

ZEH SOFTWARE LIMITED

UNAUDITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 2006



ZEH SOFTWARE LIMITED

CONTENTS

	Page
Accountants' report	1
Balance sheet	2
Notes to the abbreviated accounts	3 - 5

ZEH SOFTWARE LIMITED

The following reproduces the text of the accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 5) have been prepared.

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF ZEH SOFTWARE LIMITED

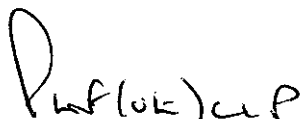
In accordance with the engagement letter dated 18 May 2006, and in order to assist you to fulfil your duties under the Companies Act 1995, we have compiled the financial statements of the company which comprise the profit and loss account, the balance sheet and the related notes from the accounting records 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 the financial statements.

You have acknowledged on the balance sheet as at 28 February 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 an opinion on the financial statements.


PKF (UK) LLP

Guildford, UK

3 August 2006

ZEH SOFTWARE LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 28 FEBRUARY 2006**

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible fixed assets	2		32,821		36,980
CURRENT ASSETS					
Debtors		232,484		291,684	
Cash at bank and in hand		304,450		269,358	
		<u>536,934</u>		<u>561,042</u>	
CREDITORS: amounts falling due within one year		<u>(615,199)</u>		<u>(674,346)</u>	
NET CURRENT LIABILITIES			<u>(78,265)</u>		<u>(113,304)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(45,444)</u>		<u>(76,324)</u>
CAPITAL AND RESERVES					
Called up share capital	3		600,000		600,000
Profit and loss account			<u>(645,444)</u>		<u>(676,324)</u>
SHAREHOLDERS' FUNDS			<u>(45,444)</u>		<u>(76,324)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 28 February 2006 and of its profit for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf on 26 July 2006.



N C Varty
Director

The notes on pages 3 to 5 form part of these financial statements.

ZEH SOFTWARE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The balance sheet shows that the company had net liabilities of £45,444 as at 28 February 2006. The directors have received confirmation from the parent undertaking that they will continue to support the company to enable it to meet its liabilities as they fall due. The directors therefore consider it appropriate to prepare the accounts on a going concern basis.

1.2 Turnover

With the exception of maintenance income, turnover comprises revenue earned by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Maintenance income is recognised in the period to which it relates.

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	12.5%	straight line
Computer and display equipment	-	25%	straight line

1.4 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

ZEH SOFTWARE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2006

1. ACCOUNTING POLICIES (continued)

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.7 Pensions

The company does not administer its own pension scheme. However, the company pays pension contributions on behalf of certain employees into the pension schemes of those employees. These costs are charges to the profit and loss account in the period in which they are payable.

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 March 2005	671,419
Additions	3,139
Disposals	(343)
	<hr/>
At 28 February 2006	674,215
Depreciation	
At 1 March 2005	634,439
Charge for the year	7,112
On disposals	(157)
	<hr/>
At 28 February 2006	641,394
Net book value	
At 28 February 2006	32,821
	<hr/>
At 28 February 2005	36,980
	<hr/>

ZEH SOFTWARE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2006

3. SHARE CAPITAL

	2006 £	2005 £
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
1,000,000 Redeemable preference shares of £1 each	1,000,000	1,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
500,000 Redeemable preference shares of £1 each	500,000	500,000
	<u>600,000</u>	<u>600,000</u>

The redeemable preference shares are redeemable at par, on one months notice being given by the company or the holders of the shares to the other party.

4. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Zeh Software Inc., incorporated in the USA. In the opinion of the directors this is the company's ultimate parent company, and the parent undertaking of the largest and smallest group for which consolidated accounts are prepared. Zeh Software Inc. is ultimately controlled by Mrs J Zeh.