CIELO.NET LIMITED

COMPANY NUMBER 3729568

DIRECTORS REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006

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CIELO.NET LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2006

The Directors present their report and accounts for the year ended 31/03/2006.

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 or loss of the company for the 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACTIVITIES

The principle activity of the company is that of computer software consultants.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31/03/2006 are set out in the attached financial statements. The directors recommend the payment of a dividend for the year of £ 6,570 (2005 - £Nil).

BUSINESS REVIEW

The level of business and period end financial position were as expected, and the directors do not anticipate any material changes in the current year.

FIXED ASSETS

The significant changes in fixed assets are given in Note 4.

CIELO.NET LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2006

DIRECTORS AND THEIR SHARE INTEREST

	Ordinary Shares of £1 each fully paid	
	2006	**2005**
G.Leeb	100	100

By order of the Board

1, Approach Road
Raynes Park
London SW20 8BA

G.Leeb.....
Director
27/12/....**2006**

AUDIT

The director has taken advantage of the exemption conferred by s.249A(1) not to have these accounts audited and confirms that no notice has been deposited under s.249B(2) of the Companies Act 1985.

CIELO.NET LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Note	2006	2005
TURNOVER-Continuing operations	1	15,280	15,098
Administration Expenses		(9,690)	(12,302)
Interest Received		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	5,590	2,796
Taxation	3	(1,073)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,517	2,796
Dividend		6,570	-
		(2,053)	2,796
Accumulated profit brought forward		3,356	560
Accumulated Profit carried forward		£ 1,303	3,356

There are no recognised gains and losses in 2006 other than the profit for the year.

The Notes on pages 5 to 6 form part of these Accounts.

CIELO.NET LIMITED
BALANCE SHEET AS AT 31 MARCH 2006

	Note	2006	2005
TANGIBLE FIXED ASSETS	4	973	1,061
CURRENT ASSETS			
Debtors		1,853	2,235
Bank		2	460
		1,855	2,695
LESS CREDITORS: Amounts falling due within one year	5	1,425	300
NET CURRENT ASSETS (LIABILITIES)		430	2,395
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 1,403	3,456
CAPITAL AND RESERVES			
Called up Share Capital	6	100	100
Profit and Loss Account		1,303	3,356
		£ 1,403	3,456

For the year in question the company was entitled to the exemption under section (1) of section 249A of the Companies Act 1985 (according to the turnover and balance sheet total of the company).
No member or members have requested an audit under section 249B(2) of the Companies Act 1985.
The directors acknowledge their responsibility for:
(a) ensuring the company keeps accounting records which comply with section 221, and:
(b) preparing accounts that 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 this Act relating to accounts.
The directors in preparing the accounts have relied upon the exemptions for individual accounts provided by section 246 of the Act (or schedule 8 paragraph 23).

Approved by the Board on 27/12/ **2006**
and signed on its behalf

.....G.Leeb - Director

The Notes on pages 5 to 6 form part of these Accounts.

CIELO.NET LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

Basis of Accounting- The financial statements are prepared under the historical cost convention.

Turnover- Turnover represents the total invoice value, excluding value added tax, of fees received.

Depreciation- Depreciation is provided using the following rate to reduce by annual instalments the cost of the tangible assets over their estimated useful lives:-

Office Equipment	-	25% reducing balance

Cash Flow Statement- The company is entitled to the exemptions available in Sections 246 and 247 of the Companies Act 1985 as a small company and therefore is excepted from Financial Reporting Standard No 1.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006	2005
Stated after charging:-		
Depreciation	324	354
Director's emoluments	4,800	3,300
STAFF COSTS (including directors)		
Wages and salaries	4,800	3,300
Social security costs	-	-
	£ 4,800	3,300

The average number of employees including the Director was 1.

Directors emoluments fell within the following :-

	Number	Number
£ 0 – 5,000	1	1

The highest paid director received £ 4,800 (2005 - £ 3,300).

CIELO.NET LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

3. TAXATION

	2006	2005
Corporation tax based on the profit for the year on ordinary activities.	1,073	-

4. TANGIBLE FIXED ASSETS

		2006	2005
	Office Equip	Total	Total
At Cost	3,445	3,445	3,209
Less: Depreciation	2,472	2,472	2,148
Net book value at 31/03/2006	973	973	1,061

5. CREDITORS: Amounts falling due within one year

Accruals	350	300
Taxes	1,073	-
Directors Loan Account	2	-
	£ 1,425	300

6. SHARE CAPITAL

Authorised 1000 ordinary shares of £1 each	£ 1,000	1,000
Allotted, called up and fully paid- 100 ordinary shares of £1 each	£ 100	100

CIELO.NET LIMITED

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	2006	2005
ADMINISTRATION EXPENSES		
Directors Remuneration	4,800	3,300
Travelling & Subsistence	747	775
Telephone and Mobile	636	831
Internet Expenses	-	295
Subcontractors Fees	200	700
Stationery & Postage	144	217
Books & Subscription	133	171
Office Expenses	1,512	5,043
Computer Consumables	509	210
Bank Charges	11	25
Accountancy Fees	350	360
Sundry Expenses	324	21
Depreciation	324	354
	£ 9,690	12,302

This page does not form part of the statutory Accounts.

ACCOUNTANTS REPORT TO THE SHAREHOLDERS OF CIELO.NET LIMITED

FOR THE YEAR ENDED 31 MARCH 2006

In accordance with instructions given to us, we have prepared, without carrying out an audit, the financial statements for the year ended 31/03/2006 set out on pages 3 to 6 from the accounting records of Cielo.net Limited and from the information and explanations supplied to us by the management of the company.

PARK ACCOUNTS

1 Approach Road
Raynes Park
London SW20 8BA.

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