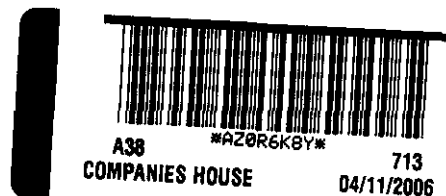


**Simplexity Limited**  
**Financial statements**  
**For**  
**1 August 2006**



These financial statements have not been audited as the company is exempt under s249A of the Companies Act 1985 from the requirement to obtain an audit of its financial statements.

**BISHOP FLEMING**  
Chartered Accountants  
16 Queen Square  
Bristol  
BS1 4NT

# **Simplexity Limited**

## **Financial statements**

**Year ended 1 August 2006**

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# **Simplexity Limited**

## **Officers and professional advisers**

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### **The Board of Directors**

M G Hazell

### **Company Secretary**

D A Hazell

### **Registered Office**

5 Herons Mead  
Bromham  
Bedford  
Bedfordshire  
MK43 8LQ

### **Accountants**

Bishop Fleming  
Chartered Accountants  
16 Queen Square  
Bristol  
BS1 4NT

**Simplexity Limited****The director's report****Year ended 1 August 2006**

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The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 1 August 2006.

**Principal activities**

The principal activity of the company during the year was that of business and management consultancy.

**The director and his interests in the shares of the company**

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company were as follows:


	Ordinary Shares of £1 each	
	At 1 August 2006	At 2 August 2005
M G Hazell	<u>2</u>	<u>2</u>

**Small company provisions**

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

Registered office:  
5 Herons Mead  
Bromham  
Bedford  
Bedfordshire  
MK43 8LQ

Signed by order of the director



D A Hazell  
Company Secretary

Approved by the director on 19 Oct 2006

**Simplexity Limited****Profit and loss account****Year ended 1 August 2006**

	Note	2006 £	2005 £
<b>Turnover</b>		<b>637,288</b>	911,255
Cost of sales		<u>260,756</u>	<u>353,721</u>
<b>Gross profit</b>		<b>376,532</b>	557,534
Administrative expenses		<u>130,956</u>	<u>271,953</u>
<b>Operating profit</b>	2	<b>245,576</b>	285,581
Interest receivable		<u>16,673</u>	<u>11,784</u>
<b>Profit on ordinary activities before taxation</b>		<b>262,249</b>	297,365
Tax on profit on ordinary activities	4	<u>49,979</u>	<u>56,601</u>
<b>Profit for the financial year</b>		<b><u>212,270</u></b>	<b><u>240,764</u></b>

The notes on pages 5 to 9 form part of these financial statements.

# **Simplexity Limited**

## **Balance sheet**

**1 August 2006**

	Note	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	5		1,767		2,410
Investments	6		68,150		—
			<u>69,917</u>		<u>2,410</u>
<b>Current assets</b>					
Debtors	7	616		37,442	
Investments	8	1		—	
Cash at bank		544,717		439,527	
		<u>545,334</u>		<u>476,969</u>	
<b>Creditors: Amounts falling due within one year</b>	9	<u>65,943</u>		<u>142,341</u>	
<b>Net current assets</b>			<u>479,391</u>		<u>334,628</u>
<b>Total assets less current liabilities</b>			<u>549,308</u>		<u>337,038</u>
<b>Capital and reserves</b>					
Called-up equity share capital	11		2		2
Profit and loss account	12		549,306		337,036
<b>Shareholders' funds</b>			<u>549,308</u>		<u>337,038</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

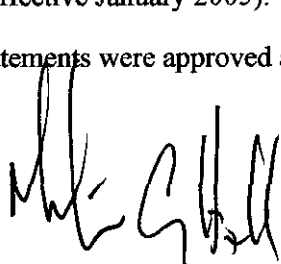
The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, 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 in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

These financial statements were approved and signed by the director on 19 Oct 2006

M G Hazell  
Director



**Year ended 1 August 2006**

**(a) Basis of accounting**

**(b) Turnover**

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

**(c) Fixed assets**

**(d) Depreciation**

**Equipment** - 33% straight line

**(e) Pension costs**

**(f) Deferred taxation**

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**(g) Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### (h) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# Simplexity Limited

## Notes to the financial statements

Year ended 1 August 2006

### 1. Accounting policies *(continued)*

#### (i) Fixed asset investments

Payments to provide working capital for joint venture projects are included as fixed asset investments. Subsequent repayments of capital are deducted from fixed asset investments.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

### 2. Operating profit

Operating profit is stated after charging/(crediting):

	2006	2005
	£	£
Staff pension contributions	2,520	7,760
Depreciation of owned fixed assets	1,821	2,139
Net loss/(profit) on foreign currency translation	868	(714)

### 3. Director's emoluments

The director's aggregate emoluments in respect of qualifying services were:

	2006	2005
	£	£
Aggregate emoluments	63,000	133,000
Value of company pension contributions to money purchase schemes	18,720	32,650
	81,720	165,650

The number of directors who accrued benefits under company pension schemes was as follows:

	2006	2005
	No	No
Money purchase schemes	1	1

### 4. Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2006	2005
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2005 - 19%)	49,979	56,601
Total current tax	49,979	56,601

# Simplexity Limited

## Notes to the financial statements

Year ended 1 August 2006

### 4. Taxation on ordinary activities *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2005 - 19%).

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>262,249</u>	<u>297,365</u>
Profit before taxation multiplied by standard rate of UK corporation tax at 19%	49,827	56,499
Expenses not allowable for corporation tax purposes	(2)	406
Depreciation in excess of capital allowances	<u>154</u>	<u>(304)</u>
Total current tax (note 4(a))	<u>49,979</u>	<u>56,601</u>

### 5. Tangible fixed assets

	Equipment £
<b>Cost</b>	
At 2 August 2005	6,375
Additions	1,178
Disposals	<u>(1,728)</u>
<b>At 1 August 2006</b>	<u>5,825</u>
<b>Depreciation</b>	
At 2 August 2005	3,965
Charge for the year	1,821
On disposals	<u>(1,728)</u>
<b>At 1 August 2006</b>	<u>4,058</u>
<b>Net book value</b>	
At 1 August 2006	<u>1,767</u>
At 1 August 2005	<u>2,410</u>

# **Simplexity Limited**

## **Notes to the financial statements**

**Year ended 1 August 2006**

### **6. Investments**

#### **Fixed asset investments**

	£
Cost	
Additions	68,150
At 1 August 2006	<u>68,150</u>
 Net book value	
At 1 August 2006	<u>68,150</u>

Investments relate to capital invested in Simplexity Partners Limited, a joint venture. The company owns 50% of the issued share capital of the companies listed below.

<b>Aggregate capital and reserves</b>		
Simplexity Partners Limited	1,226	—
<b>Profit and (loss) for the year</b>		
Simplexity Partners Limited	1,224	—

### **7. Debtors**

	2006 £	2005 £
Trade debtors	—	36,535
Other debtors	616	907
	<u>616</u>	<u>37,442</u>

### **8. Investments**

	2006 £	2005 £
Shares in group undertakings	<u>1</u>	<u>—</u>

### **9. Creditors: Amounts falling due within one year**

	2006 £	2005 £
Trade creditors	597	34,539
Corporation tax	49,979	56,601
Other taxation and social security	13,817	51,201
Other creditors	1,550	—
	<u>65,943</u>	<u>142,341</u>

# **Simplexity Limited**

## **Notes to the financial statements**

**Year ended 1 August 2006**

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### **10. Related party transactions**

The company was under the control of M G Hazell, the director together with his wife own 100% of the issued share capital.

During the year Simplexity Limited bought 1 ordinary share in Simplexity Partners Limited, of which M G Hazell is also a director. During the year £135,623 was sold to Simplexity Partners Limited, of which £68,150 was outstanding at the year end and is included within fixed asset investments.

### **11. Share capital**

#### **Authorised share capital:**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
1,000 Ordinary shares of £1 each	<u><b>1,000</b></u>	<u><b>1,000</b></u>

#### **Allotted, called up and fully paid:**

	<b>2006</b>		<b>2005</b>
	<b>No</b>	<b>£</b>	<b>No</b>
			<b>£</b>
Ordinary shares of £1 each	<u><b>2</b></u>	<u><b>2</b></u>	<u><b>2</b></u>

### **12. Profit and loss account**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Balance brought forward	<b>337,036</b>	96,272
Profit for the financial year	<u><b>212,270</b></u>	<u>240,764</u>
Balance carried forward	<u><b>549,306</b></u>	<u><b>337,036</b></u>

**Simplexity Limited**

**Management information**

**Year ended 1 August 2006**

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**The following page does not form part of the statutory financial statements.**

**Simplexity Limited****Chartered accountants' report to the director on the  
unaudited financial statements of Simplexity Limited****Year ended 1 August 2006**

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In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Director, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Director that we have done so, and state those matters that we have agreed to state to him in this 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 Director, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 1 August 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



BISHOP FLEMING  
CHARTERED ACCOUNTANTS  
16 Queen Square  
Bristol  
BS1 4NT

Date:- 30 October 2006