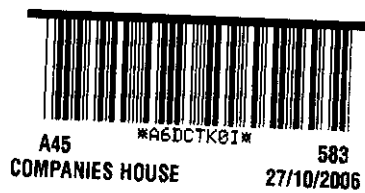


Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 December 2005
for
White Spring Company Limited



White Spring Company Limited

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for the Year Ended 31 December 2005**

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White Spring Company Limited
Company Information
for the Year Ended 31 December 2005

DIRECTORS:

T Jones
J P Maynard
G White

SECRETARY:

T Jones

REGISTERED OFFICE:

Beechfield House
38 West Bar
Banbury
Oxfordshire
OX16 9RX

REGISTERED NUMBER:

04524814

ACCOUNTANTS:

Logan & Brewerton
2 Arkwright Road
Bicester
Oxfordshire
OX26 4SU

White Spring Company Limited

**Report of the Directors
for the Year Ended 31 December 2005**

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of software development.

DIRECTORS

The directors during the year under review were:

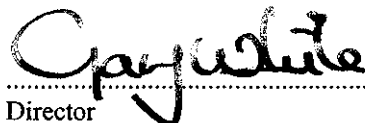
T Jones	- appointed 21.11.05
J P Maynard	- appointed 21.11.05
G White	
A J C Jeffrey	- resigned 21.11.05
P Spillan	- resigned 21.11.05

The beneficial interests of the directors holding office on 31 December 2005 in the issued share capital of the company were as follows:

	31.12.05	1.1.05 or date of appointment if later
Ordinary £1 shares		
T Jones	2,551	2,551
J P Maynard	2,293	2,293
G White	2,551	2,551
A Ordinary £1 shares		
T Jones	-	-
J P Maynard	-	-
G White	100	-

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Director

Date: 
.....

White Spring Company Limited

**Profit and Loss Account
for the Year Ended 31 December 2005**

	Notes	31.12.05 £	31.12.04 £
TURNOVER		396,233	52,011
Cost of sales		111,869	37,038
GROSS PROFIT		284,364	14,973
Administrative expenses		465,868	197,116
OPERATING LOSS	2	(181,504)	(182,143)
Interest receivable and similar income		43	72
		(181,461)	(182,071)
Interest payable and similar charges		4,821	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(186,282)	(182,071)
Tax on loss on ordinary activities	3	-	(7,594)
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(186,282)	(174,477)
DEFICIT FOR THE YEAR		(186,282)	(174,477)

The notes form part of these financial statements

White Spring Company Limited

**Balance Sheet
31 December 2005**

	Notes	31.12.05 £	£	31.12.04 £	£
FIXED ASSETS					
Intangible assets	4		47,357		125,630
Tangible assets	5		3,463		7,075
Investments	6		4		1
			<u>50,824</u>		<u>132,706</u>
CURRENT ASSETS					
Debtors	7	133,351		53,728	
Cash at bank		<u>5,378</u>		<u>486</u>	
		138,729		54,214	
CREDITORS					
Amounts falling due within one year	8	<u>282,676</u>		<u>211,180</u>	
NET CURRENT LIABILITIES			<u>(143,947)</u>		<u>(156,966)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(93,123)		(24,260)
CREDITORS					
Amounts falling due after more than one year	9		<u>344,332</u>		<u>401,915</u>
NET LIABILITIES			<u>(437,455)</u>		<u>(426,175)</u>
CAPITAL AND RESERVES					
Called up share capital	10		7,753		5,100
Share premium	11		370,084		197,735
Profit and loss account	11		<u>(815,292)</u>		<u>(629,010)</u>
SHAREHOLDERS' FUNDS			<u>(437,455)</u>		<u>(426,175)</u>

The notes form part of these financial statements

White Spring Company Limited

**Balance Sheet - continued
31 December 2005**

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2005.

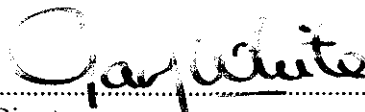
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements 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:


.....
Director

Approved by the Board on 24/11/06

White Spring Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Amortisation

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

Product Development - 2 years straight line

Tangible fixed assets

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

Equipment - 50% on cost

Deferred tax

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

2. OPERATING LOSS

The operating loss is stated after charging:

	31.12.05	31.12.04
	£	£
Depreciation - owned assets	6,391	8,728
Loss on disposal of fixed assets	613	1,119
Product Development amortisation	78,273	30,915
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	12,000	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	31.12.05	31.12.04
	£	£
Current tax:		
UK corporation tax	-	(7,594)
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	-	(7,594)
	<u> </u>	<u> </u>

White Spring Company Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2005**

4. INTANGIBLE FIXED ASSETS

	Product Development £
COST	
At 1 January 2005	
and 31 December 2005	156,545
AMORTISATION	
At 1 January 2005	30,915
Amortisation for year	78,273
At 31 December 2005	109,188
NET BOOK VALUE	
At 31 December 2005	47,357
At 31 December 2004	125,630

5. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 January 2005	20,936
Additions	3,391
Disposals	(1,820)
At 31 December 2005	22,507
DEPRECIATION	
At 1 January 2005	13,861
Charge for year	6,391
Eliminated on disposal	(1,208)
At 31 December 2005	19,044
NET BOOK VALUE	
At 31 December 2005	3,463
At 31 December 2004	7,075

6. FIXED ASSET INVESTMENTS

	Investments £
COST	
At 1 January 2005	1
Additions	4
Disposals	(1)
At 31 December 2005	4
NET BOOK VALUE	
At 31 December 2005	4
At 31 December 2004	1

White Spring Company Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2005

6. FIXED ASSET INVESTMENTS - continued

At 31 December 2005 the company held 100% of the issued share capital of Salesmanagement Solutions UK Limited and Sales Management Solutions (Europe) Limited, both of which are registered in the United Kingdom.

Sales Management Solutions (Europe) Limited remained dormant throughout the year and was eventually dissolved shortly after the year end. The value of this investment has therefore been adjusted to reflect the company's nil value.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.05	31.12.04
	£	£
Trade Debtors	132,242	30,400
Other Debtors	-	60
Subsidiary Loan Account	-	7,017
VAT	-	14,780
Prepayments	1,109	1,471
	<u>133,351</u>	<u>53,728</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.05	31.12.04
	£	£
Bank loans and overdrafts	35,750	18,233
Other Loan Account	15,000	-
Trade Creditors	51,299	37,726
Other Taxes & Social Security	7,517	22,269
VAT	41,421	-
Subsidiary Loan Account	58,188	-
Directors' Current Accounts	56,805	128,627
Accrued Expenses	16,696	4,325
	<u>282,676</u>	<u>211,180</u>

Other Loan Account represents a short term loan from DTC Limited repayable on demand. DTC Limited is owned and controlled by Mr T Jones, a minority shareholder of White Spring Company Limited.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.05	31.12.04
	£	£
Bank Loan	37,417	95,000
Other Creditors	306,915	306,915
	<u>344,332</u>	<u>401,915</u>

The bank loan is with HSBC Bank Plc and is granted under the Small Firms Loan Guarantee Scheme. The loan is repayable over 4 years and the interest charge is 3% per annum over the HSBC Bank base rate.

Other Creditors represents a liability to Blueberry Consulting which is repayable once specific conditions relative to software supplies have been achieved. There is no interest accruing on this liability.

White Spring Company Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2005

10. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	31.12.05	31.12.04
Number:	Class:		£	£
1,000,000	Ordinary	£1	1,000,000	1,000,000
100	A Ordinary	£1	100	-
			<u>1,000,100</u>	<u>1,000,000</u>
Allotted, issued and fully paid:		Nominal value:	31.12.05	31.12.04
Number:	Class:		£	£
7,653	Ordinary	£1	7,653	5,100
(31.12.04 - 5,100)				
100	A Ordinary	£1	100	-
			<u>7,753</u>	<u>5,100</u>

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

2,553 Ordinary shares of £1 each at £48 per share
100 A Ordinary shares of £1 each at £499 per share

11. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2005	(629,010)	197,735	(431,275)
Deficit for the year	(186,282)		(186,282)
Cash share issue	-	172,349	172,349
At 31 December 2005	<u>(815,292)</u>	<u>370,084</u>	<u>(445,208)</u>