

Registered number: 5032418

**HELISWIRL TECHNOLOGIES LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

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**HELISWIRL TECHNOLOGIES LIMITED**

**COMPANY INFORMATION**

**Directors**

Prof Colin Caro  
Philip Birch  
Derek Barr  
William Tallis  
Marco Fabbri (appointed 12 November 2007)  
Nicholas Goddard (appointed 12 November 2007)

**Secretary**

Frances Doherty

**Company number**

5032418

**Registered office**

21 Wilson Street  
London  
EC2M 2TD

**Accountants**

PKF (UK) LLP  
Pannell House  
Park Street  
Guildford  
Surrey  
GU1 4HN

**HELISWIRL TECHNOLOGIES LIMITED**

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**HELISWIRL TECHNOLOGIES LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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

**Principal activities**

The company is engaged in the development of flow assurance technology for the oil and gas industry

**Directors**

The directors who served during the year were

Prof. Colin Caro  
Philip Birch  
Derek Barr  
William Tallis  
Marco Fabbrn (appointed 12 November 2007)  
Nicholas Goddard (appointed 12 November 2007)

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on *29<sup>th</sup> October 2008* and signed on its behalf

**Philip Birch**  
Director



**HELISWIRL TECHNOLOGIES LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2007**

The directors are responsible for preparing the annual report and 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 the affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

**HELISWIRL TECHNOLOGIES LIMITED**

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE  
UNAUDITED FINANCIAL STATEMENTS OF HELISWIRL TECHNOLOGIES LIMITED**

In accordance with the engagement letter dated 20 October 2008 and in order to assist you to fulfil your duties under the Companies Act 1985 we have compiled the financial statements of the company for the year ended 31 December 2007, which comprise the profit and loss account, the balance sheet and the related notes, from the accounting records and information and explanations you have given to us

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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's board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of the financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*PKF (UK) LLP*

**PKF (UK) LLP**

Guildford, UK

*31 October 2008*

**HELISWIRL TECHNOLOGIES LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
<b>TURNOVER</b>	1	243	-
Administrative expenses		<u>(201,942)</u>	<u>(233,089)</u>
<b>OPERATING LOSS</b>	2	<b>(201,699)</b>	<b>(233,089)</b>
Interest receivable		918	9,956
Interest payable		<u>(2,473)</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(203,254)</b>	<b>(223,133)</b>
Tax on loss on ordinary activities	4	<u>(23,077)</u>	<u>40,779</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	11	<b><u>(226,331)</u></b>	<b><u>(182,354)</u></b>

The notes on pages 7 to 11 form part of these financial statements

**HELISWIRL TECHNOLOGIES LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	5		452,670		288,216
Tangible fixed assets	6		24		1,194
			452,694		289,410
<b>CURRENT ASSETS</b>					
Debtors	7	20,178		57,865	
Cash at bank		83,615		111,616	
			103,793	169,481	
<b>CREDITORS: amounts falling due within one year</b>	8		(316,660)	(49,793)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(212,867)		119,688
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			239,827		409,098
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	9		(57,044)		-
<b>NET ASSETS</b>			182,783		409,098
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		200		184
Share premium account	11		699,900		699,900
Profit and loss account	11		(517,317)		(290,986)
<b>SHAREHOLDERS' FUNDS</b>			182,783		409,098

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2007 and of its loss for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)



**HELISWIRL TECHNOLOGIES LIMITED**

**BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2007**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on *29 October 08*

**Philip Birch**  
Director



The notes on pages 7 to 11 form part of these financial statements

**HELISWIRL TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

As at the balance sheet date the company had net current liabilities of £212,867. Notwithstanding the balance sheet position, the directors consider that it is appropriate to prepare the financial statements on the basis that the Company is a going concern. This assessment is based on the fact that the Company has a relatively low overheads base and the directors have identified and investigated a range of possible funding options. Although there can be no absolute certainty that all of these funding opportunities will continue to be available throughout the twelve months following the approval of these financial statements, the directors remain confident of their ability to access funding. Consequently no adjustments have been made to the assets and liabilities of the Company that would result if the Company was unable to continue as a going concern.

**1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

**1.3 Intangible fixed assets and amortisation**

Research and development expenditure is written off as incurred except that Development expenditure on an individual project is carried forward when its technical feasibility is reasonably established and the commercial viability can be foreseen with reasonable assurance.

All Patent costs incurred which are considered capable of commercial exploitation are capitalised.

Amortisation is calculated to write off the cost of all Intangible Assets and Research and Development over their expected useful lives.

No amortisation is charged on Intangible Assets and Research and Development which have been capitalised until the commercial exploitation of the asset commences.

**1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33% straight line
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**1.5 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**HELISWIRL TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**2. OPERATING LOSS**

The operating loss is stated after charging

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets - owned by the company	<b>1,170</b>	1,170
Directors' emoluments	<b>27,000</b>	121,333
Research and development expenditure written off	-	(53,989)
	<b>27,000</b>	<b>121,333</b>

**3. SHARE BASED PAYMENTS**

A the year end the Company had granted the following share options that had yet to be exercised

Date of grant	Entitled individuals	Number of options	Exercise price	Exercise period
February 2007	Director	8,889	5 00	Feb-07 - Feb-17
September 2005	Directors	7,555	5 00	Sep-05 - Sep-15
September 2005	Employees	3,778	5 00	Sep-05 - Sep-15
September 2005	Others	2,000	5 00	Sep-05 - Sep-15

All the above options were exercised on 27 March 2008

**4. TAXATION**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge/(credit) in the year</b>		
UK corporation tax charge/(credit) on loss for the year	-	(32,673)
Adjustments in respect of prior periods	<b>23,077</b>	(8,106)
	<b>23,077</b>	<b>(40,779)</b>

**HELISWIRL TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**5 INTANGIBLE FIXED ASSETS**

	Patents and trademarks £	Development £	Total £
<b>Cost</b>			
At 1 January 2007	15,775	272,441	288,216
Additions	138,472	25,982	164,454
At 31 December 2007	<u>154,247</u>	<u>298,423</u>	<u>452,670</u>
<b>Net book value</b>			
At 31 December 2007	<u>154,247</u>	<u>298,423</u>	<u>452,670</u>
At 31 December 2006	<u>15,775</u>	<u>272,441</u>	<u>288,216</u>

**6. TANGIBLE FIXED ASSETS**

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	<u>3,546</u>
<b>Depreciation</b>	
At 1 January 2007	2,352
Charge for the year	1,170
At 31 December 2007	<u>3,522</u>
<b>Net book value</b>	
At 31 December 2007	<u>24</u>
At 31 December 2006	<u>1,194</u>

**7 DEBTORS**

	2007 £	2006 £
Other debtors	<u>20,178</u>	<u>57,865</u>

**HELISWIRL TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**8 CREDITORS:  
Amounts falling due within one year**

	2007	2006
	£	£
Trade creditors	38,816	46,358
Social security and other taxes	3,418	1,435
Convertible loan notes	200,000	-
Other creditors	74,426	2,000
	<b>316,660</b>	<b>49,793</b>
	<b>316,660</b>	<b>49,793</b>

**9. PROVISIONS**

	£
At 1 January 2007	-
Additions	57,044
	<b>57,044</b>
At 31 December 2007	<b>57,044</b>

Under the terms of a funding agreement entered into during the previous financial year, the company is required to repay £57,044 of funding in the event that it successfully raises equity of £750,000. Such equity raising has occurred and therefore a provision has been made for the repayment of £57,044.

**10 SHARE CAPITAL**

	2007	2006
	£	£
<b>Authorised</b>		
1,000,000 Ordinary shares of 0 1p each	<b>1,000</b>	<b>1,000</b>
<b>Allotted, called up and fully paid</b>		
199,999 (2006 - 183,999) Ordinary shares of 0 1p each	<b>200</b>	<b>184</b>
	<b>200</b>	<b>184</b>

During the year 16,000 ordinary shares were issued at par to Professor Colin Caro

**11. RESERVES**

	Share premium account	Profit and loss account
	£	£
At 1 January 2007	699,900	(290,986)
Loss for the year		(226,331)
	<b>699,900</b>	<b>(517,317)</b>
At 31 December 2007	<b>699,900</b>	<b>(517,317)</b>

**HELISWIRL TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**12. RELATED PARTY TRANSACTIONS**

As at 31 December 2007 £19,365 (2006 £nil), £5,544 (2006 £nil), £3,365 (2006 £nil) and £33,679 (2006 £nil) was owed to William Tallis, Colin Caro, Derek Barr and Philip Birch respectively, who are all directors. These amounts are included under other creditors within note 7.

**13. POST BALANCE SHEET EVENTS**

On 27 March 2008 Imperial Innovation Limited and Carbon Trust Investments Limited exercised their rights and converted their £100,000 convertible loan note for 10,367 ordinary shares each.

On 9 April 2008 the shareholders entered a share for share exchange with the shareholders of Heliswirl Holdings Limited.

**14. CONTROLLING PARTY**

As at the year end the company had no controlling party. As at 9 April 2008 the company became a 100% owned subsidiary of Heliswirl Holdings Limited, a company incorporated in England & Wales, as disclosed in note 12. There is no controlling party of the new immediate parent undertaking.