

**Report of the Directors and
Unaudited Financial Statements
for the Year Ended 30 June 2005
for
Mobile Computing Systems Limited**



PUB
COMPANIES HOUSE

PJ08WEY8

247
26/04/2006

Mobile Computing Systems Limited

**Contents of the Financial Statements
for the Year Ended 30 June 2005**

	Page
Company Information	1
Chairman's Statement	2
Report of the Directors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6

Mobile Computing Systems Limited

**Company Information
for the Year Ended 30 June 2005**

DIRECTORS: R Scott
B Dredge
R Servini

SECRETARY: R Scott

REGISTERED OFFICE: Technium II
Unit 13
Kings Road
Swansea
SA1 8PJ

REGISTERED NUMBER: 4240875

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

Mobile Computing Systems Limited

**Chairman's Statement
for the Year Ended 30 June 2005**

During the trading year 2004-2005 the business began a major restructuring process with the aim of repositioning core products and services towards the construction, civil engineering and housing sectors.

Turnover fell significantly as the business made a transition between market sectors, exiting manufacturing and logistics vertical sectors to focus exclusively on construction process improvement through the use of mobile computing technology. Priority1™, our mobile computing enabled process improvement package for the construction sector was formally launched in September 2004 and by the end of the financial year the business had secured trials with a number of early adopters.

Successful field trials prompted the creation of a strategic 5 year business plan targeted exclusively at the construction sector and following the publication of the 2004-2005 accounts the business secured an additional £150,000 of equity investment to support our vision.

With first to market advantage and positive feedback from field trials the business is now entirely focused on delivering process improvements through the use of mobile computing technology within the construction sector. Our business plan forecasts losses for the next 2 years turning to profitability during 2006-2007.

Mobile Computing Systems Limited

Report of the Directors
for the Year Ended 30 June 2005

The directors present their report with the financial statements of the company for the year ended 30 June 2005.

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.

DIRECTORS

The directors during the year under review were:

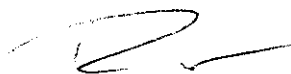
R Scott	
N Kelly	- resigned 10.8.04
B Dredge	
R Servini	- appointed 4.11.04

The beneficial interests of the directors holding office on 30 June 2005 in the issued share capital of the company were as follows:

	30.6.05	1.7.04 or date of appointment if later
Ordinary shares £0.50 shares		
R Scott	204	102
B Dredge	102	98
R Servini	51	-

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: 27/4/06

Mobile Computing Systems Limited

**Profit and Loss Account
for the Year Ended 30 June 2005**

	Notes	2005 £	2004 £
TURNOVER		275,671	719,733
Cost of sales		<u>165,293</u>	<u>394,431</u>
GROSS PROFIT		110,378	325,302
Administrative expenses		<u>363,349</u>	<u>424,400</u>
		(252,971)	(99,098)
Other operating income		<u>-</u>	<u>50,251</u>
OPERATING LOSS	2	(252,971)	(48,847)
Interest receivable and similar income		<u>689</u>	<u>-</u>
		(252,282)	(48,847)
Interest payable and similar charges		<u>2,793</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(255,075)	(48,847)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(255,075)</u>	<u>(48,847)</u>
DEFICIT FOR THE YEAR		<u>(255,075)</u>	<u>(48,847)</u>

The notes form part of these financial statements

Mobile Computing Systems Limited

**Balance Sheet
30 June 2005**

	Notes	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	4		5,543		13,978
CURRENT ASSETS					
Debtors	5	113,351		93,270	
Cash at bank and in hand		<u>15,784</u>		<u>9,778</u>	
				103,048	
CREDITORS					
Amounts falling due within one year	6	<u>279,128</u>		<u>106,401</u>	
NET CURRENT LIABILITIES			<u>(149,993)</u>		<u>(3,353)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(144,450)</u>		<u>10,625</u>
CAPITAL AND RESERVES					
Called up share capital	8		204		200
Share premium	9		249,440		149,444
Profit and loss account	9		<u>(394,094)</u>		<u>(139,019)</u>
SHAREHOLDERS' FUNDS			<u>(144,450)</u>		<u>10,625</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 June 2005.

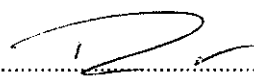
The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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 June 2002).

ON BEHALF OF THE BOARD:



 R Scott - Director

Approved by the Board on 27/4/06

Mobile Computing Systems Limited

Notes to the Financial Statements
for the Year Ended 30 June 2005

1. ACCOUNTING POLICIES

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 June 2002).

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.

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

Rentals paid under operating leases are charged to the profit and loss account as incurred.

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 LOSS

The operating loss is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	<u>10,441</u>	<u>11,236</u>
Directors' emoluments and other benefits etc	<u>106,904</u>	<u>93,147</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2005 nor for the year ended 30 June 2004.

Mobile Computing Systems Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2005

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2004	2,616	33,830	36,446
Additions	<u>20</u>	<u>1,986</u>	<u>2,006</u>
At 30 June 2005	<u>2,636</u>	<u>35,816</u>	<u>38,452</u>
DEPRECIATION			
At 1 July 2004	2,616	19,852	22,468
Charge for year	<u>3</u>	<u>10,438</u>	<u>10,441</u>
At 30 June 2005	<u>2,619</u>	<u>30,290</u>	<u>32,909</u>
NET BOOK VALUE			
At 30 June 2005	<u>17</u>	<u>5,526</u>	<u>5,543</u>
At 30 June 2004	<u>-</u>	<u>13,978</u>	<u>13,978</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	82,108	64,133
Other debtors	1,243	1,243
Amounts recoverable on contracts	30,000	20,000
Prepayments and accrued income	<u>-</u>	<u>7,894</u>
	<u>113,351</u>	<u>93,270</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank loans and overdrafts	35,160	-
Trade creditors	44,789	54,310
Social security and other taxes	44,089	39,971
Other creditors	7,500	-
VAT	7,792	-
Directors' loan accounts	93,965	-
Accruals and deferred income	43,333	-
Accrued expenses	<u>2,500</u>	<u>12,120</u>
	<u>279,128</u>	<u>106,401</u>

The directors loan accounts are unsecured and non interest bearing.

7. OPERATING LEASE COMMITMENTS

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

	2005 £	2004 £
Expiring:		
Between one and five years	<u>2,640</u>	<u>-</u>

Mobile Computing Systems Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2005**

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005	2004
			£	£
20,000	Ordinary shares	£0.50	10,000	10,000
(2004 - 10,000)			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004
			£	£
408	Ordinary shares	£0.50	204	200
(2004 - 200)			<u> </u>	<u> </u>

On 8 September 2004 each of the 10,000 authorised ordinary share capital of £1 each was subdivided into 2 ordinary shares of £0.50 each.

On 8 September 2004 8 Ordinary £0.50 shares were allotted. The consideration received was £100,000.

9. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 July 2004	(139,019)	149,444	10,425
Deficit for the year	(255,075)		(255,075)
Cash share issue	-	99,996	99,996
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2005	<u>(394,094)</u>	<u>249,440</u>	<u>(144,654)</u>

10. RELATED PARTY DISCLOSURES

During the year the company made sales of goods and services to Ethnic Cuisine Limited totalling £82,735 (2004: £26,425). The amount due from Ethnic Cuisine Limited at the year end is £3,419 (2004: £26,425).

The companies are related by a common director.

11. ULTIMATE CONTROLLING PARTY

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