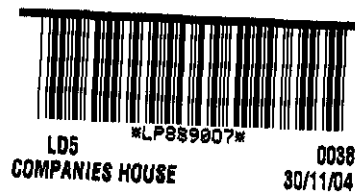


Ceradon Limited

Accounts for the period Ended

31st October 2003

Registered number 4214648



Ceradon Limited

Report to the directors

Period ended 31 October 2003

The directors have pleasure in presenting their report and financial statements for the period from 12th November 2002 to 31 October 2003

The company continues to trade as Software Developers & Vendors

The following persons were directors of the company during the year, and their shareholdings were:

ET Haynes	2000 "A" ordinary share
M S Thompson	73 "B" ordinary shares

On behalf of the board

E T Haynes
Director



29th November 2004

Ceradon Limited

Principal accounting policies **Period ended 31 October 2003**

a) Basis of accounting

Financial statements have been prepared under the historical cost convention

b) Turnover

Turnover represents net invoiced amounts of goods and services sold or leased, excluding value added tax, and the geographical market thereof is in the United Kingdom.

c) Tangible fixed assets

Depreciation is provided and bases to reduce by annual instalments the cost of the tangible assets over their useful lives:

Computer equipment -- Over 3 years straight line basis

d) Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

e) Debtors

All known bad and doubtful debts have been provided for.

Ceradon Limited**Profit and loss account****Period ended 31 October 2003**

(comparative first 18 months to 11 November 2002)

	<u>notes</u>	<u>2003</u>	<u>2002</u>
Turnover	1	5,000	3,804
		<u>5,000</u>	<u>3,804</u>
Staff Salaries	2	21,602	
Administrative expenses	3	<u>50,946</u>	
		<u>72,547</u>	<u>22,404</u>
Operating Income (-Expenditure)		-67,547	
Insurance commissions etc. received		<u>0</u>	
Operating profit(-loss)		-67,547	-18,600
Interest paid		<u>0</u>	<u>0</u>
Profit (-loss) on ordinary activities before tax		-67,547	-18,600
Loss on fixed assets		<u>0</u>	<u>0</u>
		-67,547	-18,600
Tax(credit) on profit on ordinary activities		<u>0</u>	<u>0</u>
Profit (-loss) on ordinary activities after tax		-67,547	-18,600
Accumulated (-losses) brought forward		-18,600	0
Accumulated (-losses) carried forward		<u>-86,147</u>	<u>-18,600</u>

The notes on pages 5 & 6 form part of these accounts

Ceradon Limited**Balance sheet****As at 31 October 2003**

	notes	2003	11-Nov 2002
Fixed assets			
Tangible assets	4	2,447	1,053
Current assets			
Debtors		0	15,847
Cash at bank and in hand		5,506	64,535
Vat		708	0
Sundry Debtors		200	
Stock		0	0
Total current assets		6,414	80,382
Creditors falling due within one year			
Bank overdraft		0	0
Trade creditors		0	18,011
Other taxes and social security		0	0
Director's Loan account		255	0
Accrued charges		2,730	0
Total creditors		2,984	18,011
Net current assets		3,429	62,371
Net Assets		5,877	63,424
Capital and reserves	6		
Share capital: authorised, issues, allotted, called and fully paid:			
2000 A shares of £1 each		2,000	2,000
465 B shares of £1 each		465	408
Share premium account		89,559	79,616
Profit and loss account, accumulated losses		-86,147	-18,600
Deficiency		5,877	63,424

The notes on pages 5 & 6 form part of these accounts

The directors:

1. Confirm for the period 12 November 2002 to 31 October 2003 the company was entitled to exemption under subsection 1 of section 249A;
2. Confirm that no notice requiring an audit has been deposited under subsection 2 of s249B in relation to the accounts for the financial year; and
3. acknowledge their responsibility for:
 - a) ensuring that the company keeps accounting records which comply with section 221; and
 - b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period of its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

The abbreviated accounts were prepared in accordance with the special provisions of Part VII of The Companies Act 1985 relating to small companies

These accounts were approved by the directors on 29th November 2004

ET Haynes
Director



Ceradon Limited**Notes to the financial accounts****Period ended 31 October 2003**

	<u>2003</u>	<u>2002</u>
<u>1. Turnover</u>		
this represents the invoiced amount of services and equipment hired and sold stated net of value added tax and is made up as follows:		
Consultancy services	0	3,804
Licenced and sold	5,000	0
	<u>5,000</u>	<u>3,804</u>
<u>2. Staff salaries</u>		
Salaries (excluding directors see note below)	<u>21,602</u>	<u>0</u>
The average number of employees each week during the year (other than directors) was as follows:	<u>1</u>	<u>0</u>
<u>3. Administrative expenses</u>		
Directors remuneration	20,579	
Motor expenses travel and subsistence	4,921	
Rent and service charges	7,416	
Office supplies	1,460	
Marketing costs	6,409	
Depreciation	1,487	
Subscriptions and courses	1,797	
Telephone & internet communication	2,967	
Software	537	
Legal accounting & and professional fees	3,001	
Bank charges, other than interest	58	
General expenses	168	
Insurance	145	
	<u>50,946</u>	<u>22,404</u>

Ceradon Limited**Notes to the financial accounts****Period ended 31 October 2003**

	<u>2003</u>	<u>2002</u>
<u>4. Tangible fixed assets</u>		
<u>Cost</u>		
Balance at 12 November 2002	1,579	0
Additions during year	2,881	1,579
	<u>4,460</u>	<u>1,579</u>
Less disposals	0	0
	<u>4,460</u>	<u>1,579</u>
<u>Depreciation</u>		
Balance at 12 November 2002	526	0
Provided during year	1,487	526
	<u>2,013</u>	<u>526</u>
Less disposals	0	0
	<u>2,013</u>	<u>526</u>
<u>Net book value</u>	<u>2,447</u>	<u>1,053</u>
<u>5. Debtors</u>		
Trade debtors	0	0
Prepayments	200	550
VAT Recoverable	708	297
Called up share capital not paid	0	15,000
	<u>908</u>	<u>15,847</u>
<u>6. Share capital</u>		
<u>Authorised</u>		
A £1 Ordinary	5,000	5,000
B £1 Ordinary	5,000	5,000
	<u>10,000</u>	<u>10,000</u>
<u>Allotted issued and fully paid</u>		
A £1 Ordinary	2,000	2,000
B £1 Ordinary	465	408
	<u>2,465</u>	<u>2,408</u>

During the period 49 "B" shares were issued at a premium of £203.08
A further 8 "B" shares were issued at par.