

Company Registration No. 3684214 (England and Wales)



TITON ASSOCIATES LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006



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COMPANIES HOUSE 21/07/2006

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TITON ASSOCIATES LIMITED

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TITON ASSOCIATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

Principal activities and review of the business

The principal activity of the company continued to be that of consultancy and project management services.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 April 2005:

M G Mullertz
L S Nielsen

Directors' interests

	Ordinary shares of £1 each	
	31 March 2006	1 April 2005
M G Mullertz	-	-
L S Nielsen	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

TITON ASSOCIATES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 those financial statements, the directors are required to:

- select suitable accounting policies and then 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



M G Mullertz

27 June 2006

TITON ASSOCIATES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TITON ASSOCIATES LIMITED

We have audited the financial statements of Titon Associates Limited for the year ended 31 March 2006 set out on pages 5 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or 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.

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.

TITON ASSOCIATES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF TITON ASSOCIATES LIMITED

Opinion

We have audited the financial statements of Titon Associates Limited for the year ended 31 March 2006 set out on pages 5 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended ;
- the information given in the directors' report is consistent with the financial statements; and
- have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

27 June 2006

Chartered Accountants

Registered Auditor

25 Harley Street
London
W1G 9BR

TITON ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
Turnover	2	284,621	92,500
Administrative expenses		(180,629)	(106,824)
Other operating income		11,736	10,762
Operating profit/(loss)	3	115,728	(3,562)
Other interest receivable and similar income	4	1,024	1,545
Profit/(loss) on ordinary activities before taxation		116,752	(2,017)
Tax on profit/(loss) on ordinary activities	5	(22,152)	-
Profit/(loss) for the year	11	94,600	(2,017)

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.

TITON ASSOCIATES LIMITED

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	6		1,716		1,967
Current assets					
Debtors	7	22,605		32,046	
Cash at bank and in hand		123,224		62,357	
		<u>145,829</u>		<u>94,403</u>	
Creditors: amounts falling due within one year	8	<u>(28,968)</u>		<u>(72,393)</u>	
Net current assets			116,861		22,010
Total assets less current liabilities			118,577		23,977
			<u>118,577</u>		<u>23,977</u>
Capital and reserves					
Called up share capital	10		25,000		25,000
Profit and loss account	11		93,577		(1,023)
Shareholders' funds	12		118,577		23,977

Approved by the Board and authorised for issue on 27 June 2006


M G Mullertz
Director


L S Nielsen
Director

TITON ASSOCIATES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	2006	2005
£	£	£
Net cash inflow from operating activities	61,571	34,251
Returns on investments and servicing of finance		
Interest received	1,024	1,545
Net cash inflow for returns on investments and servicing of finance	1,024	1,545
Taxation	(962)	(4,205)
Capital expenditure		
Payments to acquire tangible assets	(766)	(1,411)
Net cash outflow for capital expenditure	(766)	(1,411)
Net cash inflow before management of liquid resources and financing	60,867	30,180
Increase in cash in the year	60,867	30,180

TITON ASSOCIATES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities			2006	2005
				£	£
	Operating profit/(loss)			115,728	(3,562)
	Depreciation of tangible assets			1,017	960
	Decrease in debtors			10,496	39,172
	Decrease in creditors within one year			(65,670)	(2,319)
				<u> </u>	<u> </u>
	Net cash inflow from operating activities			61,571	34,251
				<u> </u>	<u> </u>
2	Analysis of net funds	1 April 2005	Cash flow	Other non- 31 March 2006 cash changes	
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	62,357	60,867	-	123,224
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Net funds	62,357	60,867	-	123,224
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
3	Reconciliation of net cash flow to movement in net funds			2006	2005
				£	£
	Increase in cash in the year			60,867	30,180
				<u> </u>	<u> </u>
	Movement in net funds in the year			60,867	30,180
	Opening net funds			62,357	32,177
				<u> </u>	<u> </u>
	Closing net funds			123,224	62,357

TITON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for services provided net of VAT.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided 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	Over 3 years
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1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of deferred tax assets is to the extent that the company anticipates making taxable profits in the future to absorb the reversal of the underlying timing differences.

1.7 Foreign currency translation

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

2 Turnover

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

3 Operating profit/(loss)

	2006	2005
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	1,017	960
Auditors' remuneration	2,550	3,000
Remuneration of auditors for non-audit work	2,940	1,995

TITON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

4	Investment income	2006	2005
		£	£
	Bank interest	1,024	1,545
		<u> </u>	<u> </u>
5	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U.K. corporation tax	22,245	-
	Adjustment for prior years	962	-
		<u> </u>	<u> </u>
	Current tax charge	23,207	-
	Deferred tax		
	Deferred tax charge/credit current year	(1,055)	-
		<u> </u>	<u> </u>
		22,152	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	116,752	(2,017)
		<u> </u>	<u> </u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005 - 19.00%)	22,183	(383)
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	406	-
	Depreciation add back	193	-
	Capital allowances	(489)	-
	Adjustments to previous periods	962	-
	Other tax adjustments	(48)	383
		<u> </u>	<u> </u>
		1,024	383
		<u> </u>	<u> </u>
	Current tax charge	23,207	-
		<u> </u>	<u> </u>

TITON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

6 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2005	16,627
Additions	766
	<hr/>
At 31 March 2006	17,393
	<hr/>
Depreciation	
At 1 April 2005	14,660
Charge for the year	1,017
	<hr/>
At 31 March 2006	15,677
	<hr/>
Net book value	
At 31 March 2006	1,716
	<hr/>
At 31 March 2005	1,967
	<hr/>

7 Debtors

	2006 £	2005 £
Trade debtors	3,611	24,000
Other debtors	16,044	6,081
Prepayments and accrued income	1,895	1,965
Deferred tax asset (see note 9)	1,055	-
	<hr/>	<hr/>
	22,605	32,046
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

	2006 £	2005 £
Corporation tax	22,245	-
Other taxes and social security costs	1,361	1,618
Directors' current accounts	229	67,775
Accruals and deferred income	5,133	3,000
	<hr/>	<hr/>
	28,968	72,393
	<hr/>	<hr/>

TITON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

9 Provisions for liabilities and charges

The deferred tax asset (included in debtors, note 7) is made up as follows:

	2006 £
Profit and loss account	(1,055)

	2006 £	2005 £
Decelerated capital allowances	(1,055)	-

10 Share capital

	2006 £	2005 £
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	25,000	25,000

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2005	(1,023)
Profit for the year	94,600
Balance at 31 March 2006	93,577

12 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit/(Loss) for the financial year	94,600	(2,017)
Opening shareholders' funds	23,977	25,994
Closing shareholders' funds	118,577	23,977

TITON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

13 Directors' emoluments	2006 £	2005 £
Emoluments for qualifying services	48,000	48,000

14 Transactions with directors

Included in creditors falling due within one year are amounts due to L S Nielsen of £ Nil (2005 - £67,546) and due to M G Mullertz of £229 (2005 - £229). There are no terms as to interest or repayment of these balances.

15 Employees

Number of employees

There were no employees during the year apart from the directors.

Employment costs	2006 £	2005 £
Wages and salaries	48,000	48,000
Social security costs	4,641	4,929
	52,641	52,929

16 Related party transactions

Part of the company's turnover amounting to £96,000 (2005 - £92,500) was derived from Titon Management Inc., a company incorporated in British Virgin Islands. M G Mullertz is a director of Titon Management Inc., and he and his associates are beneficiaries of a trust which owns 50% of the share capital of Titon Associates Limited and Titon Management Inc.

Included in trade debtors are £ nil (2005: £24,000) due from Titon Management Inc.