

Domain Dynamics (Holdings) Limited

Abbreviated Accounts

For the Year Ended 30 September 2006

Registration number 3351374

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DOMAIN DYNAMICS (HOLDINGS) LIMITED

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DOMAIN DYNAMICS (HOLDINGS) 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 6) have been prepared

Chartered Accountants' Report to the Directors on the Unaudited Financial Statements of Domain Dynamics (Holdings) Limited

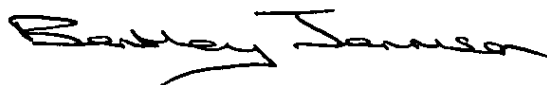
In accordance with the engagement letter dated 20 October 2005 and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting 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 financial statements

You have acknowledged on the balance sheet as at 30 September 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



Bentley Jennison
Chartered Accountants

5 Ridge House
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Festival Park
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Date 23 July 2007

DOMAIN DYNAMICS (HOLDINGS) LIMITED

Abbreviated Balance Sheet for the year ended 30 September 2006

	Note	30 September 2006 £	30 September 2005 £
Fixed assets			
Investments	2	-	-
Current assets			
Cash at bank and in hand		800	779
Creditors' amounts falling due within one year	3	(3,846,584)	(3,846,582)
Net liabilities		(3,845,784)	(3,845,803)
Capital and reserves			
Called up share capital	4	10,914	10,914
Share premium account		6,784,035	6,784,035
Profit and loss account		(10,640,733)	(10,640,752)
Equity shareholders' deficit		(3,845,784)	(3,845,803)

For the financial year ended 30 September 2006, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985, and no notice has been deposited under section 249B(2) requesting an audit. The directors acknowledge their responsibility for ensuring the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the Companies Act 1985, so far as applicable to the company

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

Approved by the Board on 19.7.07 and signed on its behalf by


M E Moors
Director

DOMAIN DYNAMICS (HOLDINGS) LIMITED

Notes to the abbreviated accounts for the year ended 30 September 2006

1 Accounting policies

Basis of preparation of financial statements

The financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The following principal accounting policies have been applied. The financial statements have been prepared on a going concern basis on the assumption of the continued support of the directors and shareholders.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

Fixed asset investments

Fixed asset investments in subsidiary undertakings are stated at cost less any provisions for diminution in value.

DOMAIN DYNAMICS (HOLDINGS) LIMITED

Notes to the abbreviated accounts for the year ended 30 September 2006

2 Fixed Asset Investments

	Shares in subsidiary undertakings £
<i>Cost</i>	
At 30 September 2005	<u>2,017,982</u>
At 30 September 2006	<u>2,017,982</u>
<i>Provision for diminution in value</i>	
At 30 September 2005	<u>2,017,982</u>
At 30 September 2006	<u>2,017,982</u>
<i>Net book value</i>	
At 30 September 2006	<u>0</u>
At 30 September 2005	<u>0</u>

The company holds 100% of the share capital of the following subsidiary undertaking

	Country of registration or incorporation	Class of shares held
Domain Dynamics Limited (in liquidation)	England	Ordinary

As from 9 September 2004, Domain Dynamics Limited has been in liquidation

3 Creditors

Included within creditors is secured creditors of £1,855,340 (2005 - £1,855,340)

DOMAIN DYNAMICS (HOLDINGS) LIMITED

Notes to the abbreviated accounts for the year ended 30 September 2006

4 Share capital	2006 £	2005 £
<i>Authorised</i>		
290,000,000 Ordinary shares of £0 0001 each	29,000	29,000
3,000 'A' Ordinary shares of £0 001 each	<u>3</u>	<u>3</u>
	29,003	29,003
<i>Allotted, called up and fully paid</i>		
109,106,673 Ordinary shares of £0 0001 each	10,911	10,911
3,000 'A' Ordinary shares of £0 001 each	<u>3</u>	<u>3</u>
	10,914	10,914

Rights of shareholders

As regards the first £2,500,000 of income

The first £2,500,000 of profits of the Company available for distribution, and resolved to be distributed, shall be distributed amongst the holders of the Ordinary Shares and the 'A' Shares as follows

Ordinary shares	Nil
'A' shares	100%

As regards income in excess of £2,500,000

Once the Company has distributed in aggregate profits of £2,500,000, the profits of the Company available for distribution, and resolved to be distributed, shall be distributed solely amongst the holders of the Ordinary Shares

As regards capital until the Company has distributed £2,500,000 of profits

Until the Company has distributed in aggregate profits of £2,500,000, on a return of assets on liquidation or otherwise, the assets of the Company available for distribution amongst the members of the Company shall be distributed amongst the holders of the Ordinary Shares and the 'A' Shares as follows

Class	Percentage of Relevant Sum
Ordinary shares	Nil
'A' shares	100%

where the Relevant Sum equals £2,500,000 less the aggregate amount of profits distributed by the Company up to the time of the return of assets aforesaid

Any assets of the Company available for distribution as aforesaid in excess of the Relevant Sum aforesaid shall be distributed solely amongst the holders of the Ordinary Shares

DOMAIN DYNAMICS (HOLDINGS) LIMITED

Notes to the abbreviated accounts for the year ended 30 September 2006

4 Share capital (*continued*)

As regards capital once the Company has distributed £2,500,000 of profits

Once the Company has distributed in aggregate profits of £2,500,000, on a return of assets on liquidation or otherwise, the assets of the Company available for distribution amongst the members of the Company shall be distributed solely amongst the holders of the Ordinary Shares. For the avoidance of doubt the 'A' Shares shall have no right to receive any distribution of profits or of assets on a return of assets on liquidation or otherwise except as provided in Article 5.1.1 or Article 5.1.3 of the Articles of Association.

As regards voting

At any General Meeting of the Company, on a show of hands and on a poll every holder of Ordinary Shares who is present in person or by proxy or (being a corporation) by representative shall have one vote for each Ordinary Share held. The 'A' Shares shall not carry any voting rights.

5 Related party transactions

In March 2003 M E Moors entered into a loan agreement with the company to provide a loan to the company of £1,665,340, repayable on demand, with interest at 4% per annum above the base rate of National Westminster Bank Plc from time to time and secured by composite guarantees and debentures granted by the company and each of its subsidiaries. At 30 September 2006 and 30 September 2005 the balance on the loan was £1,855,340. ME Moors waived his entitlement to interest for the year from 1 October 2004 to 30 September 2005 and from 1 October 2005 to 30 September 2006.

Included within other creditors is an amount of £1,592,994 due to ME Moors. This is repayable on demand.

6 Ultimate controlling party

The company is controlled by M E Moors, a director.