



Abbreviated Accounts Blue Whale Systems Limited

For the Year Ended 31 December 2007

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27/08/2008

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COMPANIES HOUSE

Company No. 5582434

Officers and professional advisers

Registered office	Suite 1.23 The Lightbox 111 Power Road Chiswick London W4 5PY
Directors	Mr D McArthur Mr M Maguire Dr A Rickman OBE Mr R Seward
Secretary	Mr S Watson
Bankers	HSBC 431 Oxford Street London W1C 2DA
Solicitors	Wilmer Cutler Pickering Hale and Dorr LLP Alder Castle 10 Noble Street London EC2V 7QJ
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Churchill House Chalvey Road East Slough Berkshire SL1 2LS

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Independent auditor's report to Blue Whale Systems Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the principal accounting policies, balance sheet and the related notes, together with the financial statements of Blue Whale Systems Limited for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special auditor's 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH

21 Aug 2008

Principal accounting policies

Basis of accounting

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).

The principal accounting policies of the company are set out below. The policies remain unchanged from the previous year.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	33%
Equipment	-	33%

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Abbreviated balance sheet

	Note	2007 £	2006 £
Fixed assets	1		
Tangible assets		<u>14,112</u>	-
Current assets			
Debtors		72,182	592
Cash at bank and in hand		<u>303,338</u>	<u>216</u>
		<u>375,520</u>	<u>808</u>
Creditors: amounts falling due within one year		<u>(37,877)</u>	<u>(4,080)</u>
Net current assets/(liabilities)		<u>337,643</u>	<u>(3,272)</u>
Total assets less current liabilities		<u>351,755</u>	<u>(3,272)</u>
Capital and reserves			
Called-up equity share capital	2	264	120
Share premium account		744,364	-
Profit and loss account		<u>(392,873)</u>	<u>(3,392)</u>
Shareholders' funds/(deficit)		<u>351,755</u>	<u>(3,272)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These abbreviated accounts were approved by the directors and authorised for issue on 18/8/08, and are signed on their behalf by:



Mr R Seward
 Director

Notes to the abbreviated accounts

1 Fixed assets

	Tangible Assets £
Cost	
Additions	23,524
At 31 December 2007	<u>23,524</u>
Depreciation	
Charge for year	9,412
At 31 December 2007	<u>9,412</u>
Net book value	
At 31 December 2007	<u>14,112</u>
At 31 December 2006	<u>-</u>

2 Share capital

Authorised share capital:

	2007 £	2006 £
10,000,000 Ordinary shares of £0.0001 each (2006 - 1,000 Ordinary shares of £1 each)	<u>1,000</u>	<u>1,000</u>

Allotted and called up:

	2007		2006	
	No	£	No	£
Ordinary shares of £0.0001 each	<u>2,636,536</u>	<u>264</u>	<u>120</u>	<u>120</u>

During the year the company issued 2,636,416 shares via a combination of a rights issue to existing shareholders and a fresh issue to new shareholders. The shares were issued for a consideration of £744,508 creating an addition to share premium of £744,364.

In January 2008 the company issued 232,071 shares via a combination of a rights issue to existing shareholders and a fresh issue to new shareholders. The shares were issued for a consideration of £196,448 creating an addition to the share premium account of £196,425.

3 Related party transactions

At 31 December 2006 the company owed the directors £4,080. This amount was paid back to the directors by the company during the year and the balance at 31 December 2007 was nil.

4 Ultimate and controlling related party

The directors consider that there is no ultimate controlling party.