

DEEP BLUE FINANCIAL LIMITED
Company Registration No. 3816301 (England and Wales)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

WEDNESDAY



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DEEP BLUE FINANCIAL LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | C R Corbett A R Peters |
| Secretary | A R Peters |
| Company number | 3816301 |
| Registered office | Deep Blue House Lower Quay Fareham Hampshire PO16 0XR |
| Auditors | Donnelly Hamilton Brent Limited Carnac Place Cams Hall Estate Fareham Hampshire PO16 8UY |
| Business address | Deep Blue House Lower Quay Fareham Hampshire PO16 0XR |
| Bankers | Barclays Bank plc 43/44 High Street Gosport Hampshire PO12 1DN |

DEEP BLUE FINANCIAL LIMITED

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DEEP BLUE FINANCIAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2007

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

Principal activities and review of the business

The principal activity of the company is that of providing services as financial intermediation

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a final ordinary dividend or non voting dividend

Directors

The following directors have held office since 1 August 2006

C R Corbett

A R Peters

Directors' interests

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

| | Ordinary shares of £1 each | |
|-------------|----------------------------|---------------|
| | 31 July 2007 | 1 August 2006 |
| C R Corbett | 50 | 50 |
| A R Peters | 50 | 50 |

| | Non voting ordinary shares of £1 each | |
|-------------|---------------------------------------|---------------|
| | 31 July 2007 | 1 August 2006 |
| C R Corbett | - | - |
| A R Peters | 4,000 | 4,000 |

Mr A and Mrs D Peters jointly hold 4,000 non voting shares

| Charitable donations | 2007 | 2006 |
|----------------------|------|------|
| | £ | £ |

During the year the company made the following payments

| | | |
|----------------------|-----|-----|
| Charitable donations | 330 | 210 |
|----------------------|-----|-----|

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Donnelly Hamilton Brent Limited be reappointed as auditors of the company will be put to the Annual General Meeting

DEEP BLUE FINANCIAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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

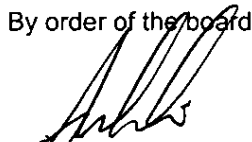
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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.

By order of the board



A R Peters

Secretary

27/11/2007

DEEP BLUE FINANCIAL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DEEP BLUE FINANCIAL LIMITED

We have audited the financial statements of Deep Blue Financial Limited for the year ended 31 July 2007 set out on pages 5 to 15. 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

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.

DEEP BLUE FINANCIAL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF DEEP BLUE FINANCIAL LIMITED

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 company's affairs as at 31 July 2007 and of its profit 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



27/11/2007.

Donnelly Hamilton Brent Limited

Chartered Accountants

Registered Auditor

A member firm of the UK200Group

Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY

DEEP BLUE FINANCIAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2007

| | Notes | 2007 £ | 2006 £ |
|---|-------|-----------|-----------|
| Turnover | 2 | 827,240 | 691,206 |
| Cost of sales | | (247,081) | (130,963) |
| Gross profit | | 580,159 | 560,243 |
| Administrative expenses | | (317,645) | (272,303) |
| Other operating income | | 4,250 | - |
| Operating profit | 3 | 266,764 | 287,940 |
| Other interest receivable and similar income | 4 | 1,845 | 1,313 |
| Profit on ordinary activities before taxation | | 268,609 | 289,253 |
| Tax on profit on ordinary activities | 5 | (51,584) | (56,180) |
| Profit for the year | 14 | 217,025 | 233,073 |

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

The notes on pages 9 to 15 form part of these financial statements

DEEP BLUE FINANCIAL LIMITED

BALANCE SHEET

AS AT 31 JULY 2007

| | Notes | 2007 £ | £ | 2006 £ | £ |
|--|-------|------------------|----------------|-----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 45,706 | | 43,088 |
| Current assets | | | | | |
| Stocks | 8 | 1,800 | | 1,500 | |
| Debtors | 9 | 52,922 | | 15,036 | |
| Cash at bank and in hand | | 146,190 | | 177,008 | |
| | | <u>200,912</u> | | <u>193,544</u> | |
| Creditors amounts falling due within one year | 10 | <u>(106,875)</u> | | <u>(94,415)</u> | |
| Net current assets | | | 94,037 | | 99,129 |
| Total assets less current liabilities | | | <u>139,743</u> | | <u>142,217</u> |
| Provisions for liabilities | 11 | | (667) | | (1,966) |
| | | | <u>139,076</u> | | <u>140,251</u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 7,500 | | 7,500 |
| Profit and loss account | 14 | | 131,576 | | 132,751 |
| Shareholders' funds | 15 | | <u>139,076</u> | | <u>140,251</u> |

Approved by the Board and authorised for issue on

27 11 07.


A R Peters
Director


C R Corbett
Director

The notes on pages 9 to 15 form part of these financial statements

DEEP BLUE FINANCIAL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2007

| | £ | 2007 £ | £ | 2006 £ |
|---|----------|-----------|----------|-----------|
| Net cash inflow from operating activities | | 263,176 | | 308,393 |
| Returns on investments and servicing of finance | | | | |
| Interest received | 1,845 | | 1,313 | |
| Net cash inflow for returns on investments and servicing of finance | | 1,845 | | 1,313 |
| Taxation | | (55,275) | | (34,124) |
| Capital expenditure | | | | |
| Payments to acquire tangible assets | (25,714) | | (20,100) | |
| Receipts from sales of tangible assets | 3,350 | | - | |
| Net cash outflow for capital expenditure | | (22,364) | | (20,100) |
| Equity dividends paid | | (218,200) | | (123,600) |
| Net cash (outflow)/inflow before management of liquid resources and financing | | (30,818) | | 131,882 |
| (Decrease)/increase in cash in the year | | (30,818) | | 131,882 |

DEEP BLUE FINANCIAL LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2007

| 1 | Reconciliation of operating profit to net cash inflow from operating activities | 2007 | 2006 |
|---|---|----------------|----------------|
| | | £ | £ |
| | Operating profit | 266,764 | 287,940 |
| | Depreciation of tangible assets | 18,540 | 15,551 |
| | Loss on disposal of tangible assets | 1,206 | - |
| | Increase in stocks | (300) | (500) |
| | Increase in debtors | (37,886) | (6,579) |
| | Increase in creditors within one year | 14,852 | 11,981 |
| | Net cash inflow from operating activities | 263,176 | 308,393 |

| 2 | Analysis of net funds | 1 August 2006 | Cash flow | Other non-cash changes | 31 July 2007 |
|---|--------------------------|----------------|-----------------|------------------------|----------------|
| | | £ | £ | £ | £ |
| | Net cash | | | | |
| | Cash at bank and in hand | 177,008 | (30,818) | - | 146,190 |
| | Net funds | 177,008 | (30,818) | - | 146,190 |

| 3 | Reconciliation of net cash flow to movement in net funds | 2007 | 2006 |
|---|--|-----------------|----------------|
| | | £ | £ |
| | (Decrease)/increase in cash in the year | (30,818) | 131,882 |
| | Movement in net funds in the year | (30,818) | 131,882 |
| | Opening net funds | 177,008 | 45,126 |
| | Closing net funds | 146,190 | 177,008 |

DEEP BLUE FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents commissions receivable for services net of trade discounts

1.3 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

| | |
|--------------------------------|--|
| Land and buildings Leasehold | over 36 months |
| Computer | over 3 years |
| Fixtures, fittings & equipment | 25% straight line |
| Motor vehicles | 25% straight line on motor vehicles, 20% on bicycles |

1.4 Leasing

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

1.5 Stock

Stock is valued at the lower of cost and net realisable value

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

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

| | 2007 £ | 2006 £ |
|---|-----------|-----------|
| Operating profit is stated after charging | | |
| Depreciation of tangible assets | 18,540 | 15,551 |
| Loss on disposal of tangible assets | 1,206 | - |
| Operating lease rentals | 23,808 | 16,505 |
| Auditors' remuneration | 4,348 | 5,963 |

DEEP BLUE FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

| | | | |
|----------|---|----------------|----------------|
| 4 | Investment income | 2007 | 2006 |
| | | £ | £ |
| | Bank interest | 1,845 | 1,117 |
| | Other interest | - | 196 |
| | | <u>1,845</u> | <u>1,313</u> |
| 5 | Taxation | 2007 | 2006 |
| | | £ | £ |
| | Domestic current year tax | | |
| | U K corporation tax | 52,883 | 55,275 |
| | Current tax charge | <u>52,883</u> | <u>55,275</u> |
| | Deferred tax | | |
| | Deferred tax charge/credit current year | (1,299) | 905 |
| | | <u>51,584</u> | <u>56,180</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | 268,609 | 289,253 |
| | | <u>268,609</u> | <u>289,253</u> |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.33% (2006 - 19.00%) | 51,922 | 54,958 |
| | | <u>51,922</u> | <u>54,958</u> |
| | Effects of | | |
| | Non deductible expenses | 530 | 501 |
| | Depreciation add back | 3,584 | 2,955 |
| | Capital allowances | (3,153) | (3,139) |
| | | <u>961</u> | <u>317</u> |
| | Current tax charge | <u>52,883</u> | <u>55,275</u> |
| 6 | Dividends | 2007 | 2006 |
| | | £ | £ |
| | Ordinary interim paid | 48,000 | 20,000 |
| | Ordinary interim paid | 170,200 | 103,600 |
| | | <u>218,200</u> | <u>123,600</u> |

DEEP BLUE FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

7 Tangible fixed assets

| | Land and buildings Leasehold | Computer | Fixtures, fittings & equipment | Motor vehicles | Total |
|-----------------------|------------------------------------|----------|--------------------------------------|-------------------|----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 August 2006 | 3,105 | 42,243 | 38,509 | 24,730 | 108,587 |
| Additions | 1,638 | 4,194 | 5,173 | 14,709 | 25,714 |
| Disposals | - | (6,661) | (2,150) | (10,800) | (19,611) |
| At 31 July 2007 | 4,743 | 39,776 | 41,532 | 28,639 | 114,690 |
| Depreciation | | | | | |
| At 1 August 2006 | 1,017 | 29,660 | 23,201 | 11,621 | 65,499 |
| On disposals | - | (6,661) | (2,150) | (6,244) | (15,055) |
| Charge for the year | 392 | 9,523 | 4,984 | 3,641 | 18,540 |
| At 31 July 2007 | 1,409 | 32,522 | 26,035 | 9,018 | 68,984 |
| Net book value | | | | | |
| At 31 July 2007 | 3,334 | 7,254 | 15,497 | 19,621 | 45,706 |
| At 31 July 2006 | 2,088 | 12,583 | 15,308 | 13,109 | 43,088 |

| 8 Stocks | 2007 £ | 2006 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 1,800 | 1,500 |

| 9 Debtors | 2007 £ | 2006 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 37,349 | 3,717 |
| Other debtors | 6,500 | - |
| Prepayments and accrued income | 9,073 | 11,319 |
| | 52,922 | 15,036 |

DEEP BLUE FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

| 10 Creditors amounts falling due within one year | 2007 £ | 2006 £ |
|--|----------------|---------------|
| Trade creditors | 2,434 | 3,335 |
| Corporation tax | 52,883 | 55,275 |
| Other taxes and social security costs | 2,718 | 1,975 |
| Directors' current accounts | 2,276 | 25,137 |
| Other creditors | 7,982 | - |
| Accruals and deferred income | 38,582 | 8,693 |
| | <u>106,875</u> | <u>94,415</u> |

11 Provisions for liabilities and charges

| | Deferred tax liability £ |
|--------------------------|--------------------------------|
| Balance at 1 August 2006 | 1,966 |
| Profit and loss account | (1,299) |
| | <u>667</u> |
| Balance at 31 July 2007 | <u>667</u> |

The deferred tax liability is made up as follows

| | 2007 £ | 2006 £ |
|--------------------------------|------------|--------------|
| Accelerated capital allowances | <u>667</u> | <u>1,966</u> |

12 Pension costs

Defined contribution

| | 2007 £ | 2006 £ |
|---|---------------|---------------|
| Contributions payable by the company for the year | <u>17,850</u> | <u>21,867</u> |

DEEP BLUE FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

| | | |
|--|----------------|--|
| 13 Share capital | 2007 | 2006 |
| | £ | £ |
| Authorised | | |
| 1,000 Ordinary shares of £1 each | 1,000 | 1,000 |
| 9,000 Non voting ordinary shares of £1 each | 9,000 | 9,000 |
| | <u>10,000</u> | <u>10,000</u> |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| 7,400 Non voting ordinary shares of £1 each | 7,400 | 7,400 |
| | <u>7,500</u> | <u>7,500</u> |
| 14 Statement of movements on profit and loss account | | Profit and loss account £ |
| Balance at 1 August 2006 | | 132,751 |
| Profit for the year | | 217,025 |
| Dividends paid | | (218,200) |
| Balance at 31 July 2007 | | <u>131,576</u> |
| 15 Reconciliation of movements in shareholders' funds | 2007 | 2006 |
| | £ | £ |
| Profit for the financial year | 217,025 | 233,073 |
| Dividends | (218,200) | (123,600) |
| Net (depletion in)/addition to shareholders' funds | <u>(1,175)</u> | <u>109,473</u> |
| Opening shareholders' funds | 140,251 | 30,778 |
| Closing shareholders' funds | <u>139,076</u> | <u>140,251</u> |

DEEP BLUE FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

16 Financial commitments

At 31 July 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2008

| | Land and buildings | |
|-------------------------------|--------------------|---------------|
| | 2007 | 2006 |
| | £ | £ |
| Operating leases which expire | | |
| Within one year | - | 1,050 |
| In over five years | 22,000 | 22,000 |
| | <u>22,000</u> | <u>23,050</u> |

17 Directors' emoluments

| | 2007 | 2006 |
|---|---------------|---------------|
| | £ | £ |
| Emoluments for qualifying services | 12,580 | 12,442 |
| Company pension contributions to money purchase schemes | 15,000 | 16,523 |
| | <u>27,580</u> | <u>28,965</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2006 - 2)

18 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows

| | Amount outstanding | | Maximum |
|--|--------------------|----------|---------------|
| | 2007 | 2006 | in year |
| | £ | £ | £ |
| Director's current account (debit bal) | <u>1,000</u> | <u>-</u> | <u>11,000</u> |

Mr C R Corbett and Mr A R Peters each have a personal guarantee of £6,000 over the company's debt

DEEP BLUE FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

| | 2007 Number | 2006 Number |
|----------------|----------------|----------------|
| Directors | 2 | 2 |
| Administrative | 7 | 6 |
| | <u>9</u> | <u>8</u> |

Employment costs

| | 2007 £ | 2006 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 115,573 | 93,242 |
| Social security costs | 9,556 | 7,552 |
| Other pension costs | 17,850 | 21,867 |
| | <u>142,979</u> | <u>122,661</u> |

20 Related party transactions

During the year dividends of £78,200 were paid to Voicebox Interpreting Ltd, a company under the control of Mr C Corbett and his wife