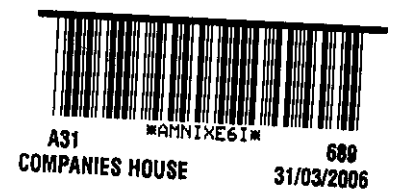


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BLUE FORCE SERVICES LIMITED
FINANCIAL STATEMENTS

31March 2005



BLUE FORCE SERVICES LIMITED

DIRECTOR'S REPORT

The directors present their report and the accounts for the 16 months ended 31 March 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was financial services.

REVIEW OF THE BUSINESS

The results for the period and the financial position of the company are as shown in the attached financial statements.

DIVIDEND

The directors have not declared a dividend in this year.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year and their holdings of the ordinary shares were as follows:-

	30.11.05	30.11.03
P D Smith	NIL	73
A P N Currie	NIL	NIL

CLOSE COMPANY

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

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 these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

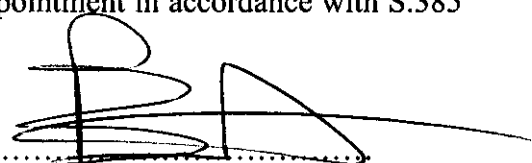
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

AUDITORS

The auditors M.M. Robinsons & Co will be proposed for reappointment in accordance with S.385 of the Companies Act 1985.

By order of the Board

Chairman



BLUE FORCE SERVICES LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF BLUE FORCE SERVICES LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit of those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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 judgments 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 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 mis-statements, whether caused by fraud or other irregularity or error.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its loss for the period then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Galleon Chambers
3 Connaught Avenue
Frinton-on-Sea
Essex CO13 9PN

M. M. Robinson & Co
Registered Auditors
Chartered Accountants



24 March 2006

BLUE FORCE SERVICES LIMITED

PROFIT & LOSS ACCOUNT

16 Months ended 31 March 2005

2003 £		Note	£
29,524	Turnover	1	55,120
65,684	Administrative expenses & overheads		89,122
<u>(36,160)</u>			<u>(34,002)</u>
1,500	Interest payable		2,708
<u>(37,660)</u>	Profit on ordinary activities before taxation	2	<u>(36,710)</u>
-	Taxation	3	-
<u>(37,660)</u>	Profit on ordinary activities		<u>(36,710)</u>
(27,870)	Retained loss brought forward		(65,530)
<u>£(65,530)</u> =====	Retained loss carried forward		<u>£102,240)</u> =====

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

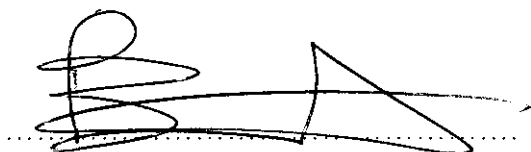
BLUE FORCE SERVICES LIMITED

BALANCE SHEET

31 March 2005

30.11.03 £		Note	£	£
	TANGIBLE ASSETS			
4,387	FIXED ASSETS	6		3,852
	CURRENT ASSETS			
177	Cash at Bank and in Hand		416	
3,262	Sundry Debtors		-	
-	Due from Parent company		19,150	
<u>3,439</u>			<u>19,566</u>	
	CURRENT LIABILITIES			
73,156	Creditors falling due within one year	5	125,458	
<u>69,717</u>	NET CURRENT LIABILITIES			<u>105,892</u>
<u>£(65,330)</u>				<u>£(102,040)</u>
				=====
	CAPITAL AND RESERVES			
200	Called up Share Capital	4		200
(65,530)	Profit and Loss Account			(102,240)
<u>£(65,330)</u>				<u>£(102,040)</u>
				=====

P D Smith
Director



The notes on page 5 and 6 form part of these accounts.

BLUE FORCE SERVICES LIMITED

NOTES TO THE ACCOUNTS

16 Months ended 31 March 2005

1) ACCOUNTING POLICIES

(a) Basis of Accounting

These accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

(b) Turnover

Turnover represents the net invoiced sales excluded VAT.

(c) Tangible Fixed Assets

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

Office Equipment – 25% on reducing value

Computer equipment – 33% Straight Line

2) OPERATING PROFIT

This is stated after charging:

		2003
	£	£
Director's remuneration	6,500	NIL
Auditors remuneration	1,200	750

3) TAXATION

Corporation tax is based on the profit for the year.

- -

4) SHARE CAPITAL

	Authorised	Issued and fully paid	
Ordinary Shares of £1 each	100,000	200	200

5) CREDITORS

Amounts falling due within one year:

Amount due to fellow subsidiary	26,500	-
Trade Creditors	-	4,667
Commission	-	4,454
Accruals	1,200	1,800
Inland Revenue (PAYE)	2,106	2,342
Sundry Creditors	95,652	59,893
	<u>£125,458</u>	<u>£73,156</u>
	=====	=====

BLUE FORCE SERVICES LIMITED
NOTES TO THE ACCOUNTS
16 Months ended 31 March 2005

6) FIXED ASSETS	Office Equipment
	£
COST	
At 1 December 2003	6,162
Additions in year	986
	<hr/>
At 31 March 2003	£ 7,148
	<hr/>
DEPRECIATION	
At 1 December 2003	1,775
Charge for the year	1,521
	<hr/>
At 31 March 2005	£ 3,296
	<hr/>
NET BOOK VALUE	
At 31 March 2005	£ 3,852
	<hr/>
At 30 November 2003	£ 4,387
	<hr/>