

Company Registration No. 3984460 (England and Wales)

MARKETPIPE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2006



MARKETPIPE LIMITED

COMPANY INFORMATION

Directors	J.G. Gittos J. Jaffe S.H. Jaffrey
Secretary	Hanover Secretaries Ltd
Company number	3984460
Registered office	7 Soho Square London W1D 3QB
Business address	7 Soho Square London W1D 3QB
Auditors	H. W. Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	HSBC 76 Edgware Road Marble Arch London W1H 8AA Barclays Bank Plc Hatton Garden Business Centre 99 Hatton Garden London EC1N 8DN
Solicitors	Jeffrey Green Russell Apollo House London W1S 1RG

MARKETPIPE LIMITED

CONTENTS

	Page
<i>Directors' report</i>	1 - 2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7 - 12

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DIRECTORS' REPORT **FOR THE YEAR ENDED 31 MAY 2006**

The directors' present their report and accounts for the year ended 31 May 2006.

Principal activities

The principal activity of the company is the provision of web-based primary credit platforms for the financial markets, combining core workflow applications, services and data.

Review of business

The company made a pre-tax profit of £353,459 (2005: £421,722) for the year on a turnover of £3,877,009 (2005: £3,427,712).

At year end the company had net assets of £511,473 (2005: 1,187,972).

In the opinion of the members there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Results and dividends

The profit for the year after taxation amounted to £225,312.

A preference dividend of £38,017 has been treated as interest payable in accordance with Financial Reporting Standard 25.

Directors and their interests

The directors at 31 May 2006 and their beneficial interests in the shares of the company were:

	Ordinary shares of 1p each	
	31 May 2006	1 June 2005
J.G. Gittos	200,000	200,000
J. Jaffe	31,510	2,650
S.H. Jaffrey	11,544	-

	Preference shares of £ 1 each	
	31 May 2006	1 June 2005
J.G. Gittos	200,000	200,000
J. Jaffe	50,350	50,350
S.H. Jaffrey	-	-

On 8 September 2005 S.H. Jaffrey, J Jaffe and N.P. Withall were appointed as directors. N.P. Withall resigned as a director of the company on 31 May 2006. On 22 September 2005 Hanover Secretaries Limited replaced N.P. Withall as the company secretary.

Charitable contributions

During the year the company made charitable donations of £500 (2005: £nil).

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

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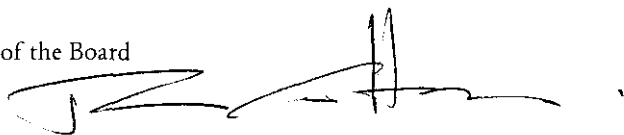
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DIRECTORS' REPORT **FOR THE YEAR ENDED 31 MAY 2006**

Auditors

A resolution proposing the reappointment of H. W. Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board



J.G. Gittos

Director

Dated: 28/11/2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts 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 these accounts, 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 accounts 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 to enable them to ensure that the accounts 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS

We have audited the accounts of Marketpipe Limited for the year ended 31 May 2006 set out on pages 5 to 12. These accounts have been prepared under the accounting policies set out on page 7.

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 directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is consistent with the accounts, if 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts

- * 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 May 2006 and of its profit for the year then ended,
- * have been properly prepared in accordance with the Companies Act 1985; and
- * the information given in the Directors' Report is consistent with the accounts.

H. W. Fisher & Company

H. W. Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

Dated: 14/12/06

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2006

		2006	2005
	Notes	£	as restated £
Turnover	2	3,877,009	3,427,712
Cost of sales		(1,261,069)	(1,259,985)
Gross profit		2,615,940	2,167,727
Administrative expenses		(2,247,854)	(1,684,844)
Operating profit	3	368,086	482,883
Other income	6	23,856	8,270
Interest payable and similar charges	7	(38,483)	(69,431)
Profit on ordinary activities before taxation		353,459	421,722
Tax on profit on ordinary activities	8	(128,147)	(119,382)
Profit on ordinary activities after taxation		225,312	302,340
Retained profit brought forward		312,066	9,726
Retained profit carried forward		537,378	312,066

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.

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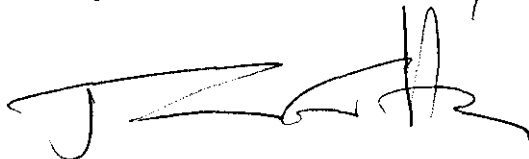
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BALANCE SHEET AS AT 31 MAY 2006

	Notes	£	2006 £	2005 as restated £
Fixed assets				
Tangible assets	9		28,863	141,973
Current assets				
Debtors	10	1,896,748		1,932,202
Cash at bank and in hand		567,723		562,500
		<u>2,464,471</u>		<u>2,494,702</u>
Creditors: amounts falling due within one year	11	<u>(1,952,998)</u>		<u>(1,306,730)</u>
Net current assets			<u>511,473</u>	<u>1,187,972</u>
Total assets less current liabilities			<u>540,336</u>	<u>1,329,945</u>
Creditors: amounts falling due after more than one year	12		<u>-</u>	<u>(1,015,512)</u>
			<u>540,336</u>	<u>314,433</u>
Capital and reserves				
Called up share capital	14		2,958	2,367
Profit and loss account			<u>537,378</u>	<u>312,066</u>
Shareholders' funds - all equity interests	15		<u>540,336</u>	<u>314,433</u>

The accounts were approved by the Board on 28/11/2006.

J.G. Gittos
Director



NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2006

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	33% straight line
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1.5 Pensions

The company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.6 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.7 Change in accounting policy

The preference shares have been reclassified as 'debt falling due after one year' as a result of the introduction of Financial Reporting Standard 25. As a result the comparative company long term liabilities have increased by £950,435, whilst comparative company share capital has fallen by £950,435.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2006

2 Turnover

Geographical market

	Turnover	
	2006	2005
	£	£
United Kingdom	3,011,367	2,482,627
Europe	507,849	294,192
North America	217,655	500,494
Far-East	140,138	150,399
	<u>3,877,009</u>	<u>3,427,712</u>

3 Operating profit

	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	129,577	109,687
Auditors' remuneration	<u>13,625</u>	<u>6,000</u>

4 Directors' emoluments

	2006	2005
	£	£
Aggregate emoluments	449,808	198,530
Company contributions to defined contribution pension schemes	<u>37,500</u>	<u>18,000</u>
	<u>487,308</u>	<u>216,530</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Aggregate emoluments	198,752	198,530
Company contributions to defined contribution pension schemes	<u>18,000</u>	<u>18,000</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2006

5 Employees

Number of employees

The average monthly number of employees during the year was:

	2006 Number	2005 Number
Cost of sales	13	13
Administration	18	15
	<u>31</u>	<u>28</u>

Employment costs

	£	£
Wages and salaries	2,202,737	2,751,098
Social security costs	265,370	206,608
Other pension costs	101,696	95,979
	<u>2,569,803</u>	<u>3,053,685</u>

6 Other income

	2006 £	2005 £
Interest receivable and similar income	<u>23,856</u>	<u>8,270</u>

7 Interest payable and similar charges

	2006 £	2005 as restated £
Interest payable on:		
Bank loans and overdrafts	466	45
Preference shares	38,017	69,386
	<u>38,483</u>	<u>69,431</u>

MARKETPIPE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2006

8	Tax on profit on ordinary activities	2006 £	2006 £	2005 £	2005 £
	Current tax				
	<u>UK corporation tax</u>				
	Current tax on income for the period	128,147		119,382	
			128,147		119,382
	Factors affecting the tax charge for the year				
	Profit on ordinary activities before taxation		353,459		421,722
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005: 30.00%)		106,038		126,517
	Effects of:				
	Expenses not deductible for tax purposes		13,594		22,889
	Depreciation for the period in excess of capital allowances		36,124		30,201
	Movement in tax losses		-		(5,741)
	Marginal relief		(27,154)		(27,762)
	Other tax adjustments		(455)		(26,722)
	Current tax charge		128,147		119,382
9	Tangible fixed assets				
				Fixtures, fittings & equipment £	
	Cost				
	At 1 June 2005				372,529
	Additions				16,467
	At 31 May 2006				388,996
	Depreciation				
	At 1 June 2005				230,556
	Charge for the year				129,577
	At 31 May 2006				360,133
	Net book value				
	At 31 May 2006				28,863
	At 31 May 2005				141,973

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2006

10 Debtors	2006 £	2005 £
Trade debtors	1,363,827	1,262,496
Prepayments and accrued income	532,921	669,706
	<u>1,896,748</u>	<u>1,932,202</u>

11 Creditors: amounts falling due within one year	2006 £	2005 £
Trade creditors	95,149	82,498
Corporation tax	127,612	119,382
Other taxes and social security costs	216,990	331,781
Preference shares	950,435	-
Accruals and deferred income	543,855	703,683
Proposed dividend	18,957	69,386
	<u>1,952,998</u>	<u>1,306,730</u>

Preference shares are entitled to a fixed cumulative dividend equal to 4% of the subscription price paid for each preference share in respect of each financial year commencing after 1 June 2003 in which it is in issue until redemption.

The preference shares shall be redeemed at par on 31 May 2008. The company shall be entitled at any time to redeem for cash at par the preference shares in tranches of not less than 25,000 shares at any one time by giving not less than three months notice in writing, such notice being deemed to be irrevocable.

12 Creditors: amounts falling due after more than one year	2006 £	2005 £
Preference shares	-	950,435
Other creditors	-	65,077
	<u>-</u>	<u>1,015,512</u>

13 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2006

14	Share capital	2006 £	2005 £
	Authorised		
	500,000 Ordinary shares of 1p each	5,000	5,000
	1,995,000 Preference shares of £1 each	1,995,000	1,995,000
		<u>2,000,000</u>	<u>2,000,000</u>
	Allotted, called up and fully paid		
	295,789 Ordinary shares of 1p each	<u>2,958</u>	<u>2,367</u>

During the year 59,060 ordinary shares of £0.01 each were allotted, issued at par and fully paid.

Subject to the payment of all arrears and accruals of the preference dividend any further dividend declared by the company shall be paid on the ordinary shares.

Options over 4,127 ordinary shares of £0.01 each were granted on 13 December 2005. Options are exercisable within ten years of the date of granting at a value between £0.01 and £5.

Options over 59,060 ordinary shares of £0.01 were exercised on 25 July 2005.

15	Reconciliation of movements in shareholders' funds	2006 £	2005 £
	Profit for the financial year	225,312	302,340
	New share capital subscribed	591	12
	Net addition to shareholders' funds	<u>225,903</u>	<u>302,352</u>
	Opening shareholders' funds	<u>314,433</u>	<u>12,081</u>
	Closing shareholders' funds	<u>540,336</u>	<u>314,433</u>

16 Related party transactions

Creditors falling due after more than one year consist of £nil (2005: £65,077) due to J.G. Gittos the sole director and majority shareholder of the company.

17 Controlling parties

The ultimate controlling party is J.G. Gittos.