

**Report of the Directors and
Unaudited Financial Statements
for the year ended 31 July 2006
for
Gelectrix Limited**

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for the year ended 31 July 2006**

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Gelectrix Limited

Company Information
for the year ended 31 July 2006

DIRECTORS:

Prof IM Ward
Prof JE McIntyre
Dr JC McGrath
R Wolfson
Dr H Hubbard

SECRETARY:

J Lillywhite

REGISTERED OFFICE:

Level 11
E C Stoner Building
University of Leeds
Leeds
LS2 9JT

REGISTERED NUMBER:

3236565 (England and Wales)

ACCOUNTANTS:

Kirk Newsholme
Chartered Accountants
Richmond House
16 Blenheim Terrace
LEEDS
LS2 9HN

Gelectrix Limited

**Report of the Directors
for the year ended 31 July 2006**

The directors present their report with the financial statements of the company for the year ended 31 July 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of design and development of solid state batteries.

DIRECTORS

The directors during the year under review were:

Prof IM Ward
Prof JE McIntyre
Dr JC McGrath
R Wolfson
Dr H Hubbard

The beneficial interests of the directors holding office on 31 July 2006 in the issued share capital of the company were as follows:

	31.7.06	1.8.05
Ordinary 'A'/'B' 10p shares		
Prof IM Ward	1,350	1,350
Prof JE McIntyre	360	360
Dr JC McGrath	360	360
R Wolfson	-	-
Dr H Hubbard	810	810
Ordinary 'C' 10p shares		
Prof IM Ward	-	-
Prof JE McIntyre	-	-
Dr JC McGrath	-	-
R Wolfson	-	-
Dr H Hubbard	-	-

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:



Prof IM Ward - Director

22 November 2006

Gelectrix Limited

**Profit and Loss Account
for the year ended 31 July 2006**

	Notes	31.7.06 £	31.7.05 £
TURNOVER		-	-
Administrative expenses		<u>327</u>	<u>381</u>
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(327)	(381)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(327)</u>	<u>(381)</u>

The notes form part of these financial statements

Gelectrix Limited

Balance Sheet

31 July 2006

	Notes	31.7.06 £	31.7.05 £
CURRENT ASSETS			
Cash at bank		-	216
CREDITORS			
Amounts falling due within one year	5	181,764	181,653
NET CURRENT LIABILITIES		<u>(181,764)</u>	<u>(181,437)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(181,764)	(181,437)
CREDITORS			
Amounts falling due after more than one year	6	47,731	47,731
NET LIABILITIES		<u>(229,495)</u>	<u>(229,168)</u>
CAPITAL AND RESERVES			
Called up share capital	7	1,005	1,005
Profit and loss account	8	(230,500)	(230,173)
SHAREHOLDERS' FUNDS		<u>(229,495)</u>	<u>(229,168)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2006.

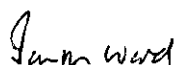
The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2006 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) 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.

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 January 2005).

The financial statements were approved by the Board of Directors on 22 November 2006 and were signed on its behalf by:



Prof IM Ward - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 July 2006**

1. ACCOUNTING POLICIES

Going concern

In the short term, the future of the company is dependent on the receipt of further grants or development funding. The shareholders have given assurances that they will not call in amounts due unless the company has sufficient funds available, or in the event of a change in control.

On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

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 January 2005).

Tangible fixed assets

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

Equipment 20% straight line.

2. OPERATING LOSS

The operating loss is stated after charging:

	31.7.06 £	31.7.05 £
Directors' emoluments and other benefits etc	-	-

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2006 nor for the year ended 31 July 2005.

4. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 August 2005	
and 31 July 2006	11,126
DEPRECIATION	
At 1 August 2005	
and 31 July 2006	11,126
NET BOOK VALUE	
At 31 July 2006	-
At 31 July 2005	-

Notes to the Financial Statements - continued
for the year ended 31 July 2006

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.06	31.7.05
	£	£
Amounts due to related undertaking	181,500	181,500
Accruals and deferred income	264	153
	<u>181,764</u>	<u>181,653</u>

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.06	31.7.05
	£	£
Trade creditors	<u>47,731</u>	<u>47,731</u>

7. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.7.06	31.7.05
			£	£
994,000	Ordinary 'A'/'B'	10p	99,400	99,400
6,000	Ordinary 'C'	10p	600	600
			<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.7.06	31.7.05
			£	£
5,853	Ordinary 'A'/'B'	10p	585	585
4,200	Ordinary 'C'	10p	420	420
			<u>1,005</u>	<u>1,005</u>

The class of shares 'C' have no voting rights but rank equally with 'A'/'B' shares in all other respects.

8. RESERVES

	Profit and loss account £
At 1 August 2005	(230,173)
Deficit for the year	<u>(327)</u>
At 31 July 2006	<u>(230,500)</u>

9. RELATED PARTY DISCLOSURES

During the year the company was engaged in transactions with the University of Leeds which owns 25% of the ordinary voting shares of the company.

Balances outstanding at the year end were trade creditor balances of £47,731(2005 £47,731) and a loan due to the University of Leeds of £181,500 (2005 £181,500).

10. **CONTROLLING PARTY**

The directors control the financial and broad operating strategy of the company.

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Gelectrix Limited**

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31 July 2006 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 & 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 as at 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.

Kirk Newsholme
Chartered Accountants
Richmond House
16 Blenheim Terrace
LEEDS
LS2 9JN

27 November 2006

Gelectrix Limited

**Profit and Loss Account
for the year ended 31 July 2006**

	31.7.06		31.7.05	
	£	£	£	£
Income		-		-
Expenditure				
Accountancy and professional fees		278		342
		<u>(278)</u>		<u>(342)</u>
Finance costs				
Bank charges		49		39
		<u>(327)</u>		<u>(381)</u>
NET LOSS		<u><u>(327)</u></u>		<u><u>(381)</u></u>

This page does not form part of the statutory financial statements