

5032+18

HELISWIRL TECHNOLOGIES LTD

Unaudited Financial Statements

For the period ended 31 December 2005

WEDNESDAY



AP7DCSPC

A50

05/09/2007

734

COMPANIES HOUSE

8

HELISWIRL TECHNOLOGIES LTD

Financial statements for the period ended 31 December 2005

Contents	Pages
Directors, officers and advisers	1
Directors' report	2-3
Profit and loss account	3
Balance sheet	5
Notes to the financial statements	6-8
Detailed profit and loss account	9

HELISWIRL TECHNOLOGIES LTD

Directors, officers and advisers

Directors

D J Barr
P L Birch
C G Caro
W Tallis
I R Waring

Secretary and registered office

A Paterson
21 Wilson Street
London
EC2M 2TD

Registered number

5032418

HELISWIRL TECHNOLOGIES LTD

Directors' report for the period ended 31 December 2005

The directors present their report and the financial statements of the company for the period ended 31 December 2005

Principal activity

The principal activity of the company is research and development of flow assurance technology for the oil and gas industry.

Review of the business

The company was incorporated on 3 February 2004 under the name of Veryan Engineering Ltd. Following a special resolution its name was changed to Heliswirl Technologies Ltd on 8 February 2005.

The company was dormant during the period ended 28 February 2005 but commenced trading on 1 March 2005. These financial statements cover the 10 month accounting period to 31 December 2005.

The company incurred a loss on ordinary activities before taxation of £108,632

Directors

The directors who served during the period were

D J Barr (appointed 7 February 2005)
P L Birch (appointed 20 December 2004)
C G Caro (appointed 20 December 2004)
W Tallis (appointed 7 February 2005)
I R Waring (appointed 31 March 2005)

Directors' interests

The beneficial interests of the directors and their families in the share capital of the company were as follows:

	Ordinary shares of 0.1p each	
	<u>31 December 2005</u>	<u>1 March 2005 or at date of appointment</u>
D J Barr	7,000	3,000
P L Birch	24,000	24,000
C G Caro	28,000	18,000
W Tallis	10,500	9,500
I R Waring	5,000	-

HELISWIRL TECHNOLOGIES LTD

Directors' report for the period ended 31 December 2005 (continued)

Chief Executive Officer's report

It has been an exciting time for Heliswirl since activity commenced in March 2005. The company expanded its activities steadily and moved out of Imperial College into serviced offices in Richmond-upon-Thames. The technology development progressed into the large-scale experimental phases at Cranfield University and Thames Water, funded under a Carbon Trust R&D Grant. Detailed analytical work to develop in-house know-how on the application of SMAHT helical tubes to the target market was completed.

As part of the Strategic Review the Board maintained a clear focus on product developments that will bring high return and/or early revenues and product validation/acceptance. Three product streams,

Oil and Gas – flexible risers/slug flow elimination

Mixer/Separators - water and process industries.

Petrochemical – heat transfer and pressure loss performance improvement.

To support the engineering activity a small, dedicated team was built up using external services from Intelligent Fluid Solutions and other sub-contract support. Significant progress was achieved with the analytical

Develop business/financial links to provide backing and support for JIPs and industrial trials with view to further financing.

The Seed Fundraising Round was brought forward to September 2005, to maintain the management team's focus on product development and deployment during early 2006. Total investment into the Company during 2005 was £700,000 with the following break-down;

Founders - £100,000

Angel Investors - £150,000

Institutional investors - £450,000 made up of

Imperial Innovations - £150,000

Esmée Fairbairn Foundation - £150,000

Carbon Trust Investments Ltd. - £150,000

Cash position at period end 2005 was £495,000

£242,000 cash expended from March to December 2005

–32% - direct project costs, 46% - salaries and management fees

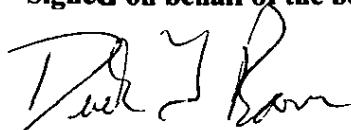
–Average Burn Rate £24,400/month March to December

Carbon Trust RD&D grant total £100,000.

–First stage payment of £32,000 relating to the design phase of the program was drawn down

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

Signed on behalf of the board



D J BARR

Director

Approved by the Board on 12 October 2006

HELISWIRL TECHNOLOGIES LTD

Profit and loss account for the period ended 31 December 2005

	<u>Notes</u>	<u>2005</u> £
Administrative expenses		<u>114,985</u>
		<u>114,985</u>
Operating loss	2	(114,985)
Other interest receivable and similar income		<u>6,353</u>
Loss on ordinary activities before taxation		(108,632)
Taxation on loss on ordinary activities	4	<u>-</u>
Loss for the financial period		<u>(108,632)</u>

None of the company's activities was acquired or discontinued during the above two years

There were no recognised gains nor losses other than those included in the profit and loss account

The notes on pages 6 to 8 form part of these financial statements.

HELISWIRL TECHNOLOGIES LTD

Balance sheet at 31 December 2005

	<u>Notes</u>	<u>31 December</u> <u>2005</u> £	<u>28 February</u> <u>2005</u> £
Fixed assets			
Intangible assets	5	92,069	-
Tangible assets	6	<u>2,364</u>	-
		94,433	-
Current assets			
Debtors	7	27,490	84
Cash at bank and in hand		<u>494,857</u>	-
		522,347	84
Creditors: amounts falling due within one year	8	<u>(25,328)</u>	-
Net current assets		<u>497,019</u>	<u>84</u>
Total assets less current liabilities		<u>591,452</u>	<u>84</u>
Capital and reserves			
Called up share capital	9	184	84
Share premium account	10	699,900	-
Deficit on profit and loss account	10	<u>(108,632)</u>	-
Shareholders' funds	11	<u>591,452</u>	<u>84</u>

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies in the preparation of the accounts

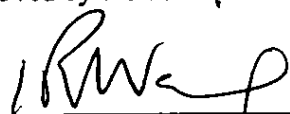
The directors are of the opinion that the company is entitled to the exemptions from audit conferred by section 249A(1) of the Companies Act 1985 for the period ended 31 December 2005.

The directors confirm that no member or members have requested an audit pursuant to subsection 2 of section 249B of the Companies Act 1985

The directors are responsible for:-

- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- preparing accounts which give a true and fair view of the state of affairs of the company as at 31 December 2005 and of its results for the period then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved by the board of directors on 12 October 2006 and signed on its behalf



I R Waring - Director

The notes on pages 6 to 8 form part of these financial statements

HELISWIRL TECHNOLOGIES LTD

Notes to the financial statements for the period ended 31 December 2005

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards.

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company

b) Turnover

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

c) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are

Equipment fixtures and fittings over 3 years

d) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured on a [discounted\ nondiscounted] basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

e) Research and development expenditure

Research and development expenditure is written off as it is incurred, with the exception of certain development expenditure. Development expenditure relating to specific projects intended for commercial exploitation is carried forward where the ultimate commercial viability has been assessed with reasonable certainty. Such expenditure is amortised over the period expected to benefit

f) Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account as they fall due

2 Loss on ordinary activities before taxation

This is stated after charging:

	<u>31 December</u> <u>2005</u> £	<u>28 February</u> <u>2005</u> £
Depreciation	1,181	-

HELISWIRL TECHNOLOGIES LTD

Notes to the financial statements for the period ended 31 December 2005 (continued)

3 Directors' emoluments

	<i>31 December</i>	<i>28 February</i>
	<u>2005</u>	<u>2005</u>
	£	£
Emoluments	<u>46,667</u>	<u>-</u>

4 Tax on profit on ordinary activities

There is no charge to Corporation tax as the company incurred a loss during the period

At the end of the period the company had accumulated tax losses amounting to £290,000, which are available for carry forward to offset against future trading profits.

5 Intangible fixed assets

	<i>Research and development</i>
	£
Cost:	
Additions	92,069
At 31 December 2005	<u>92,069</u>
Amortisation:	
At 31 December 2005	<u>-</u>
Net book value:	
At 31 December 2005	<u>92,069</u>

6 Tangible fixed assets

	<i>Equipment fixtures and fittings</i>
	£
Cost:	
Additions	3,545
Depreciation:	
Provision for the year	1,181
At 31 December 2005	<u>1,181</u>
Net book value:	
At 31 December 2005	<u>2,364</u>

7 Debtors

	<i>31 December</i>	<i>28 February</i>
	<u>2005</u>	<u>2005</u>
	£	£
Other debtors	<u>27,490</u>	<u>84</u>

HELISWIRL TECHNOLOGIES LTD

Notes to the financial statements for the period ended 31 December 2005 (continued)

8 Creditors: amounts falling due within one year

	<i>31 December</i>	<i>28 February</i>
	<u>2005</u>	<u>2005</u>
	£	£
Other creditors	19,708	-
Other tax and social security	5,620	-
	<u>25,328</u>	<u>-</u>

9 Called-up share capital

	<i>31 December</i>	<i>28 February</i>
	<u>2005</u>	<u>2005</u>
	£	£
Authorised		
Equity shares:		
Ordinary shares of 0.1p each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
Equity shares:		
Ordinary shares of 0.1p each	<u>184</u>	<u>84</u>

During the period ended 28 February 2005 84,000 ordinary shares of 0.1p each were issued at par. A further 15,000 shares were issued on 18 March and 5,000 on 13 May both at a price of £5 per share. 19,999 shares were issued on 20 May, 40,000 on 30 June and 20,000 on 3 October all at a price of £7.50.

10 Reserves

	<i>Share premium account</i>	<i>Profit and loss account</i>
	£	£
Loss for the period	-	(108,632)
Premium on shares issued	699,900	-
At 31 December 2005	<u>699,900</u>	<u>(108,632)</u>

11 Reconciliation of movement in shareholders' funds

	<i>31 December</i>	<i>28 February</i>
	<u>2005</u>	<u>2005</u>
	£	£
Loss for the period	(108,632)	-
New shares issued during the period	700,000	84
Net addition to shareholders' funds	591,368	84
Shareholders' funds at 1 March 2005	84	-
Shareholders' funds at 31 December 2005	<u>591,452</u>	<u>84</u>

HELISWIRL TECHNOLOGIES LTD

Profit and loss account for the period ended 31 December 2005

	<u>2005</u> £
Direct costs	
Materials	2,255
Direct cost consultancy	82,005
R&D direct costs carried forward	<u>(84,260)</u>
	-
Administrative expenses	
Accommodation costs	7,664
Emoluments for services as directors	46,667
Directors NI employers	2,841
Management consultancy	73,392
Postage printing & stationery	1,268
Sundry expenses	2,483
Travelling	4,309
Entertaining	232
Accountancy charges	895
Legal & professional charges	13,862
Depreciation equipment fixtures and fittings	1,181
R&D expenditure carried forward	<u>(39,809)</u>
	114,985
Operating loss	(114,985)
Other income	
Interest receivable	6,353
Grants receivable	32,000
R&D grants received carried forward	<u>(32,000)</u>
	-
	-
Loss on ordinary activities before taxation	<u>(108,632)</u>