

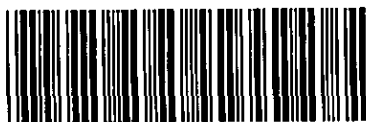
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

MFT COMPUTER HOLDINGS LIMITED

Company No: 2908585

Year ended 30 June 2008

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Directors' Report

The Directors present their report and financial statements for the year ended 30 June 2008.

PRINCIPAL ACTIVITY

The principal activity of the Company, which is a wholly owned subsidiary of Diagonal Limited, is that of a holding company, holding investments in an IT consultancy company, Diagonal Solutions Limited. Diagonal Limited is a wholly owned subsidiary of Morse plc. The Company's only trade during the year was to hold an investment in its wholly owned subsidiary. The Directors expect this to continue for the foreseeable future.

RESULTS AND DIVIDENDS

Details of the results are set out on page 3. The Directors do not recommend the payment of a dividend (2007: £nil).

DIRECTORS

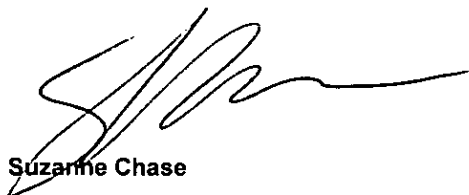
The Directors who served during the year and up to the date of approval of this Director's report were as follows:

D Beresford	(resigned 18 February 2008)
M Emmett	(appointed 13 March 2009)
G Hodges	
M Hobbs	(resigned 13 March 2009)
M Phillips	(appointed 17 March 2009)

AUDITORS

The Company is dormant within the meaning of S249AA Companies Act 1985 and therefore is exempt under S388A Companies Act 1985 from the obligation to appoint auditors.

By order of the Board



Suzanne Chase

Company Secretary

22 June 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2008

	<i>Note</i>	<i>Year ended 30 June 2008 £</i>	<i>Year ended 30 June 2007 £</i>
TURNOVER		-	-
COST OF SALES		-	-
		<hr/>	<hr/>
GROSS PROFIT		-	-
ADMINISTRATIVE EXPENSES		-	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
		<hr/>	<hr/>
TAX ON PROFIT ON ORDINARY ACTIVITIES		-	-
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL PERIOD		-	-
		<hr/>	<hr/>

All activities derive from continuing operations.

There are no recognised gains or losses other than as shown above. Accordingly, no statement of total recognised gains and losses is given.

There are no movements in shareholders' funds. Accordingly, no reconciliation of movement of shareholders' funds is given.

There is no difference between the result on ordinary activities before taxation and the retained result for the periods stated above and their historical cost equivalents.

BALANCE SHEET


Year ended 30 June 2008

	Note	As at 30 June 2008 £	As at 30 June 2007 £
FIXED ASSETS			
Investments	4	1,212,530	1,212,530
CURRENT ASSETS			
Debtors	5	1,936,085	1,936,085
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	6	<u>(2,996,136)</u>	<u>(2,996,136)</u>
NET CURRENT LIABILITIES		<u>(1,060,051)</u>	<u>(1,060,051)</u>
NET ASSETS		<u>152,479</u>	<u>152,479</u>
CAPITAL AND RESERVES			
Called up share capital	7	58,472	58,472
Share premium account		48,699	48,699
Capital redemption reserve		56,001	56,001
Profit and loss account		<u>(10,693)</u>	<u>(10,693)</u>
TOTAL EQUITY		<u>152,479</u>	<u>152,479</u>

The financial statements have not been audited because the Company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the company to obtain an audit of these financial statements in accordance with section 249B (2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that the Company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 22 June 2009 and signed on their behalf by:


Mike Phillips
Director

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards, using the following principal accounting policies, which have been consistently applied. The accounting policies below cover items which are considered material in relation to the Company's financial statements:

Basis of Consolidation

These financial statements represent the results of the Company. Consolidated financial statements for the Company and its subsidiary have not been prepared because of the exemption provided by section 228 of the Companies Act 1985.

a) Turnover

Turnover represents the value of services provided within the Company's ordinary activities net of value added tax. Turnover includes sales of services that are delivered over extended periods of time and recognised on a percentage completion basis over the period that the service is delivered.

b) Cash flow statement

The Company is a wholly owned subsidiary of Morse plc and the cash flows of the Company are included in the consolidated cash flow statement of Morse plc. Consequently the Company is exempt from the requirement under FRS 1 (revised) to prepare a cash flow statement.

2. EMPLOYEES

There were no employees during the current year or previous accounting period.

3. DIRECTORS

The emoluments of the Directors for services to the Company for the year ended June 2008 and the year ended June 2007 were borne by other group companies. No Director received contributions paid in respect of money purchase pension schemes (2007: £nil).

4. FIXED ASSET INVESTMENTS

	30 June 2008 £	30 June 2007 £
Cost		
As at 30 June 2008 and 30 June 2007	1,212,530	1,212,530

The Company owns 100% of the ordinary issued share capital of:

Subsidiary	Country of incorporation	Nature of business
Diagonal Solutions Limited	Great Britain	Provision of software solutions

5. DEBTORS

	Year ended 30 June 2008 £	Year ended 30 June 2007 £
Amounts owed by subsidiary	1,936,085	1,936,085

NOTES TO THE ACCOUNTS

6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	Year ended 30 June 2008 £	Year ended 30 June 2007 £
Amounts owed to Parent Company	2,996,136	2,996,136
7. SHARE CAPITAL	Year ended 30 June 2008 £	Year ended 30 June 2007 £
Authorised		
60,910 Ordinary shares of £1 each	60,910	60,910
39,091 Ordinary A shares of £1 each	39,091	39,091
390,910 Ordinary AA shares of £0.01 each	3,909	3,909
40,000 Cumulative convertible participating preference shares of £1 each	40,000	40,000
30,000 Cumulative convertible redeemable preference shares of £1 each	30,000	30,000
	<u>173,910</u>	<u>173,910</u>
Called up, Allotted and Fully Paid		
15,472 Ordinary shares of £1 each	15,472	15,472
39,091 Ordinary A shares of £1 each	39,091	39,091
390,910 Ordinary AA shares of £0.01 each	3,909	3,909
	<u>58,472</u>	<u>58,472</u>

Prior year figures have been restated to show the authorised share capital as per the articles of association, including the changes which were made to the authorised share capital in 1999.

8. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Diagonal Limited 100% of the company's voting rights are controlled within the group headed by Morse plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Morse plc, within which this company is included, can be obtained from the address given in note 9.

9. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

MFT Computer Holdings Limited is a wholly owned subsidiary of Diagonal Limited. The ultimate parent company and controlling party and the largest group for which group accounts are prepared is Morse plc, a company incorporated in Great Britain, the accounts of which can be obtained from the address below.

The registered office of the ultimate parent company, Morse plc, is Profile West, 950 Great West Road, Brentford, Middlesex TW8 9EE.