

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report together with the Financial Statements for the period 1st August 2005 to 31st December 2006

PRINCIPAL ACTIVITY

The principal activity of the Company during the year continued to be that of providing IT Security Services.

DIRECTORS AND THEIR SHAREHOLDINGS

The Directors and their Shareholdings throughout the year were

SHARES OF £1 EACH

Dr A.J. Ross

5,001

Mr M G Powell

1

FIXED ASSETS

Details of these are given at Note 4 to the accounts

ACCOUNTING POLICY

This is stated at Note 1 to the Accounts The Company is a "Small-Sized Company" as defined by the Companies Act 1985.

AUDITORS

The Directors have taken advantage of the exemptions in S.249A(1) of the Companies Act removing the need for an Audit

ACCOUNTANTS:

Messrs C Anthony Wood & Co (Chartered Certified Accountants) have notified their willingness to continue in office



STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 and loss of the Company for that period. In preparing the financial statements, the Directors are required to:-

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis when it is appropriate 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the above Report the Directors have taken advantage of the special exemptions applicable to small companies. The accounts have been prepared in accordance with the Special Provisions in Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

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Registered Office

25, Glover Road,
Pinner,
Middlesex HA5 1LQ

3 | March, 2007.

INDIGO 7 LIMITED

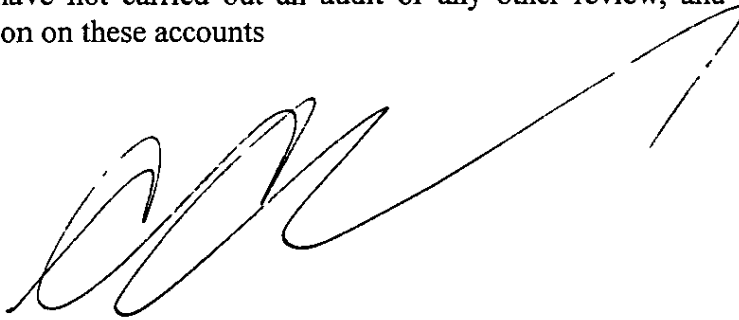
Accountants' Report

Accountants's report to the directors of INDIGO 7 LIMITED

You consider that the company is exempt from an audit for the period ended 31st December 2006. You have acknowledged, on the balance sheet, your responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company and of its profit and loss for the financial period.

In accordance with your instructions, we have prepared the accounts which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records of the company and on the basis of information and explanations you have given to us.

We have not carried out an audit or any other review, and consequently we do not express any opinion on these accounts



C. ANTHONY WOOD & CO.
Chartered Certified Accountants

25 Glover Road
Pinner
Middlesex HA5 1LQ

Tel: 020 8866 8232
Fax: 020 8868 4670

3 | March, 2007.

INDIGO 7 LIMITED

BALANCE SHEET AS AT 31st DECEMBER 2006

<u>31.07 05</u>		<u>2006</u>
1,519	<u>FIXED ASSETS</u> (Note 4)	537
	<u>CURRENT ASSETS</u>	
586	Cash at Bank	188
785	Debtors & Prepayments (Note 5)	785
<u>1,371</u>		<u>973</u>
14,664	<u>LESS CREDITORS.</u> Amounts falling due within one year (Note 6)	15,098
<u>(13,293)</u>	<u>NET CURRENT ASSETS/(LIABILITIES)</u>	<u>(14,125)</u>
<u>(£11,774)</u>	<u>NET ASSETS (LIABILITIES)</u>	<u>(£13,588)</u>

Represented by:

SHARE CAPITAL Ordinary Shares of £1 each
Authorised £10,000

5,002 Allotted, called up and fully paid 5,002

PROFIT AND LOSS ACCOUNT

(16,776)	Surplus/(Deficit) per annexed account	(18,590)
<u>(£11,774)</u>		<u>(£13,588)</u>

The Directors have taken advantage of S.249A(1) of the Companies Act 1985 in not having these accounts audited. We confirm that no notice has been deposited under S 249B(2) of the Act. We acknowledge our responsibilities for ensuring that the Company keeps accounting records which comply with S 221 of the Act. We acknowledge our responsibilities for preparing accounts which give a true and fair view of the Company and of its result for the period ended 31st December 2006 in accordance with the requirements of S 226 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this Company. The accounts have been prepared in accordance with the Special Provisions in Part VII of the Companies Act 1985 relating to small companies.

.....) DIRECTORS
.....) 31 March, 2007
.....)

INDIGO 7 LIMITED

PROFIT AND LOSS ACCOUNT PERIOD ENDED 31st DECEMBER 2006

<u>Year to</u>	<u>01.08 05</u>
<u>31.07 05</u>	<u>to</u> <u>31.12 06</u>
- <u>TURNOVER</u> (Excluding VAT)	230
51 <u>INTEREST RECEIVED</u>	11
(1,781) <u>LESS</u> Administration Expenses	(2,055)
<u>(1,730) <u>NET PROFIT (LOSS) BEFORE TAXATION</u> (Note 8)</u>	<u>(1,814)</u>
- <u>LESS</u> CORPORATION TAX (Note 3)	-
<u>(1,730) <u>NET PROFIT(LOSS) AFTER TAXATION</u></u>	<u>(1,814)</u>
(15,046) <u>ADD (DEFICIT) SURPLUS BROUGHT FORWARD</u>	(16,776)
<u>(£16,776) <u>SURPLUS/(DEFICIT) CARRIED FORWARD TO</u></u> <u><u>BALANCE SHEET</u></u>	<u>(£18,590)</u>

- A. THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE ACCOUNTS
- B. NONE OF THE COMPANY'S ACTIVITIES WERE ACQUIRED OR DISCONTINUED DURING THE ABOVE PERIOD
- C. THE COMPANY HAS NO RECOGNISED GAINS OR LOSSES OTHER THAN THE RESULTS FOR THE ABOVE PERIOD.

INDIGO 7 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st DECEMBER 2006

1. ACCOUNTING POLICIES.

1.1 **Historical Cost Convention**

The financial statements are prepared under the historical cost convention and in accordance with the FRSSE for small entities (effective January 2005)

1.2 **Depreciation**

Depreciation is calculated to write down the cost of the following assets over their expected useful lives.

	Rate	Method
Equipment	25%	Straight Line

1.3 **Deferred Taxation**

No deferred taxation is provided because in the opinion of the director there is a reasonable probability of the tax not falling due for payment within the foreseeable future

1.4 **Financial Reporting Standard No.1**

The Company has taken advantage of the exemption in FRSSE from producing a Cash Flow statement on the grounds that it is a small company

2 TURNOVER.

Turnover which is stated net of V A.T represents amounts invoiced to third parties

3. TAXATION.

The Company is a Close Company as defined by ICTA 1970

No Corporation Tax is payable due to Losses

4. FIXED ASSETS.

	<u>Equipment</u>
<u>Cost</u> 01 08 05	9,476
Additions	-
Disposals	-
At 31 12.06	<u>£9,476</u>
<u>Depreciation</u> 01 08 05	7,957
Charge for the period	982
Disposals	-
At 31.12 06	<u>£8,939</u>
<u>Net Book Value</u> 01.08 05	<u>£1,519</u>
31 12 06	<u>£537</u>

INDIGO 7 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 31st DECEMBER 2006

5	<u>DEBTORS & PREPAYMENTS</u>	<u>31.12 06</u>	<u>31 07 05</u>
	Trade Debtors	-	-
	Other Debtors	785	785
		<u>£785</u>	<u>£785</u>

6. **CREDITORS - Amounts falling due within one year:**

	<u>31.12 06</u>	<u>31.07 05</u>
Corporation Tax (Note 3)	-	-
Accruals	635	621
Directors Current Account	14,463	14,043
	<u>£15,098</u>	<u>£14,664</u>

7. **PROFIT (LOSS) ON ORDINARY ACTIVITIES**

This is stated after charging:

Depreciation	£982	£709
Directors' Remuneration	£NIL	£NIL

8 **POST BALANCE SHEET EVENTS & CONTINGENT LIABILITIES:**

The Directors are not aware of any material items