

AXIOMLAB
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2006

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AXIOMLAB

COMPANY INFORMATION

Director	AJ Aubrey
Company Secretary	JD Bamforth
Company number	03973257
Registered office	Yorkshire Technology Park Armitage Bridge Huddersfield HD4 7NR
Auditors	Lopian Gross Barnett & Co Chartered Accountants 6 th Floor, Cardinal House 20 St Mary's Parsonage Manchester M3 2LG

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AXIOMLAB

DIRECTORS' REPORT **For the year ended 30 April 2006**

The directors present their report and the financial statements for the year ended 30 April 2006.

Principal activities and review of the business

The company has not traded during the year.

Results and dividends

The results for the period are set out on page 4.

Directors and directors' interest in shares

The following director has held office during the year:

AJ Aubrey

The director holding office at the end of the year had no direct interest in the share capital of the company. The director's interests in the ultimate parent company are shown in that company's accounts.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Lopian Gross Barnett & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as they are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AXIOMLAB

DIRECTORS' REPORT (continued) For the year ended 30 April 2006

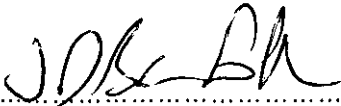
Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

On behalf of the board



JD Bamforth
Company Secretary



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AXIOMLAB

We have audited the financial statements of Axiomlab for the year ended 30 April 2006 on pages four to nine. 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 directors and auditors

As described on page two in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. We also 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 directors' remuneration and transactions is not disclosed.

We read the Directors' Report 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 directors 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.

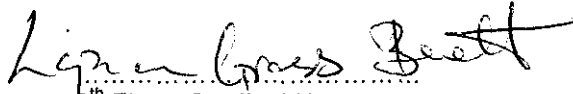
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 30 April 2006 and of its result 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 directors' report is consistent with the financial statements.

Lopian Gross Barnett & Co.
Chartered Accountants
Registered Auditor


6th Floor, Cardinal House
20 St Mary's Parsonage
Manchester, M3 2LG

28/2/07

AXIOMLAB**PROFIT AND LOSS ACCOUNT**
For the year ended 30 April 2006

	Notes	2006 £	2005 £
Turnover	2	-	202,088
Administrative expenses		-	(761,262)
Operating loss before impairment provision	3	-	(559,174)
Impairment provision	4	-	104,972
Operating loss after impairment provision		-	(454,202)
Profit on sale of investments		-	4,857,218
Dividends received from group companies		-	12,000
Other interest receivable and similar income		-	42,422
Interest payable and similar charges		-	(468)
Profit/(loss) on ordinary activities before taxation		-	4,456,970
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation		-	4,456,970
Dividends paid	6	-	(10,600,742)
Loss for the year		-	(6,143,772)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

AXIOMLAB**BALANCE SHEET**
As at 30 April 2006

	Note	2006 £	2005 £
Current assets			
Cash at bank and in hand		1	1
		<hr/>	<hr/>
Net assets		1	1
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	1	1
		<hr/>	<hr/>
Shareholders' funds – equity interests	8	1	1
		<hr/>	<hr/>

The financial statements were approved by the board on 20/2/07

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AJ Aubrey
Director



NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 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 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for management fees and consultancy services net of VAT, and is recognised in the profit and loss account in the period in which the work has been completed.

1.4 Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.5 Related party transactions

Under FRS8 – Related Party Disclosures, the company discloses details of material transactions between the reporting entities and related parties. However transactions between the company and other group companies have not been disclosed in accordance with the exemption under FRS8 paragraph 3(c).

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes, except to the extent that the directors do not anticipate that the timing differences will crystallise in the foreseeable future. The deferred tax balance has not been discounted. An asset is not recognised to the extent that the transfer of economic benefits is uncertain.

2 Turnover

The company was dormant in the year ended 30 April 2006. In the year ended 30 April 2005, the total turnover of the company was derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2006 £	2005 £
Operating loss is stated after charging:		
Depreciation of tangible assets	-	1,957
Operating lease rentals	-	25,005
Auditors' remuneration	-	2,000
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2006

4 Impairment provision

	2006 £	2005 £
Amounts written off fixed asset investments		
- Impairment (credit)/provision	-	(104,972)
	<u> </u>	<u> </u>

There are no investments held at 30 April 2006 and therefore no impairment provision is required.

In the year ended 30 April 2005, the impairment credit of £104,972 reflects the directors' view of the carrying value of certain investments within the portfolio.

5 Taxation

There is no corporation tax charge for the current year or prior year. The tax assessed for the period is lower than the standard rate of corporation tax in the UK at 30% (2005-30%). The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before tax	-	4,456,970
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard corporation tax rate – 30%	-	1,337,091
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	14,972
Capital allowances in excess of depreciation	-	(10,764)
Non-deductible consideration on disposal of investment	-	(1,237,453)
Surplus/(utilisation) of tax losses	-	(103,846)
	<u> </u>	<u> </u>
Current tax charge for the year	-	-
	<u> </u>	<u> </u>

6 Dividends

	2006 £	2005 £
Interim dividends paid	-	10,600,742
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2006

7 Share capital

	2006 £	2005 £
Authorised:		
750,000,000 Ordinary shares of 0.25p each	1,875,000	1,875,000
400,037,451 "A" Ordinary shares of 0.25p each	1,000,094	1,000,094
	<hr/>	<hr/>
	2,875,094	2,875,094
	<hr/>	<hr/>
Allotted, called up and fully paid:		
1 Ordinary shares of 0.25p each (2005 – 1)	-	-
399 "A" Ordinary shares of 0.25p each (2005 – 399)	1	1
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

On 23 December 2004 the company reduced its share capital by £278,383 following a written resolution of shareholders. 111,353,200 Ordinary shares of 0.25p each were subsequently cancelled. This reduction was credited to the profit and loss reserve.

On 10 January 2005, 400,037,451 Ordinary shares of 0.25p each were converted into 400,037,451 "A" Ordinary shares of 0.25p each.

On 10 January 2005, the company further reduced its share capital by £1,000,093 following a written resolution of shareholders. 400,037,052 "A" Ordinary shares of 0.25p each were subsequently cancelled. This reduction was credited to the profit and loss reserve.

8 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Loss for the financial year	-	(6,143,772)
	<hr/>	<hr/>
Net addition to/(depletion from) shareholders' funds	-	(6,143,772)
Opening shareholders' funds	1	6,143,773
	<hr/>	<hr/>
Closing shareholders' funds	1	1
	<hr/>	<hr/>

AXIOMLAB

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2006

9 Employees

The average monthly number of employees (including executive directors) during the period was:

	2006 £	2005 £
Administrative	1	6

	2006 £	2005 £
Employment costs		
Wages and salaries	-	272,263
Social security costs	-	58,333
	-	330,596

10 Directors' emoluments

	Salary / fees £	Other benefits £	Year ended 30 April 2006 £	Salary / fees £	Other benefits £	Year ended 30 April 2005 £
FW Mendelsohn	-	-	-	127,611	406	128,017
AJ Aubrey	-	-	-	47,500	1,017	48,517
RS Ingleby	-	-	-	19,500	406	19,906
	-	-	-	194,611	1,829	196,440

11 Parent undertaking

The company's parent undertaking is Scissor Search Limited, a company registered in England and Wales.