

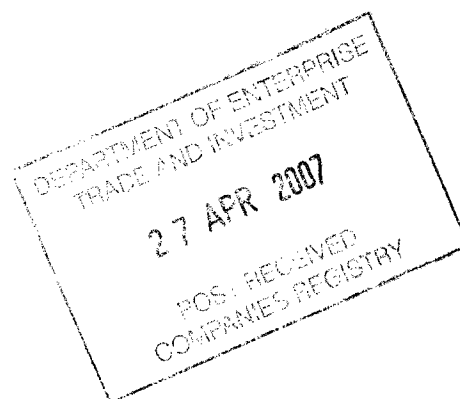


Mail Distiller Limited

Financial Statements

Year 30 June 2006

Company Registration No NI050867



Mail Distiller Limited

Directors' and other information

Directors

B. Keating
C McGoldrick
I Graham
S Stock (resigned 13th April 2007)
C J Walsh (appointed 20th April 2007)

Secretary

S Stock (resigned 13th April 2007)
B. Keating (appointed 20th April 2007)

Bankers

Bank of Ireland
4 – 8 High Street
Belfast BT1 2BA

Solicitors

Mills Selig
21 Arthur Street
Belfast
BT1 4GA

Registered office

6 Mayfield Road
Newtownabbey
Co. Antrim

Mail Distiller Limited

Directors' report

The directors present their report together with the unaudited financial statements of the company for the year ending 30 June 2006

Principal activity and review of the business

The company's principal activity is that of a provider of email security and managed solutions to protect against infiltration of viruses, spam and other SMTP attacks.

Directors and their interests

The directors at 30 June 2006 and their interests in the share capital of the company were as follows:

	<u>At 30 June 2006</u> Ordinary
C McGoldrick	31,300
S Stock	31,200

Special provisions relating to small companies

This report has been prepared in accordance with the special provisions of Part VIII of the Companies (Northern Ireland) Order 1986 relating to small companies.

On behalf of the board



C McGoldrick
Director

26th April 2007

Mail Distiller Limited

Profit and loss account

For the year ending 30th June 2006

	<i>Note</i>	2006 £'000	2005 £'000
Sales		61	0
Revenue accounting adjustment		<u>(12)</u>	<u>0</u>
Net turnover		49	0
Cost of sales		<u>24</u>	<u>0</u>
Gross profit		25	0
Net operating expenses	2	<u>203</u>	<u>2</u>
Operating profit/(loss)		(178)	(2)
Interest receivable		0	0
Interest payable and similar charges		<u>3</u>	<u>0</u>
Profit/(loss) on ordinary activity before taxation		(181)	(2)
Taxation charge		<u>0</u>	<u>0</u>
Profit/(loss) on ordinary activity after taxation		(181)	(2)
Dividends		<u>0</u>	<u>0</u>
Profit/(loss) retained for the year		(181)	(2)
		<u><u>=====</u></u>	<u><u>=====</u></u>

The company has no recognised gains or losses other than included above and therefore no separate statement of recognised gains and losses has been presented.

The notes on page 6 to 9 form part of these financial statements.

Mail Distiller Limited

Balance sheet
at 30th June 2006

	<i>Note</i>	2006		2005	
		£000	£'000	£'000	£'000
Fixed assets					
Tangible assets	3		9		0
Current assets					
Debtors: Amounts falling due within one year	5	20		1	
Bank		428		0	
		<hr/>		<hr/>	
		448		1	
Creditors: Amounts falling due within one year	6	(66)		(3)	
		<hr/>		<hr/>	
Net current assets			391		(2)
Creditors: amounts falling due after more than one year	7		(73)		0
Net assets			<hr/>	<hr/>	<hr/>
			318		(2)
Capital and reserves					
Called up share capital	8		1		0
Share premium account	9		500		
Profit and loss account	9		(183)		(2)
Total shareholders funds			<hr/>	<hr/>	<hr/>
			318		(2)

In preparing these financial statements:

- a) The directors are of the opinion the company is entitled to exemption from audit under article 257A(1) of the Companies (Northern Ireland) Order 1986.

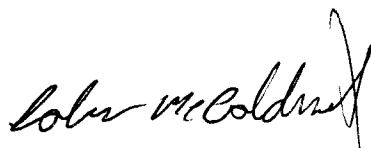
Mill Distiller Limited

**Balance sheet (continued)
at 30 June 2006**

- b) No notice has been deposited under 257B(2) by a member requiring an audit, in relation to the financial statements for the financial year.
- c) The directors acknowledge their responsibility for:
 - i. ensuing that the company keeps proper accounting records in accordance with article 229 of the Order, and
 - ii. preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year and which otherwise comply with the requirements of the Order relating to the financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VIII of the Companies (Northern Ireland) Order 1986.

Approved by the directors on 26th April 2007



C McGoldrick
Director

Mills Distiller Limited

Notes

(forming part of the financial statements)

1. Principle accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover is stated net of trade discounts, VAT and similar taxes and derives from the provision of goods and services falling within the company's ordinary activities.

Tangible fixed assets

Tangible fixed assets are recorded at historical cost less accumulated depreciation.

Depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset systematically over its expected useful life, as follows:

Office equipment - Straight line over 5 years

Fixture and fittings – Straight line over 5 years

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at a contracted rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or the contracted rate. All differences are taken to the profit and loss account.

Cash flow statement

The company is exempt by virtue of its size from the requirements to prepare a cash flow statement

Mills Distiller Limited

Notes (continued)
(forming part of the financial statements)

2. Net operating expense

	2006	2005
	£	£
Wages and Salaries	73	0
Establishment costs	12	0
Legal and professional fees	54	0
Other administrative expenses	64	2
	<u>203</u>	<u>2</u>
	<u><u>203</u></u>	<u><u>2</u></u>

3. Tangible fixed assets

	<i>Office equipment £000</i>	<i>Fixtures & fittings £000</i>	<i>Total £000</i>
Cost			
At 1 st July 2005	0	0	0
Additions	11	1	12
Disposals	0	0	0
	<u>11</u>	<u>1</u>	<u>12</u>
At 30th June 2006	11	1	12
Depreciation			
At 1 st July 2005	0	0	0
Charge for the year	3	0	3
Disposals	0	0	0
	<u>3</u>	<u>-</u>	<u>3</u>
At 30th June 2006	3	-	3
Net book value			
At 30 th June 2006	8	1	9
	<u><u>8</u></u>	<u><u>1</u></u>	<u><u>9</u></u>
At 31 st March 2005	0	0	0
	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

Mills Distiller Limited

Notes (continued)
(forming part of the financial statements)

4. Directors emoluments

	2006 £	2005 £
Salaries and benefits	9	0
	=====	=====

5. Debtors: amounts falling due within one year

	2006 £	2005 £
Trade debtors	12	1
Other debtors	8	0
	----- 20	----- 1
	=====	=====

6. Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	12	0
Accruals	16	3
Bank Loan	21	0
Advance customer payment	12	0
Other creditors	5	0
	----- 66	----- 3
	=====	=====

7. Creditors: amounts falling due after one year

	2006 £	2005 £
Bank Loan	73	0
	----- 73	----- 0
	=====	=====

Mills Distiller Limited

Notes (continued) (forming part of the financial statements)

8. Share Capital

	2006 £	2005 £
Authorised		
100,000 ordinary shares of £1.00 each		100,000
10,000,000 ordinary shares of £0.01 each	100,000	
	=====	=====
By ordinary resolution dated 7 th June 2006 all the 100,000 ordinary shares of £1.00 each in the capital of the company were sub divided into 10,000,000 ordinary shares of £0.01 each.		
Allocated, called up and fully paid:		
200 ordinary shares of £0.01 each	2	2
99,800 ordinary shares of £0.01 each	998	
	=====	=====
Balance at 30th June 2006	1,000	2
	=====	=====

9. Movement in reserves

	Share Premium £000	Profit and loss reserve £000	Total £000
At beginning of year as stated	0	(2)	(2)
Charge to share premium	500		500
Profit for the year		(181)	(181)
	=====	=====	=====
Balances at 30th June 2006	500	(183)	317
	=====	=====	=====

An investment in the Company of £500,000 was made on 23rd June 2006 by Crescent Capital II LP. This was made up of £375 of share capital and the balance has been recorded as share premium.