

Registration number 05388051

CapitalinQ Limited
Directors' report and financial statements
for the year ended 31 March 2007

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CapitalinQ Limited

Directors' report for the year ended 31 March 2007

The directors present their report and the financial statements for the year ended 31 March 2007

Principal activity

The principal activity of the company is to provide corporate finance advice and investment to early stage companies

Directors and their interests

The directors who served during the year and their interests in the company are as stated below

		Class of share	31 Mar '07	31 Mar '06
A B B Canning		Ordinary shares	-	-
S Kumar	Resigned on 21 May 2007	Ordinary shares	-	-
D Johnston	Appointed on 21 May 2007	Ordinary shares	-	-

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business for the foreseeable future

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 and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

CapitalinQ Limited

**Directors' report
for the year ended 31 March 2007**

continued

Auditors

Mathie Neal Dancer & Co were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting

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

This report was approved by the Board on **28.01.08** and signed on its behalf by

A handwritten signature in black ink, appearing to be 'J. E. Dancer', with a long, sweeping flourish extending to the right.

Director

CapitalinQ Limited

Independent auditors' report to the shareholders of CapitalinQ Limited

We have audited the financial statements of CapitalinQ Limited for the year ended 31 March 2007, which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgements 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.

CapitalinQ Limited
Independent auditors' report to the shareholders of CapitalinQ Limited continued

We planned and performed 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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable for Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Mathie Neal Dancer & Co
Chartered Accountants and
Registered Auditors
93-95 Gloucester Place
London
W1U 6JG

Date:.....28.01.08.....

CapitalinQ Limited

Profit and loss account for the year ended 31 March 2007

		2007	2006
	Notes	£	£
Turnover	2	649,024	412,675
Administrative expenses		(608,636)	(697,526)
Profit/(loss) on ordinary activities before taxation		<u>40,388</u>	<u>(284,851)</u>
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		<u>40,388</u>	<u>(284,851)</u>
Retained profit/(loss) for the year		<u>40,388</u>	<u>(284,851)</u>
Accumulated loss brought forward		(284,851)	-
Loss carry forward		<u>(244,463)</u>	<u>(284,851)</u>

The notes on pages 7 to 9 form an integral part of these financial statements.

CapitalinQ Limited

Balance sheet as at 31 March 2007

		2007	2006
	Notes	£	£
Fixed assets			
Tangible assets	4	67,710	87,188
Investments	5	553,886	12,500
		<u>621,596</u>	<u>99,688</u>
Current assets			
Work in progress		23,219	3,210
Debtors	6	541,955	349,381
Cash at bank		12,182	63,017
		<u>577,356</u>	<u>415,608</u>
Creditors: amounts falling due within one year	7	(613,114)	(358,839)
Net current (liabilities)/assets		<u>(35,758)</u>	<u>56,769</u>
Total assets less current liabilities		585,838	156,457
Creditors: amounts falling due after more than one year	8	(291,300)	(440,308)
Surplus/(deficiency) of assets		<u>294,538</u>	<u>(283,851)</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Revaluation reserve	10	538,001	-
Profit and loss account		(244,463)	(284,851)
Shareholders' funds		<u>294,538</u>	<u>(283,851)</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The financial statements were approved by the Board on 28.01.08 and signed on its behalf by



A B B Canning
Director

The notes on pages 7 to 9 form an integral part of these financial statements.

CapitalinQ Limited

Notes to the financial statements for the year ended 31 March 2007

continued

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Computer equipment	-	25 % straight line
Furniture and fittings	-	10 % straight line
Motor vehicles	-	20 % straight line

1.4. Investments

Investments, which are anticipated, to be held over the long term are classified as fixed asset investments

Unquoted investments are initially carried at cost less provision for any diminution in value. Where the investment has a sufficient track record or there are other external indicators of value including third party pricing, the directors will value the investment accordingly

Any surplus or deficit arising on revaluation is taken to revaluation reserve. Any revaluation below cost is taken to profit and loss account

1.5. Work in progress

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

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3. Operating (loss)/Profit

	2007 £	2006 £
Operating loss is stated after charging		
Depreciation and other amounts written off tangible assets	19,893	10,615
Auditors' remuneration	4,000	4,113
	<u> </u>	<u> </u>
and after crediting		
(Loss)/profit on disposal of tangible fixed assets	(2,319)	1,848
	<u> </u>	<u> </u>

CapitalinQ Limited

Notes to the financial statements for the year ended 31 March 2007

continued

4. Tangible fixed assets	Computer Equipment £	Furniture & fittings £	Motor vehicles £	Total £
Cost				
At 01 April 2006	5,563	238	92,002	97,803
Additions	415	-	-	415
At 31 March 2007	<u>5,978</u>	<u>238</u>	<u>92,002</u>	<u>98,218</u>
Depreciation				
At 01 April 2006	1,391	24	9,200	10,615
Charge for the year	1,469	24	18,400	19,893
At 31 March 2007	<u>2,860</u>	<u>48</u>	<u>27,600</u>	<u>30,508</u>
Net book value				
At 31 March 2007	<u>3,118</u>	<u>190</u>	<u>64,402</u>	<u>67,710</u>
Net book value				
At 31 March 2006	<u>4,172</u>	<u>214</u>	<u>82,802</u>	<u>87,188</u>

5. Fixed asset investments

	Total £
Cost or valuation	
At 01 April 2006	12,500
Additions at cost	3,385
Revaluation in the year (Note 10)	538,001
At 31 March 2007	<u>553,886</u>

The cost of investment shown above is £15,885

6. Debtors	2007 £	2006 £
Trade debtors	325,746	48,591
Other debtors	203,009	287,590
Prepayments	13,200	13,200
	<u>541,955</u>	<u>349,381</u>

CapitalinQ Limited

**Notes to the financial statements
for the year ended 31 March 2007**

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7. Creditors: amounts falling due within one year	2007	2006
	£	£
Other creditors	179,511	12,510
Net obligations under finance leases and hire purchase contracts	72,958	84,931
Trade creditors	86,454	164,317
Other taxes and social security costs	266,078	71,768
Accruals	8,113	25,313
	<u>613,114</u>	<u>358,839</u>
 8. Creditors: amounts falling due after more than one year	 2007	 2006
	£	£
Other creditors	291,300	440,308
	<u>291,300</u>	<u>440,308</u>
 9. Share capital	 2007	 2006
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Equity Shares		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
 10. Revaluation Reserve	 2007	
	£	
Balance at 01 April 2006	-	
Revaluation of investments acquired during the year at cost	538,001	
	<u>538,001</u>	
Balance at 31 March 2007	<u>538,001</u>	

The Revaluation Reserve represents the uplift on the cost of investments to their current price

CapitalinQ Limited
Detailed trading profit and loss account
for the year ended 31 March 2007

	2007		2006	
	£	£	£	£
Fee Received				
Consultancy fees received		649,024		412,675
Administrative expenses				
Wages and salaries	168,693		205,524	
Recruitment expenses	-		5,625	
Rent payable	90,768		77,197	
Repairs and maintenance	5,979		675	
Printing, postage and stationery	8,076		8,975	
Telephone	17,547		19,666	
Hire of equipment	1,960		478	
Motor expenses	19,074		22,669	
Travelling and subsistence	21,107		100,325	
Entertaining	29,176		29,290	
Information research	17,519		10,003	
Legal and professional	78,571		103,830	
Consultancy fees	92,861		43,488	
Audit and accountancy	13,750		4,113	
Projects cost	-		39,928	
Bank charges	4,966		3,460	
HP Interest	11,564		7,946	
Bank interest	705		-	
General expenses	2,002		3,325	
Subscriptions	2,106		2,242	
Depreciation on Computer equipment	1,469		1,391	
Depreciation on fixtures & equipment	24		24	
Depreciation on motor vehicles	18,400		9,200	
Profits/losses on disposal of tangible assets	2,319		(1,848)	
		608,636		697,526
Operating profit/(loss)		6 4% 40,388		(69%) (284,851)

Tax district:

Ref:

CapitalinQ Limited
Corporation Tax Computation
for the year ended 31 March 2007

Adjusted Profit Computation

	£	£
Profit per Accounts		40,388
Add		
Depreciation		19,893
Entertaining		29,176
Loss on disposals of assets		2,319
		<u>91,776</u>
Less		
Capital allowances	<u>6,871</u>	<u>(6,871)</u>
Adjusted profit for the year		84,905
Adjusted loss Brought forward 1 April 2006		(255,114)
Adjusted Loss C/fwd 31 March 2007		<u><u>(170,209)</u></u>

Capital Allowance Computation

	Car 1	Car 2	Computer	Furniture	Claim
Additions	28,000	58,002	3,338	143	
Less Maximum allowances	(3,000)	(3,000)			6,000
Less WDA @ 25 %			(835)	(36)	871
WDV C/fwd 31/03/2006	<u>25,000</u>	<u>55,002</u>	<u>2,503</u>	<u>107</u>	<u>6,871</u>