

REGISTRY OF COMPANIES

**Report of the Directors and
Financial Statements
for the Year Ended 30 June 2009
for
Mobile Computing Systems Limited**



Mobile Computing Systems Limited

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for the Year Ended 30 June 2009**

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Mobile Computing Systems Limited

**Company Information
for the Year Ended 30 June 2009**

DIRECTORS

R Scott
R Servini
N A Regan

SECRETARY:

R Scott

REGISTERED OFFICE

Technium II
Unit 7
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 2009

The directors present their report with the financial statements of the company for the year ended 30 June 2009

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

2008/9 was another year of considerable achievement for the company. Our core business based on subscriptions to our flagship product, Priority1, continued to grow rapidly in spite of the economic climate within the construction sector. In recognition of this success, we won Construction Computing's Award for Mobile Technology Product of the Year.

The company was able to invest in developing a major new version of Priority1, and in a third party data centre to host the system.

The overall result for the year was in line with the Directors' expectations given this investment and the exit from non-Priority1 business, and positions the company for growth in the years ahead.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2008 to the date of this report.

R Scott
R Servini
N A Regan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 418 of the Companies Act 2006) 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 at the forthcoming Annual General Meeting.

Mobile Computing Systems Limited

**Report of the Directors
for the Year Ended 30 June 2009**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD



R Scott - Director

Date 13/11/09

**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 2009 on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice for Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

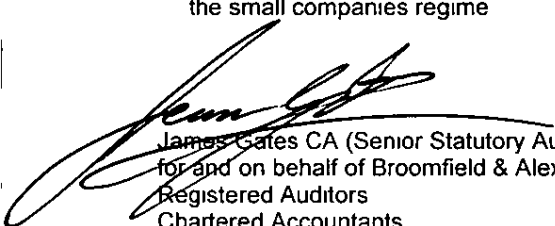
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Report of the Directors in accordance with the small companies regime.



James Gates CA (Senior Statutory Auditor)
for and on behalf of Broomfield & Alexander Limited
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

17 November 2009

Mobile Computing Systems Limited

**Profit and Loss Account
for the Year Ended 30 June 2009**

	Notes	2009 £	2008 £
TURNOVER		668,788	832,664
Cost of sales		<u>(369,740)</u>	<u>(341,585)</u>
GROSS PROFIT		299,048	491,079
Administrative expenses		(301,257)	(309,466)
Other operating income		<u>18,075</u>	<u>1,505</u>
OPERATING PROFIT	2	15,866	183,118
Interest receivable and similar income		<u>3,465</u>	-
		19,331	183,118
Interest payable and similar charges		<u>(16,079)</u>	<u>(24,857)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,252	158,261
Tax on profit on ordinary activities	3	-	<u>(1,853)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>3,252</u></u>	<u><u>156,408</u></u>

The notes form part of these financial statements

Mobile Computing Systems Limited

**Balance Sheet
30 June 2009**

	Notes	2009 £	£	2008 £	£
FIXED ASSETS					
Tangible assets	4		39,696		36,067
CURRENT ASSETS					
Stocks		-		6,913	
Debtors	5	81,148		101,969	
Cash at bank and in hand		<u>81,937</u>		<u>163,465</u>	
		163,085		272,347	
CREDITORS					
Amounts falling due within one year	6	<u>123,253</u>		<u>207,138</u>	
NET CURRENT ASSETS			<u>39,832</u>		<u>65,209</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			79,528		101,276
CREDITORS					
Amounts falling due after more than one year	7		<u>149,583</u>		<u>174,583</u>
NET LIABILITIES			<u>(70,055)</u>		<u>(73,307)</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		<u>(388,471)</u>		<u>(391,723)</u>
SHAREHOLDERS' FUNDS			<u>(70,055)</u>		<u>(73,307)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on its behalf by

13/11/09

and were signed on



R Scott - Director

Mobile Computing Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2009

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 three years. A profit is expected in 2009/2010 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 April 2008).

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.

Government grants

Grants relating to expenditure on tangible fixed assets are credited to profit at the same rate as the depreciation on the assets to which they relate.

Grants of a revenue nature are credited to income in the period to which they relate.

2 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2009	2008
	£	£
Depreciation - owned assets	21,183	15,124
Depreciation - assets on hire purchase contracts	4,393	4,392
Profit on disposal of fixed assets	(703)	(255)
Auditors' remuneration	<u>3,950</u>	<u>3,500</u>
Directors' remuneration and other benefits etc	<u>156,927</u>	<u>157,467</u>

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2009**

3 TAXATION

Analysis of the tax charge

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

	2009 £	2008 £
Current tax		
UK corporation tax	-	259
Under provision in respect of prior year	-	<u>1,594</u>
Tax on profit on ordinary activities	<u>-</u>	<u>1,853</u>

4 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2008	133	65,021	65,154
Additions	479	29,713	30,192
Disposals	-	<u>(5,618)</u>	<u>(5,618)</u>
At 30 June 2009	<u>612</u>	<u>89,116</u>	<u>89,728</u>
DEPRECIATION			
At 1 July 2008	115	28,972	29,087
Charge for year	61	25,515	25,576
Eliminated on disposal	-	<u>(4,631)</u>	<u>(4,631)</u>
At 30 June 2009	<u>176</u>	<u>49,856</u>	<u>50,032</u>
NET BOOK VALUE			
At 30 June 2009	<u>436</u>	<u>39,260</u>	<u>39,696</u>
At 30 June 2008	<u>18</u>	<u>36,049</u>	<u>36,067</u>

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

	Computer equipment £
COST	
At 1 July 2008	13,178
Transfer to ownership	<u>(13,178)</u>
At 30 June 2009	-
DEPRECIATION	
At 1 July 2008	4,392
Charge for year	4,393
Transfer to ownership	<u>(8,785)</u>
At 30 June 2009	-
NET BOOK VALUE	
At 30 June 2009	<u>-</u>
At 30 June 2008	<u>8,786</u>

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2009**

5 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Trade debtors	65,125	95,939
Amounts recoverable on contract	2,850	-
Directors' loan accounts	9,730	5,495
Prepayments and accrued income	<u>3,443</u>	<u>535</u>
	<u>81,148</u>	<u>101,969</u>

The directors' loan accounts are unsecured and bear interest at 6.25%

6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Bank loans and overdrafts	25,000	25,000
Hire purchase contracts	-	5,368
Trade creditors	3,289	9,818
Tax	-	259
Social security and other taxes	10,981	12,238
Other creditors	812	79
VAT	28,939	55,741
Accruals and deferred income	<u>54,232</u>	<u>98,635</u>
	<u>123,253</u>	<u>207,138</u>

7 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009	2008
	£	£
Bank loans - 1-2 years	8,333	25,000
Bank loans - 2-5 years	-	8,333
Preference shares (see note 8)	<u>141,250</u>	<u>141,250</u>
	<u>149,583</u>	<u>174,583</u>

8 PREFERENCE SHARES

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	2009	2008
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 were redeemable between June 2008 and 2010. Redemption will only take place when the company has sufficient distributable reserves or as agreed with preference shareholders.

9 OPERATING LEASE COMMITMENTS

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

	2009	2008
	£	£
Expiring		
Within one year	<u>132</u>	<u>2,018</u>

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2009**

10 SECURED DEBTS

The following secured debts are included within creditors

	2009	2008
	£	£
Bank loans	33,333	58,333
Hire purchase contracts	<u>-</u>	<u>5,368</u>
	<u>33,333</u>	<u>63,701</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

Allotted, issued and fully paid			2009	2008
Number	Class	Nominal value	£	£
402	Ordinary shares	£0 50	201	201
182	'A' Ordinary shares	£0 50	91	91
35,000	'A' Preference Shares	£1	<u>35,000</u>	<u>35,000</u>
			<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 £388,471 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 £15,383

Additionally a dividend of £5,600 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

12 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 July 2008	(391,723)	283,124	(108,599)
Profit for the year	<u>3,252</u>	<u>-</u>	<u>3,252</u>
At 30 June 2009	<u>(388,471)</u>	<u>283,124</u>	<u>(105,347)</u>

13 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 30 June 2009 and 30 June 2008

	2009	2008
	£	£
R Scott		
Balance outstanding at start of year	5,495	6,699
Balance outstanding at end of year	9,730	5,495
Maximum balance outstanding during year	<u>11,475</u>	<u>6,699</u>

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2009**

14 RELATED PARTY DISCLOSURES

During the year the company made sales of goods and services to Ethnic Cuisine Limited totalling £nil (2008 £101,533) The amount due from Ethnic Cuisine Limited at the year end is £nil (2008 £1,269)

The companies were related by a common director

During the year the company made sales of goods and services to Merthyr Cold Store Limited totalling £nil (2008 £1,363) The amount due from Merthyr Cold Store Limited at the year end is £nil (2008 £nil)

The companies are related by a common director

15 ULTIMATE CONTROLLING PARTY

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