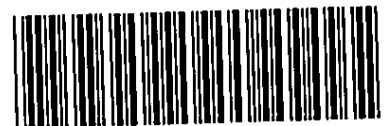


Registration number 4612415

Palantir UK Limited
Directors' report and financial statements
for the year ended 31 December 2006

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31/10/2007
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Palantir UK Limited

Company information

Directors	Henry Hawkins Jason Ambrose
Secretary	The Company Books Ltd
Company number	4612415
Registered office	Studio 32 Westbourne Studios 242 Acklam Road London W10 5JJ

Palantir UK Limited

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Palantir UK Limited

**Directors' report
for the year ended 31 December 2006**

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

Principal activity

The principal activity of the company during the year was Software Supply and Consultancy

Directors and their interests

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

	Ordinary shares	
	31/12/06	01/01/06
Henry Hawkins	-	-
Jason Ambrose	-	-

Charitable and political contributions

During the year the company contributed £4,435 to charities. (£4,360 Alzheimer's Society and £75 Oxfam Charity)

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 26/10/2007 and signed on its behalf by



Henry Hawkins
Director

Palantir UK Limited

**Profit and loss account
for the year ended 31 December 2006**

		2006	2005
	Notes	£	£
Turnover	2	1,492,802	766,528
Cost of sales		(429,945)	(154,561)
Gross profit		1,062,857	611,967
Administrative expenses		(914,101)	(606,937)
Other operating income		940	-
Operating profit	3	149,696	5,030
Other interest receivable and similar income		1,736	1,468
Interest payable and similar charges		(23,759)	(33)
Profit on ordinary activities before taxation		127,673	6,465
Tax on profit on ordinary activities	6	(31,974)	(1,614)
Profit on ordinary activities after taxation		95,699	4,851
Retained profit for the year		95,699	4,851
Retained profit brought forward		90,660	85,807
Retained profit carried forward		186,359	90,658

The notes on pages 5 to 8 form an integral part of these financial statements.

Palantir UK Limited

**Balance sheet
as at 31 December 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		83,273		-
Tangible assets	8		37,134		21,885
			<u>120,407</u>		<u>21,885</u>
Current assets					
Debtors	9	294,570		154,304	
Cash at bank and in hand		182,325		26,821	
		<u>476,895</u>		<u>181,125</u>	
Creditors: amounts falling due within one year	10	<u>(410,941)</u>		<u>(112,350)</u>	
Total assets less current liabilities			<u>65,954</u>		<u>68,775</u>
Net assets			<u>186,361</u>		<u>90,660</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account			186,359		90,658
Shareholders' funds			<u>186,361</u>		<u>90,660</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 8 form an integral part of these financial statements.

Palantir UK Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2006**

In approving these financial statements as directors of the company we hereby confirm

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ,

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2006 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities -effective January 2005

The financial statements were approved by the Board on 26/10/2007 and signed on its behalf by

Henry Hawkins
Director



The notes on pages 5 to 8 form an integral part of these financial statements.

Palantir UK Limited

**Notes to the financial statements
for the year ended 31 December 2006**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention 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

1.3. Software Licence

Software licence is valued at cost less accumulated amortisation

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 3 years

1.4. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred

1.5. 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.

Fixtures, fittings
and equipment - 25% straight line

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

2. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 16% for the year (2005 22%).

3. Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation and other amounts written off intangible assets	41,630	-
Depreciation and other amounts written off tangible assets	<u>21,668</u>	<u>12,439</u>

Palantir UK Limited

**Notes to the financial statements
for the year ended 31 December 2006**

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4. Directors' emoluments

Remuneration and other benefits	<u>52,500</u>	<u>40,000</u>
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5. Pension costs

The company operates a defined contribution pension scheme in respect of the Virgin Group Stakeholder Pension. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £16,066.

6. Tax on profit on ordinary activities

Analysis of charge in period	2006	2005
	£	£
Current tax		
UK corporation tax 30% (2005 19%)	<u>31,974</u>	<u>1,614</u>

7. Intangible fixed assets

	Software Licence £	Total £
Cost		
Additions	<u>124,903</u>	<u>124,903</u>
At 31 December 2006	<u>124,903</u>	<u>124,903</u>
Provision for diminution in value		
Charge for year	<u>41,630</u>	<u>41,630</u>
At 31 December 2006	<u>41,630</u>	<u>41,630</u>
Net book values		
At 31 December 2006	<u>83,273</u>	<u>83,273</u>

Palantir UK Limited

**Notes to the financial statements
for the year ended 31 December 2006**

. continued

8. Tangible fixed assets	Fixtures, fittings and equipment	Total
	£	£
Cost		
At 1 January 2006	49,756	49,756
Additions	36,917	36,917
At 31 December 2006	<u>86,673</u>	<u>86,673</u>
Depreciation		
At 1 January 2006	27,871	27,871
Charge for the year	21,668	21,668
At 31 December 2006	<u>49,539</u>	<u>49,539</u>
Net book values		
At 31 December 2006	<u>37,134</u>	<u>37,134</u>
At 31 December 2005	<u>21,885</u>	<u>21,885</u>
9. Debtors	2006	2005
	£	£
Trade debtors	281,422	150,439
Other debtors	663	-
Prepayments and accrued income	12,485	3,865
	<u>294,570</u>	<u>154,304</u>

Palantir UK Limited

**Notes to the financial statements
for the year ended 31 December 2006**

... continued

10. Creditors: amounts falling due within one year	2006	2005
	£	£
Bank overdraft	50	50
Trade creditors	20,244	7,262
Amounts owed to group undertaking	271,172	18,543
Corporation tax	31,648	4,290
Other taxes and social security costs	67,231	45,955
Directors' accounts	-	18,000
Other creditors	-	12,000
Accruals and deferred income	20,596	6,250
	<u>410,941</u>	<u>112,350</u>
11. Share capital	2006	2005
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. Transactions with directors

The directors provided interest free loans to the company during the year as follows H Hawkins £Nil (2005 £6,000), J Ambrose £Nil (2005 £12,000)

13. Ultimate parent undertaking

The Directors believe that the Ultimate Parent Company is Palantir Economic Solutions (BVI) incorporated in British Virgin Islands