



BRANNANS

CHARTERED
ACCOUNTANTS

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2005
FOR
ZYNAP LIMITED



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COMPANIES HOUSE

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08/09/2006

ZYNAP LIMITED

CONTENTS OF THE ABBREVIATED ACCOUNTS for the Year Ended 31st December 2005

	Page
Company Information	1
Report of the Independent Auditors on the Abbreviated Accounts	2
Abbreviated Balance Sheet	3
Notes to the Abbreviated Accounts	4

ZYNAP LIMITED

COMPANY INFORMATION
for the Year Ended 31st December 2005

DIRECTORS:

E L Thompson
G T Sewell
A J Davenport
D W Doughty
C J Macklin
T E Rhodes

SECRETARY:

Speafi Secretarial Limited

REGISTERED OFFICE:

The Old Coroner's Court
No 1 London Street
Reading
Berkshire
RG1 4QW

REGISTERED NUMBER:

4034446 (England and Wales)

AUDITORS:

Brannans
Chartered Accountants
and Registered Auditors
617/619 London Road
Westcliff on Sea
Essex
SS0 9PE

**REPORT OF THE INDEPENDENT AUDITORS TO
ZYNAP LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages three to six, together with the full financial statements of the company for the year ended 31st December 2005 prepared under Section 226A of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages three to six are properly prepared in accordance with those provisions.

Brannans
Chartered Accountants
and Registered Auditors
617/619 London Road
Westcliff on Sea
Essex
SS0 9PB



20th March 2006

ZYNAP LIMITED

ABBREVIATED BALANCE SHEET
31st December 2005

		<u>31.12.05</u>		<u>31.12.04</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	2		2,265,839		698,428
Tangible assets	3		<u>10,971</u>		<u>32,250</u>
			2,276,810		730,678
CURRENT ASSETS:					
Stocks			-	19,589	
Debtors	4	243,661		557,074	
Cash at bank and in hand		<u>312,394</u>		<u>140,642</u>	
		556,055		717,305	
CREDITORS: Amounts falling due within one year		<u>1,328,821</u>		<u>1,235,287</u>	
NET CURRENT LIABILITIES:			<u>(772,766)</u>		<u>(517,982)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£1,504,044</u>		<u>£212,696</u>
CAPITAL AND RESERVES:					
Called up share capital	5		87		67
Share premium			5,315,273		4,219,643
Profit and loss account			<u>(3,811,316)</u>		<u>(4,007,014)</u>
SHAREHOLDERS' FUNDS:			<u>£1,504,044</u>		<u>£212,696</u>

These abbreviated accounts 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).

ON BEHALF OF THE BOARD:



A J Davenport - Director

Approved by the Board on 8th March 2006

The notes form part of these abbreviated accounts

ZYNAP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the Year Ended 31st December 2005

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents amounts derived from the development and supply of application software, together with related services. The turnover is recognised as follows:-

- Income from the sale of software licenses is recognised on delivery and invoicing of the software products.
- Income from services is recognised as those services are delivered.
- Income in respect of support contracts which is invoiced in advance is recognised evenly over the life of the contract.

Tangible fixed assets

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

Computer equipment	- 50% on cost
Fixtures and fittings	- 33% on cost

Work in progress

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Intangible fixed assets

Expenditure on research and development is carried forward in the balance sheet as deferred expenditure, and charged to the profit and loss account over the periods of anticipated revenue to which it relates.

ZYNAP LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the Year Ended 31st December 2005**

2. INTANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST OR VALUATION:	
At 1st January 2005	3,107,536
Additions	<u>862,986</u>
At 31st December 2005	<u>3,970,522</u>
AMORTISATION:	
At 1st January 2005	2,409,108
Charge for year	212,601
Write back for year	<u>(917,026)</u>
At 31st December 2005	<u>1,704,683</u>
NET BOOK VALUE:	
At 31st December 2005	<u>2,265,839</u>
At 31st December 2004	<u>698,428</u>

3. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
At 1st January 2005	95,857
Additions	<u>7,013</u>
At 31st December 2005	<u>102,870</u>
DEPRECIATION:	
At 1st January 2005	63,607
Charge for year	<u>28,292</u>
At 31st December 2005	<u>91,899</u>
NET BOOK VALUE:	
At 31st December 2005	<u>10,971</u>
At 31st December 2004	<u>32,250</u>

4. DEBTORS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.05	31.12.04
	£	£
Prepayments	<u>-</u>	<u>13,597</u>

ZYNAP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the Year Ended 31st December 2005

5. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	31.12.05 £	31.12.04 £
900,000,000	Ordinary A	£0.000001	900	900
90,000,000	Ordinary B	£0.000001	90	90
10,000,000	Ordinary C	£0.000001	10	10
			<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31.12.05 £	31.12.04 £
73,734,155	Ordinary A	£0.000001	74	57
3,593,126	Ordinary B	£0.000001	4	4
8,892,692	Ordinary C	£0.000001	9	6
			<u>87</u>	<u>67</u>

The following fully paid shares were allotted during the year at a premium as shown below:

16,856,158 Ordinary A shares of 1 each at 6.4999p per share

The following shares were allotted as fully paid as a bonus issue out of reserves during the year:

2,808,218 Ordinary C shares of 1 each