. Measures are then taken and put in place to mitigate these risks and uncertainties.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2006.

DIRECTORS

C J Lester-Smith has held office during the whole of the period from 1 January 2006 to the date of this report.

Other changes in directors holding office are as follows:

Mrs V M Lester-Smith ceased to be a director after 31 December 2006 but prior to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Drole Computing Services Limited

Report of the Director
For The Year Ended 31 December 2006

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Wright Vigar Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:



C J Lester-Smith - Director

Date 25TH OCT 2007

Report of the Independent Auditors to the Shareholders of
Drole Computing Services Limited

We have audited the financial statements of Drole Computing Services Limited for the year ended 31 December 2006 on pages six to fourteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 whether in our opinion the information given in the Report of the Director is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 director's remuneration and other transactions is not disclosed.

We read the Report of the Director 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 director 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.

Report of the Independent Auditors to the Shareholders of
Drole Computing Services Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Director is consistent with the financial statements

Wright Vigar Limited

Wright Vigar Limited
Registered Auditors
Chartered Accountants & Business Advisers
12 Exchange Street
Retford
Nottinghamshire
DN22 6BL

Date *26 October 2007*

Drole Computing Services Limited

Profit and Loss Account
For The Year Ended 31 December 2006

	Notes	2006 £	2005 £
TURNOVER	2	11,947,208	11,896,882
Cost of sales		<u>57,231</u>	<u>113,277</u>
GROSS PROFIT		11,889,977	11,783,605
Administrative expenses		<u>11,962,278</u>	<u>11,787,963</u>
		(72,301)	(4,358)
Other operating income		<u>3,042</u>	<u>5,362</u>
OPERATING (LOSS)/PROFIT	4	(69,259)	1,004
Interest receivable and similar income	5	<u>16,401</u>	<u>15,668</u>
		(52,858)	16,672
Interest payable and similar charges	6	<u>9</u>	<u>54</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(52,867)	16,618
Tax on (loss)/profit on ordinary activities	7	<u>(8,491)</u>	<u>2,491</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>(44,376)</u></u>	<u><u>14,127</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

Drole Computing Services Limited

Balance Sheet
31 December 2006

	Notes	2006 £	£	2005 £	£
FIXED ASSETS					
Tangible assets	8		14,747		48,545
CURRENT ASSETS					
Debtors	9	938,306		795,599	
Cash at bank		701,147		632,135	
		<u>1,639,453</u>		<u>1,427,734</u>	
CREDITORS					
Amounts falling due within one year	10	<u>1,442,626</u>		<u>1,220,329</u>	
NET CURRENT ASSETS			<u>196,827</u>		<u>207,405</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>211,574</u>		<u>255,950</u>
CAPITAL AND RESERVES					
Called up share capital	12		1,000		1,000
Profit and loss account	13		210,574		254,950
SHAREHOLDERS' FUNDS	16		<u>211,574</u>		<u>255,950</u>

The financial statements were approved by the director on 25th OCT 2007 and were signed by



C J Lester-Smith - Director

The notes form part of these financial statements

Drole Computing Services Limited

Cash Flow Statement
For The Year Ended 31 December 2006

	Notes	2006 £	2005 £
Net cash inflow/(outflow) from operating activities	1	65,202	(217,883)
Returns on investments and servicing of finance	2	16,392	15,614
Taxation		(1,390)	-
Capital expenditure	2	(11,192)	(34,272)
Increase/(Decrease) in cash in the period		<u>69,012</u>	<u>(236,541)</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase/(Decrease) in cash in the period		<u>69,012</u>	<u>(236,541)</u>
Change in net funds resulting from cash flows		<u>69,012</u>	<u>(236,541)</u>
Movement in net funds in the period		<u>69,012</u>	<u>(236,541)</u>
Net funds at 1 January		<u>632,135</u>	<u>868,676</u>
Net funds at 31 December		<u>701,147</u>	<u>632,135</u>

The notes form part of these financial statements

Drole Computing Services Limited

Notes to the Cash Flow Statement
For The Year Ended 31 December 2006

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2006	2005
	£	£
Operating (loss)/profit	(69,259)	1,004
Depreciation charges	44,991	53,613
(Increase)/Decrease in debtors	(135,607)	106,241
Increase/(Decrease) in creditors	225,077	(378,741)
	<u>65,202</u>	<u>(217,883)</u>
Net cash inflow/(outflow) from operating activities	<u><u>65,202</u></u>	<u><u>(217,883)</u></u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	16,401	15,668
Interest paid	(9)	(54)
	<u>16,392</u>	<u>15,614</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>16,392</u></u>	<u><u>15,614</u></u>
 Capital expenditure		
Purchase of tangible fixed assets	(11,192)	(34,272)
	<u>(11,192)</u>	<u>(34,272)</u>
Net cash outflow for capital expenditure	<u><u>(11,192)</u></u>	<u><u>(34,272)</u></u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 06	Cash flow	At
	£	£	31 12 06
			£
Net cash			
Cash at bank and in hand	632,135	69,012	701,147
	<u>632,135</u>	<u>69,012</u>	<u>701,147</u>
 Total	<u><u>632,135</u></u>	<u><u>69,012</u></u>	<u><u>701,147</u></u>

The notes form part of these financial statements

Drole Computing Services Limited
Notes to the Financial Statements
For The Year Ended 31 December 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Computer equipment 33% straight line basis

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account

2 TURNOVER

The turnover and loss (2005 - profit) before taxation are attributable to the one principal activity of the company

An analysis of turnover by class of business is given below

	2006	2005
	£	£
Sales	11,778,206	11,716,866
Commissions receivable	169,002	180,016
	<u>11,947,208</u>	<u>11,896,882</u>

Drole Computing Services Limited

Notes to the Financial Statements - continued
For The Year Ended 31 December 2006

2 TURNOVER - continued

An analysis of turnover by geographical market is given below

	2006 £	2005 £
UK	11,636,392	11,592,727
Europe	310,816	304,155
	<u>11,947,208</u>	<u>11,896,882</u>

3 STAFF COSTS

	2006 £	2005 £
Wages and salaries	9,670,412	9,307,817
Social security costs	1,103,430	1,076,071
Other pension costs	50,992	36,789
	<u>10,824,834</u>	<u>10,420,677</u>

The average monthly number of employees during the year was as follows

	2006	2005
Consultants	<u>221</u>	<u>243</u>

Pension costs

The pension charge represents contributions due from the company and amounted to £50,992 (2006 - £36,789)

4 OPERATING (LOSS)/PROFIT

The operating loss (2005 - operating profit) is stated after charging/(crediting)

	2006 £	2005 £
Depreciation - owned assets	44,991	53,613
Auditors' remuneration	2,000	1,800
Foreign exchange differences	<u>4,115</u>	<u>(660)</u>
Directors' emoluments	<u>-</u>	<u>-</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £	2005 £
Deposit account interest	<u>16,401</u>	<u>15,668</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank interest	<u>9</u>	<u>54</u>

Drole Computing Services Limited

Notes to the Financial Statements - continued
For The Year Ended 31 December 2006

7 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2006 £	2005 £
Current tax		
UK corporation tax	(1,391)	1,391
Deferred tax	(7,100)	1,100
Tax on (loss)/profit on ordinary activities	<u>(8,491)</u>	<u>2,491</u>

8 TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2006	86,146
Additions	11,192
Disposals	<u>(71,706)</u>
At 31 December 2006	<u>25,632</u>
DEPRECIATION	
At 1 January 2006	37,600
Charge for year	44,991
Eliminated on disposal	<u>(71,706)</u>
At 31 December 2006	<u>10,885</u>
NET BOOK VALUE	
At 31 December 2006	<u>14,747</u>
At 31 December 2005	<u>48,546</u>

9 DEBTORS

	2006 £	2005 £
Amounts falling due within one year		
Trade debtors	594,879	459,272
Amounts owed by group undertakings	34,607	34,607
Deferred tax asset	27,800	20,700
Prepayments and accrued income	1,020	1,020
	<u>658,306</u>	<u>515,599</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>280,000</u>	<u>280,000</u>
Aggregate amounts	<u>938,306</u>	<u>795,599</u>

Drole Computing Services Limited

Notes to the Financial Statements - continued
For The Year Ended 31 December 2006

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade creditors	17,280	7,770
Tax	23,416	26,197
Social security and other taxes	669,224	595,950
Other creditors	727,837	588,471
Accruals and deferred income	4,869	1,941
	<u>1,442,626</u>	<u>1,220,329</u>

11 DEFERRED TAX

	£
Balance at 1 January 2006	(20,700)
Accelerated capital allowances	(7,100)
	<u>(27,800)</u>
Balance at 31 December 2006	<u>(27,800)</u>

12 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid			2006	2005
Number	Class	Nominal value	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

13 RESERVES

	Profit and loss account £
At 1 January 2006	254,950
Deficit for the year	(44,376)
	<u>210,574</u>
At 31 December 2006	<u>210,574</u>

14 ULTIMATE PARENT COMPANY

Delarue Charterhouse Group Holdings Limited is the parent and ultimate parent company owning 97.4% of the issued ordinary share capital of the company

The Directors C J Lester-Smith and Mrs V M Lester-Smith hold 93.5% of the shares in the parent company. Copies of the consolidated accounts may be obtained from the address shown on the company information page

15 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption conferred by FRS 8 to subsidiary undertakings, 97.4% of whose voting rights are controlled within the group, not to disclose transactions with other group companies

Drole Computing Services Limited

Notes to the Financial Statements - continued
For The Year Ended 31 December 2006

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
(Loss)/Profit for the financial year	(44,376)	14,127
Net (reduction)/addition to shareholders' funds	(44,376)	14,127
Opening shareholders' funds	255,950	241,823
Closing shareholders' funds	211,574	255,950