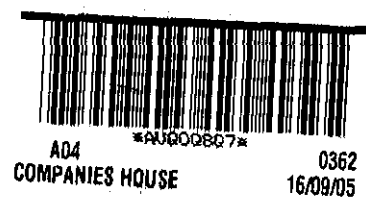


**REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005  
FOR  
I-SOLVE LIMITED**

**Company Number: 3869988 (England and Wales)**



**I-SOLVE LIMITED**  
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**FOR THE YEAR ENDED 31 MARCH 2005**

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**I-SOLVE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2005**

<b>DIRECTORS:</b>	Mr N Elson Mr M Poulaud
<b>SECRETARY:</b>	Mr N Elson
<b>REGISTERED OFFICE:</b>	78a King Street Knutsford Cheshire WA16 6ED
<b>REGISTERED NUMBER:</b>	3869988 (England and Wales)
<b>ACCOUNTANTS:</b>	Activations Limited 22 Eastway Sale Manchester M33 4DX

**I-SOLVE LIMITED**  
**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 MARCH 2005**

The directors presents their report with the financial statements of the company for the year ended 31 March 2005

**PRINCIPAL ACTIVITIES**

The principle activity of the company in the year under review was that of IT consultancy.

**DIRECTORS**

The directors during the year under review were:

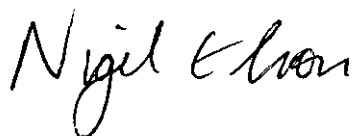
N C Elson  
M Poulaud  
G Connell (resigned 30/4/04)

The beneficial interests of the directors holding office on the 31<sup>st</sup> March 2005 in the issued share capital of the company were as follows:

	2005	2004
Ordinary £1 shares		
N C Elson	3	1
M Poulaud	3	1
G Connell	<u>0</u>	<u>1</u>

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



N Elson – SECRETARY

Dated: 05/09/2005

**I-SOLVE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2005**

	Notes	<u>2005</u>	<u>2004</u>
		£	£
<b>TURNOVER</b>		<u>381,473</u>	<u>277,465</u>
<b>GROSS PROFIT</b>		317,782	192,811
Administrative Expenses		<u>104,095</u>	<u>112,359</u>
		213,687	80,452
Other Operating Income		<u>2,996</u>	<u>451</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	216,683	80,903
Tax on profit on ordinary activities	3	<u>41,319</u>	<u>15,650</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		175,364	65,253
Dividends		<u>62,520</u>	<u>66,680</u>
		112,845	(1,427)
Profit/(Loss) brought forward		<u>34,869</u>	<u>36,296</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>147,714</u>	<u>34,869</u>

**I-SOLVE LIMITED**  
**BALANCE SHEET**  
**31 MARCH 2005**

	Notes	<u>2005</u>		<u>2004</u>	
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	4		1,295		1,290
<b>CURRENT ASSETS:</b>					
Debtors	5	39,485		52,647	
Cash at Bank and in hand		<u>212,662</u>		<u>33,992</u>	
		252,147		86,639	
<b>CREDITORS:</b> Amounts falling due within one year	6	<u>105,723</u>		<u>53,057</u>	
<b>NET CURRENT ASSETS:</b>			<u>146,424</u>		<u>33,582</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u>147,720</u></u>		<u><u>34,872</u></u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	8		6		3
Profit and loss account			<u>147,714</u>		<u>34,869</u>
Shareholders' funds			<u><u>147,720</u></u>		<u><u>34,872</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 March 2005

No notice has been deposited under Section 249B(2) of the Companies Act in relation to its financial statements for the financial period.

The director acknowledges his responsibility for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, 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.

ON BEHALF OF THE BOARD

*Nigel Elson*

N. Elson - DIRECTOR

Approved by the Board on 05/09/2005

## I-SOLVE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### 1. ACCOUNTING POLICIES

##### Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

##### Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

##### Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

##### Plant and Machinery:

Computer Equipment 25% on cost

Office Equipment 33% on cost

##### Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

#### 2. OPERATING PROFIT

The operating profit is stated after charging:

	<u>2005</u>	<u>2004</u>
	£	£
Depreciation – owned assets	1,097	1,726
Directors' emoluments	16,750	23,400
Directors' pensions	21,284	0

#### 3. TAXATION

The tax charge on the profit on ordinary activities for the period was as follows:

	<u>2005</u>	<u>2004</u>
	£	£
UK Corporation tax	41,319	15,672
Over/under provision in earlier years	0	(22)
	<u>41,319</u>	<u>15,650</u>

UK corporation tax has been charged at a rate of 19%

**I-SOLVE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005**

**4. TANGIBLE FIXED ASSETS**

	<u>Fixtures and Fittings</u>	<u>Computer Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<b>COST:</b>			
As at 1 April 2004	140	5,073	5,213
Additions	0	1,102	1,102
	<hr/>	<hr/>	<hr/>
As at 31 March 2005	140	6,175	6,315
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>			
As at 1 April 2004	96	3,827	3,923
Charge for year	35	1,062	1,097
	<hr/>	<hr/>	<hr/>
As at 31 March 2005	131	4,889	5,020
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE:</b>			
As at 1 April 2004	44	1,246	1,290
	<hr/>	<hr/>	<hr/>
As at 31 March 2005	9	1,286	1,295
	<hr/>	<hr/>	<hr/>

**5. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Trade Debtors	39,485	52,647
	<hr/>	<hr/>

**6. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Trade creditors	25,307	11,232
VAT	10,911	16,267
Social Security & other taxes	1,647	306
Wages & pensions	24,184	2,900
Proposed Dividend	0	5,780
Taxation	41,319	3,243
Accrued expenses	2,355	900
	<hr/>	<hr/>
	105,723	53,057
	<hr/>	<hr/>

**I-SOLVE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005**

**7. CALLED UP SHARE CAPITAL**

Authorised :

Number:	Class:	Nominal Value:	<u>2005</u> £	<u>2004</u> £
10,000	ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	<u>2005</u> £	<u>2004</u> £
6	ordinary	£1	<u>6</u>	<u>3</u>

**8. RELATED PARTY DISCLOSURES**

**CONTROLLING PARTY**

The two directors of the company, control the company jointly, by virtue of holding half each of the issued ordinary shares.

**RELATED PARTY TRANSACTION**

Included in "Debtors: amounts falling due within one year" is a balance due from Isosec Limited of £5,334 in which the two directors of I-Solve Limited have a controlling interest.

**I-SOLVE LIMITED**

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF I-SOLVE LIMITED**

In accordance with the instructions given to us we have prepared the financial statements for the year ended 31 March 2005 set out on pages three to seven from information and explanations supplied to us by the management of the company.

We have not audited the financial statements. Accordingly we do not express an audit opinion or any other form of assurance that the accounting records and the financial statements are free from material misstatement.

*Activations Limited*

Activations Limited  
(Registered in England & Wales, No: 4653181)  
22 Eastway  
Sale  
M33 4DX

Dated: 8/9/05