

Company Registration No. SC268425 (Scotland)

INSTANT GROUP LIMITED
DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2006



Saffery Champness
CHARTERED ACCOUNTANTS

INSTANT GROUP LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | D A Smith J M O Waddell (Appointed 8 November 2005) |
| Secretary | MBM Secretarial Services Limited |
| Company number | SC268425 |
| Registered office | 107 George Street Edinburgh EH2 3ES |
| Accountants | Saffery Champness Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA |

INSTANT GROUP LIMITED

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INSTANT GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2006

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

Principal activities

The principal activity of the company was acting as parent company to Instant Archive Limited, whose main business was document management and disaster recovery. Instant Archive Limited went into liquidation on 14 June 2005. On 28 October 2005 the trade, assets and intellectual property of Instant Group Limited were sold to Instant Archiving Services Limited, the consideration being a deferred payment due to the company based on future sales by Instant Archiving Services Limited.

Directors

The following directors have held office since 1 August 2005

| | |
|---------------|-----------------------------|
| D A Smith | |
| M P Avison | (Resigned 4 November 2005) |
| F N Todd | (Resigned 23 January 2007) |
| D A Glover | (Resigned 14 November 2005) |
| J M O Waddell | (Appointed 8 November 2005) |
| G C Stuart | (Resigned 10 November 2005) |

Directors' interests

The directors' interests in the shares of the company were as stated below

| | Ordinary shares of 0.001p each | |
|------------|--------------------------------|--------------|
| | 31 July 2006 | 31 July 2005 |
| M P Avison | | |
| D A Glover | | |
| D A Smith | 3,246,818 | 2,272,727 |
| G C Stuart | | |
| F N Todd | | |

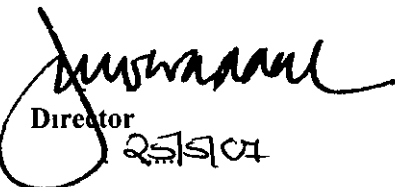
| | Ordinary shares of 10p each | |
|------------|-----------------------------|--------------|
| | 31 July 2006 | 31 July 2005 |
| M P Avison | 84,600 | 84,600 |
| D A Glover | | |
| D A Smith | 323,185 | 323,185 |
| G C Stuart | 32,297 | 32,297 |
| F N Todd | 38,685 | 38,685 |

INSTANT GROUP LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2006**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the board


Director
25/5/07

INSTANT GROUP LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2006**

| | Notes | 2006 £ | 2005 £ |
|--|----------|-----------|-------------|
| Administrative expenses | | (129,035) | (1,215,708) |
| Operating loss | 2 | (129,035) | (1,215,708) |
| Interest payable and similar charges | | 75 | 171 |
| Loss on ordinary activities before taxation | | (128,960) | (1,215,537) |
| Tax on loss on ordinary activities | 3 | | |
| Loss on ordinary activities after taxation | 9 | (128,960) | (1,215,537) |

The notes on pages 6 to 8 form part of these financial statements

INSTANT GROUP LIMITED

**BALANCE SHEET
AS AT 31 JULY 2006**

| | Notes | 2006 £ | £ | 2005 £ | £ |
|---|-------|----------------|--------------|-----------------|---------------|
| Fixed assets | | | | | |
| Intangible assets | 4 | | | 25,000 | |
| Tangible assets | 5 | | | 40,155 | |
| | | | | | <u>65,155</u> |
| Current assets | | | | | |
| Debtors | 6 | 638 | | 4,744 | |
| Cash at bank and in hand | | 11,301 | | 17,893 | |
| | | <u>11,939</u> | | <u>22,637</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(1,950)</u> | | <u>(23,848)</u> | |
| Net current assets/(liabilities) | | | 9,989 | | (1,211) |
| Total assets less current liabilities | | | <u>9,989</u> | | <u>63,944</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | 297,100 | | 290,281 | |
| Share premium account | 9 | 1,057,386 | | 989,200 | |
| Profit and loss account | 9 | (1,344,497) | | (1,215,537) | |
| Shareholders' funds | | | <u>9,989</u> | | <u>63,944</u> |

INSTANT GROUP LIMITED

**BALANCE SHEET (continued)
AS AT 31 JULY 2006**

In preparing these financial statements

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 this Act relating to accounts, so far as applicable to the company

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

The notes on pages 6 to 8 form part of these financial statements

The financial statements were approved by the board on 25/10/07.


Director

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

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

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:

| | | | |
|----------|--|-------------|-------------|
| 2 | Operating loss | 2006 | 2005 |
| | | £ | £ |
| | Operating loss is stated after charging | | |
| | Depreciation of tangible assets | 3,832 | 5,827 |
| | Directors' emoluments | 8,000 | 10,400 |
| | Sums paid to third parties for directors' services | 12,750 | 12,750 |

On the basis of these financial statements no provision has been made for corporation tax.

| | Development Costs £ |
|-----------------------|------------------------|
| Cost | |
| At 1 August 2005 | 25,000 |
| Disposals | (25,000) |
| | <hr/> |
| At 31 July 2006 | <hr/> |
| Net book value | |
| At 31 July 2006 | <hr/> |
| | <hr/> |
| At 31 July 2005 | 25,000 |

INSTANT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2006**

5 Tangible fixed assets

| | £ |
|-----------------------|----------|
| Cost | |
| At 1 August 2005 | 45,982 |
| Disposals | (45,982) |
| | <hr/> |
| At 31 July 2006 | <hr/> |
| Depreciation | |
| At 1 August 2005 | 5,827 |
| On disposals | (9,659) |
| Charge for the year | 3,832 |
| | <hr/> |
| At 31 July 2006 | <hr/> |
| Net book value | |
| At 31 July 2006 | <hr/> |
| | <hr/> |
| At 31 July 2005 | 40,155 |
| | <hr/> |

| 6 Debtors | 2006 | 2005 |
|---|-------------|-------------|
| | £ | £ |
| Other debtors | 638 | 4,744 |
| | <hr/> | <hr/> |
| 7 Creditors: amounts falling due within one year | 2006 | 2005 |
| | £ | £ |
| Taxation and social security | | 4,985 |
| Other creditors | 1,950 | 18,863 |
| | <hr/> | <hr/> |
| | 1,950 | 23,848 |
| | <hr/> | <hr/> |

INSTANT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 JULY 2006**

| 8 Share capital | 2006 £ | 2005 £ |
|---|-------------------|-------------------|
| Authorised | | |
| 3,966,109 Ordinary shares of 10p each | 396,611 | 396,611 |
| 31,785,756 Ordinary shares of £0.001 each | 31,786 | 31,786 |
| | <u>428,397</u> | <u>428,397</u> |
| Allotted, called up and fully paid | | |
| 2,743,720 Ordinary shares of 10p each | 274,372 | 274,372 |
| 22,728,000 Ordinary shares of £0.001 each | 22,728 | 15,909 |
| | <u>297,100</u> | <u>290,281</u> |

During the period 6,818,636 Ordinary shares of £0.001 each were allotted and fully paid at a consideration of £0.011p per share

9 Statement of movements on reserves

| | Share premium account £ | Profit and loss account £ |
|--|--|--|
| Balance at 1 August 2005 | 989,200 | (1,215,537) |
| Retained loss for the year | | (128,960) |
| Premium on shares issued during the year | 68,186 | |
| Balance at 31 July 2006 | <u>1,057,386</u> | <u>(1,344,497)</u> |