

Company Registration No. 4261098 (England and Wales)

REGISTERED COPY: Return to H. W. FIS

EGLUTEK LIMITED

**DIRECTORS' REPORT AND UNAUDITED
ACCOUNTS**

FOR THE YEAR ENDED 31 DECEMBER 2004



EGLUTEK LIMITED

COMPANY INFORMATION

Directors	P. Wuensche E. Hiernaux J. Wuensche
Secretary	P. Wuensche
Company number	4261098
Registered office	72 New Bond Street London W1S 1RR
Business address	72 New Bond Street London W1S 1RR
Accountants	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER

EGLUTEK LIMITED

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EGLUTEK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and accounts for the year ended 31 December 2004.

Principal activities

The principal activity of the company continues to be that of software publishing.

Results and dividends

The loss for the year after taxation amounted to £1,224.

The directors do not recommend payment of an ordinary dividend.

Directors and their interests

The directors at 31 December 2004 and their beneficial interests in the shares of the company were:

	Ordinary shares of 10p each	
	31 December 2004	1 January 2004
E. Hiernaux	3,243	3,243
J. Wuensche	15,116	15,116
P. Wuensche	2,040	2,040

	Non-voting shares of 10p each	
	31 December 2004	1 January 2004
E. Hiernaux	-	-
J. Wuensche	-	-
P. Wuensche	-	-

E. Joye resigned as a director on 24 November 2003, M. Moerman on 6 February 2004 and A. Papanastassiou on 20 May 2004.

On behalf of the Board



P. Wuensche

Director

Dated: 27/10/2005

EGLUTEK LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED ACCOUNTS

In accordance with the engagement letter dated 15 September 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the accounts of eGlutek Limited for the year ended 31 December 2004, set out on pages 3 to 9 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 accounts 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 accounts.

On page 4 you have acknowledged your duty to ensure that the company has kept proper accounting records and to prepare accounts 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 accounts. 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 accounts.

H W Fisher & Company

H W Fisher & Company

Chartered Accountants
Acre House
11-15 William Road
London
Great Britain
NW1 3ER

Dated:31/10/05

EGLUTEK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

		Year ended 31 December 2004 £	Period ended 31 December 2003 £
	Notes		
Administrative expenses		(1,234)	(42,341)
Operating loss		(1,234)	(42,341)
Other income	3	10	7
Loss on ordinary activities before taxation		(1,224)	(42,334)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation		(1,224)	(42,334)
Accumulated loss brought forward		(71,930)	(29,596)
Accumulated loss carried forward		(73,154)	(71,930)

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.

EGLUTEK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2004

	Notes	£	2004 £	£	2003 £
Fixed assets					
Intangible assets	5		363,240		221,519
Investments	6		22,152		22,152
			<u>385,392</u>		<u>243,671</u>
Current assets					
Debtors	7	387		94,537	
Cash at bank and in hand		1,967		1,854	
		<u>2,354</u>		<u>96,391</u>	
Creditors: amounts falling due within one year	8	(6,832)		(6,000)	
Net current (liabilities)/assets			<u>(4,478)</u>		<u>90,391</u>
Total assets less current liabilities			<u>380,914</u>		<u>334,062</u>
Creditors: amounts falling due after more than one year	9		<u>(451,241)</u>		<u>(403,165)</u>
			<u>(70,327)</u>		<u>(69,103)</u>
Capital and reserves					
Called up share capital	10		2,827		2,827
Profit and loss account			(73,154)		(71,930)
Shareholders' funds - all equity interests	11		<u>(70,327)</u>		<u>(69,103)</u>

The company is entitled to the exemption from the audit requirement contained in section 249A(1) of the Companies Act 1985, for the year ended 31 December 2004. No member of the company has deposited a notice, pursuant to section 249B(2), requiring an audit of these accounts.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Act; and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company at 31 December 2004 and of its loss for the year then ended in accordance with section 226, and otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on 27/10/2005



P. Wueasche
Director

EGLUTEK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and on a going concern basis, the validity of which is dependent upon the continuing support of the directors.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Intangible fixed assets

Software development expenditure has not been amortised, pending completion of the software application.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	3 - 5 years
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1.4 Investments

Fixed asset investments are stated at cost less any provision for permanent diminution in value.

1.5 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.6 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

1.7 Comparative Period

The comparative relates to the period from 1 August 2002 to 31 December 2003.

2 Employees

Number of employees

There were no employees during the year.

3 Other income

	2004	2003
	£	£
Interest receivable and similar income	10	7

EGLUTEK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2004

4	Tax on loss on ordinary activities	2004	2003
		£	£
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(1,224)	(42,334)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	(233)	(8,043)
	Effects of:		
	Other tax adjustments	233	8,043
	Current tax charge	-	-
5	Intangible fixed assets	Software development expenditure	
		£	
	Cost		
	At 1 January 2004		221,519
	Additions		141,721
	At 31 December 2004		363,240
	At 31 December 2003		221,519

EGLUTEK LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2004 & at 31 December 2004	22,152
At 31 December 2003	22,152

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
eGlutek Luxembourg Limited	Luxembourg	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Loss for the year £
eGlutek Luxembourg Limited	-	-

eGlutek Luxembourg SA is in the process of being wound up.

7 Debtors	2004 £	2003 £
Amounts owed by group undertakings	-	93,984
Called up share capital not paid	387	387
Other debtors	-	166
	387	94,537

EGLUTEK LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

8	Creditors: amounts falling due within one year	2004	2003
		£	£
	Accruals and deferred income	6,832	6,000
		<u>6,832</u>	<u>6,000</u>
9	Creditors: amounts falling due after more than one year	2004	2003
		£	£
	Directors' current accounts	410,506	371,519
	Other creditors	40,735	31,646
		<u>451,241</u>	<u>403,165</u>
10	Share capital	2004	2003
		£	£
	Authorised		
	750,000 Ordinary shares of 10p each	75,000	75,000
	250,000 Non-voting shares of 10p each	25,000	25,000
		<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	27,570 Ordinary shares of 10p each	2,757	2,757
	701 Non-voting shares of 10p each	70	70
		<u>2,827</u>	<u>2,827</u>
11	Reconciliation of movements in shareholders' funds	2004	2003
		£	£
	Loss for the financial year	(1,224)	(42,334)
	New share capital subscribed	-	880
		<u>(1,224)</u>	<u>(41,454)</u>
	Net depletion in shareholders' funds	(69,103)	(27,649)
	Opening shareholders' funds	<u>(70,327)</u>	<u>(69,103)</u>
	Closing shareholders' funds	<u>(70,327)</u>	<u>(69,103)</u>

EGLUTEK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2004

12 Related party transactions

At the year end the following amounts were owed to the directors: J. Wuensche £400,608 (2003: £352,532), E. Hiernaux £6,075 (2003: £6,075), and P. Wuensche £3,823 (2003: 3,823).

At the year end, the company was owed £nil (2003:£93,984) from its subsidiary, eGlutek Luxembourg SA. During the year, eGlutek Luxembourg SA invoiced eGlutek Limited £141,721 in respect of software developed for eGlutek Limited.