

Company Registered Number 4861007

NETWORK EINSTEIN (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2007

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NETWORK EINSTEIN (UK) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

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

REVIEW OF THE BUSINESS

The principal activity of the company is the provision of asset management services. The results for the year are set out on page 2. The directors do not recommend payment of a dividend.

DIRECTORS

The directors who served at any time during the year were

J M Kennard	
C Fry	(resigned 21 October 2007)
A J Davenport	(appointed 11 December 2007)
S Mackenzie	(appointed 28 March 2008)

None of the directors has an interest in the share capital of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

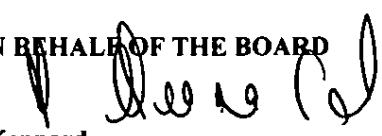
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 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 the case of each person who is a director as at the date of this report, the directors confirm that so far as each director is concerned

- there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all reasonable steps that they ought to have taken 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


J Kennard
Director
4 April 2008

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
NETWORK EINSTEIN (UK) LIMITED**

We have audited the financial statements of Network Einstein (UK) Limited for the year ended 31 December 2007 which comprise the Profit & Loss Account, the Balance Sheet and the Cash Flow Statement and the related notes. 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 auditor's 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 directors and 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.

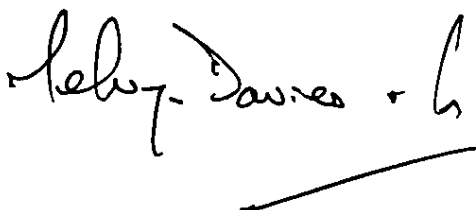
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, of the state of the Group's and the Company's affairs as at 31 December 2007 and of the result 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.

MELVYN DAVIES & CO.
Chartered Accountants
Registered Auditors
4 April 2008



9 Limes Road
Beckenham
BR3 6NS

NETWORK EINSTEIN (UK) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
Turnover		-	-
Administration costs		4,602	8,235
Operating loss		<u>(4,602)</u>	<u>(8,235)</u>
Interest received		781	524
Loss before taxation	2	<u>(3,821)</u>	<u>(7,711)</u>
Taxation	4	-	-
Loss for the period after taxation	7	<u>£ (3,821)</u>	<u>£ (7,711)</u>

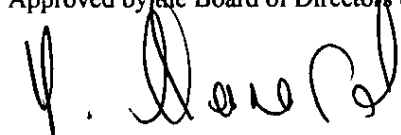
All turnover and profit before taxation is derived from continuing operations

All recognised gains and losses are included in the profit and loss account

NETWORK EINSTEIN (UK) LIMITED**BALANCE SHEET****AT 31ST DECEMBER 2007**

	Note	2007 £	2006 £
CURRENT ASSETS			
Trade debtors		-	2,565
Cash at bank		25,355	26,811
		<u>25,355</u>	<u>29,376</u>
CREDITORS: amounts falling due within one year			
Accruals		1,269	1,469
		<u>24,086</u>	<u>27,907</u>
CREDITORS: amounts falling due after one year	5	24,000	24,000
		<u>£ 86</u>	<u>£ 3,907</u>
Financed By:			
SHARE CAPITAL	6	25,000	25,000
PROFIT AND LOSS ACCOUNT	7	(24,914)	(21,093)
		<u>£ 86</u>	<u>£ 3,907</u>

Approved by the Board of Directors on 4 April 2008

**J M Kennard**
Director

NETWORK EINSTEIN (UK) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST DECEMBER 2007**

	2007	2006
	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(2,237)	16,225
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest Received	781	524
TAX PAID	-	-
INVESTING ACTIVITIES		
Payments to Acquire Fixed Assets	-	-
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(1,456)	16,749
FINANCING		
Issue of shares	-	9,000
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>£ (1,456)</u>	<u>£ 25,749</u>

Notes:**a. Reconciliation of Operating Loss to Net Cash Flow from Operating Activities**

Operating Loss	(4,602)	(8,235)
Decrease in Debtors	2,565	24,166
(Decrease)/increase in Creditors	(200)	294
Net Cash (Outflow)/Inflow from Operating Activities	<u>£ (2,237)</u>	<u>£ 16,225</u>

b. Analysis of Changes in Cash and Cash Equivalents During the Period

Balance at Start of Period	26,811	1,062
Net Cash (Outflow)/Inflow	(1,456)	25,749
Balance at End of Period	<u>£ 25,355</u>	<u>£ 26,811</u>

NETWORK EINSTEIN (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

Basis of Accounts

The accounts are prepared on the historical cost basis and in accordance with applicable accounting standards. The accounts are drawn up on a going concern basis since the shareholder has confirmed his continuing financial support for the foreseeable future.

2. LOSS BEFORE TAXATION	2007	2006
	£	£
This is stated after charging		
Directors' Remuneration	nil	nil
Depreciation	nil	nil
Auditors remuneration	1,374	1,997
	<u> </u>	<u> </u>

3. STAFF COSTS

There were no staff other than the directors throughout the period. No remuneration was paid to the directors for the period.

4. TAXATION

There was no provision for taxation based on the results for the period.

5. CREDITORS: amounts falling due after one year	2007	2006
	£	£
Subordinated Loan	£ 24,000	24,000
	<u> </u>	<u> </u>

The loan is from the shareholder and no interest has been charged on the loan to date. The principal is not repayable before 26 May 2009 at the earliest and is subordinated to the rights of other creditors.

6. SHARE CAPITAL

Authorised, 50,000 (2005: 20,000) ordinary shares of £1	£ 50,000	£ 20,000
	<u> </u>	<u> </u>
Issued and fully paid	£ 25,000	£ 16,000
	<u> </u>	<u> </u>

7. PROFIT & LOSS ACCOUNT

Deficit at start of period	21,093	13,382
Retained loss for the period	3,821	7,711
	<u> </u>	<u> </u>
Deficit at end of period	£ 24,914	£ 21,093
	<u> </u>	<u> </u>

NETWORK EINSTEIN (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2007**

8. SHAREHOLDERS FUNDS	2007	2006
	£	£
Balance at start of period	3,907	3,907
Shares issued in period	-	9,000
Retained (loss) for the period	(3,821)	(7,711)
Balance at end of period	<u>£ 86</u>	<u>£ 3,907</u>

9. ULTIMATE CONTROLLING PARTY

The company is wholly owned by A De Candole