

REGISTRAR OF COMPANIES

**Report of the Directors and
Financial Statements
for the Year Ended 30 June 2008
for
Mobile Computing Systems Limited**

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Mobile Computing Systems Limited

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for the Year Ended 30 June 2008**

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Mobile Computing Systems Limited

**Company Information
for the Year Ended 30 June 2008**

DIRECTORS: R Scott
R Servini
N A Regan

SECRETARY: R Scott

REGISTERED OFFICE: Technium II
Unit 5
Kings Road
Swansea
SA1 8PJ

REGISTERED NUMBER: 4240875

AUDITORS: Broomfield & Alexander Limited
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

Mobile Computing Systems Limited

**Report of the Directors
for the Year Ended 30 June 2008**

The directors present their report with the financial statements of the company for the year ended 30 June 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of computer software and hardware consultancy and supply and other related services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

2007/8 was another good year for the company. We continued to focus our efforts on our flagship product, Priority 1, and were successful in growing and acquiring key accounts within the construction sector. Our business model based on selling our "software as a service" has been well received and allowed us to generate a more predictable cash flow.

We have been able to invest in new staff and major product development and look forward to providing our customers with even better solutions in 2008/9.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2007 to the date of this report.

R Scott
R Servini
N A Regan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 affairs of the company and of the profit or loss 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Broomfield & Alexander Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:


.....
R Scott - Secretary

Date: 14/11/08

**Report of the Independent Auditors to the Shareholders of
Mobile Computing Systems Limited**

We have audited the financial statements of Mobile Computing Systems Limited for the year ended 30 June 2008 on pages four to ten. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Broomfield & Alexander Limited

Broomfield & Alexander Limited
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

Date:

19 November 2008

Mobile Computing Systems Limited

Profit and Loss Account
for the Year Ended 30 June 2008

	Notes	2008 £	2007 £
TURNOVER		832,664	706,959
Cost of sales		<u>341,585</u>	<u>327,445</u>
GROSS PROFIT		491,079	379,514
Administrative expenses		<u>309,466</u>	<u>283,028</u>
		181,613	96,486
Other operating income		<u>1,505</u>	<u>903</u>
OPERATING PROFIT	2	183,118	97,389
Interest payable and similar charges		<u>24,857</u>	<u>15,212</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		158,261	82,177
Tax on profit on ordinary activities	3	<u>1,853</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>156,408</u></u>	<u><u>82,177</u></u>

The notes form part of these financial statements

Mobile Computing Systems Limited

**Balance Sheet
30 June 2008**

	Notes	2008 £	£	2007 £	£
FIXED ASSETS					
Tangible assets	4		36,067		25,846
CURRENT ASSETS					
Stocks		6,913		-	
Debtors	5	101,969		187,075	
Cash at bank and in hand		163,465		5	
		<u>272,347</u>		<u>187,080</u>	
CREDITORS					
Amounts falling due within one year	6	207,138		240,141	
NET CURRENT ASSETS/(LIABILITIES)			<u>65,209</u>		<u>(53,061)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			101,276		(27,215)
CREDITORS					
Amounts falling due after more than one year	7		174,583		202,500
NET LIABILITIES			<u>(73,307)</u>		<u>(229,715)</u>
CAPITAL AND RESERVES					
Called up share capital	11		35,292		35,292
Share premium	12		283,124		283,124
Profit and loss account	12		(391,723)		(548,131)
SHAREHOLDERS' FUNDS			<u>(73,307)</u>		<u>(229,715)</u>

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

The financial statements were approved by the Board of Directors on 17th November 2008 and were signed on its behalf by:


.....
Director

Mobile Computing Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2008

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The company is currently in a net liability position, but has been trading profitably for the last two years. A profit is expected in 2008/2009 and the company expects to return to a net assets position. These financial statements have been prepared on a going concern basis due to the preference shareholders indicating that they will not redeem the preference shares until the company has sufficient distributable reserves.

Accounting convention

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).

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery etc - 33% on cost

Deferred tax

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Profit recognition on contracting activities

Profit on individual contracts is taken only when their outcome can be foreseen with reasonable certainty, based on the lower of the percentage margin earned to date and that prudently forecast at completion, taking account of agreed claims. Full provision is made for all known or expected losses on individual contracts, taking a prudent view of future claims income, immediately such losses are foreseen.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2008	2007
	£	£
Depreciation - owned assets	15,124	7,680
Depreciation - assets on hire purchase contracts	4,392	-
(Profit)/Loss on disposal of fixed assets	(255)	4,210
Auditors' remuneration	3,500	2,500
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	157,467	104,754
	<u> </u>	<u> </u>

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2008**

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2008 £	2007 £
Current tax:		
UK corporation tax	259	-
Under provision in respect of prior year	<u>1,594</u>	<u>-</u>
 Tax on profit on ordinary activities	 <u><u>1,853</u></u>	 <u><u>-</u></u>

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2007	583	35,181	35,764
Additions	-	31,748	31,748
Disposals	<u>(450)</u>	<u>(1,908)</u>	<u>(2,358)</u>
At 30 June 2008	<u>133</u>	<u>65,021</u>	<u>65,154</u>
 DEPRECIATION			
At 1 July 2007	371	9,547	9,918
Charge for year	69	19,447	19,516
Eliminated on disposal	<u>(325)</u>	<u>(22)</u>	<u>(347)</u>
At 30 June 2008	<u>115</u>	<u>28,972</u>	<u>29,087</u>
 NET BOOK VALUE			
At 30 June 2008	<u>18</u>	<u>36,049</u>	<u>36,067</u>
At 30 June 2007	<u>212</u>	<u>25,634</u>	<u>25,846</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Computer equipment £
COST	
Additions	13,178
At 30 June 2008	<u>13,178</u>
 DEPRECIATION	
Charge for year	4,392
At 30 June 2008	<u>4,392</u>
 NET BOOK VALUE	
At 30 June 2008	<u><u>8,786</u></u>

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2008**

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2008	2007
	£	£
Trade debtors	95,939	87,135
Amounts recoverable on contracts	-	92,550
Directors' loan accounts	5,495	6,699
Prepayments and accrued income	535	691
	<u>101,969</u>	<u>187,075</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2008	2007
	£	£
Bank loans and overdrafts	25,000	36,924
Preference shares (see note 8)	-	47,083
Hire purchase contracts	5,368	-
Trade creditors	9,818	31,007
Tax	259	-
Social security and other taxes	12,238	11,853
Other creditors	79	1,031
VAT	55,741	26,013
Accruals and deferred income	98,635	86,230
	<u>207,138</u>	<u>240,141</u>

The directors loan accounts are unsecured and non interest bearing.

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2008	2007
	£	£
Bank loans - 1-2 years	25,000	25,000
Bank loans - 2-5 years	8,333	75,000
Bank loans more than 5 yrs by instalments	-	8,333
Preference shares (see note 8)	141,250	94,167
	<u>174,583</u>	<u>202,500</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more than 5 yrs by instalments	-	8,333
	<u>-</u>	<u>8,333</u>

8. PREFERENCE SHARES				
Authorised, allotted, issued and fully paid				
Number:	Class:	Nominal value	2008	2007
141,250	Cumulative Redeemable Preference shares	£1	<u>141,250</u>	<u>141,250</u>

The cumulative redeemable preference shares are non-equity shares which carry an entitlement to a dividend, which if not paid will be accrued for and paid to the holders of these shares at the date of redemption. They are redeemable on 30 June 2009 and 30 June 2010 as long as the company has sufficient distributable reserves or as agreed with preference shareholders.

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2008**

9. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2008 £	2007 £
Expiring:		
Within one year	2,018	1,286
Between one and five years	-	5,670
	<u>2,018</u>	<u>6,956</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2008 £	2007 £
Bank overdraft	-	11,924
Bank loans	58,333	133,333
Hire purchase contracts	5,368	-
	<u>63,701</u>	<u>145,257</u>

The bank loan and overdraft is secured by way of a fixed and floating charge over the assets and liabilities of the company.

The hire purchase liability is secured over the asset to which it relates.

11. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008 £	2007 £
402	Ordinary shares	£0.50	201	201
182	'A' Ordinary shares	£0.50	91	91
35,000	'A' Preference Shares	£1	35,000	35,000
			<u>35,292</u>	<u>35,292</u>

According to the shareholders agreement and articles of association the profits of the company available by law for distribution in respect of the financial year shall be applied as follows:

- the company shall pay to the members holding 'A' Ordinary Shares a cumulative preferential net cash dividend which is equal to a per centum of net profits for the relevant financial year commencing 1 July 2006.

The company has negative retained earnings of £391,723. Therefore no dividend can be accrued. However as soon as the company has positive net earnings a dividend shall be declared and paid. The cumulative dividends due in accordance with the shareholders' agreement would be £13,765

Additionally a dividend of £2,800 is due in relation to the 'A' Preference Shares in accordance with the shareholders agreement. As soon as the company has positive net earnings a dividend shall be declared and paid.

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2008**

12. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 July 2007	(548,131)	283,124	(265,007)
Profit for the year	<u>156,408</u>	<u> </u>	<u>156,408</u>
At 30 June 2008	<u>(391,723)</u>	<u>283,124</u>	<u>(108,599)</u>

13. TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 30 June 2008 and 30 June 2007:

	2008 £	2007 £
R Scott		
Balance outstanding at start of year	6,699	-
Balance outstanding at end of year	5,495	6,699
Maximum balance outstanding during year	<u>6,699</u>	<u>7,588</u>

14. RELATED PARTY DISCLOSURES

During the year the company made sales of goods and services to Ethnic Cuisine Limited totalling £101,533 (2007: £104,463). The amount due from Ethnic Cuisine Limited at the year end is £1,269 (2007:£5,940).

The companies are related by a common director.

During the year the company made sales of goods and services to Merthyr Cold Store Limited totalling £1,363 (2007: £nil). The amount due from Merthyr Cold Store Limited at the year end is £nil (2007: £nil)

The companies are related by a common director.

During the year the company used the consultancy services of Meng Yap, a shareholder in the company, which totalled £nil (2007:£5,000)

15. ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party