

APPENDIX

MOBILE MONEY LIMITED

COMPANY NUMBER 03609486

MODIFIED

REPORT OF THE DIRECTORS

AND AUDITED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2001

Registered Office:

38B, HIGH STREET

KEYNSHAM

BRISTOL BS31 1DX



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MOBILE MONEY LIMITED

INDEX TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

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MOBILE MONEY LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the year ended 31 December 2001.

1. REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company was incorporated on 4 August 1998, and commenced trading on 21 October 1998. Its principal activity is making short-term secured personal loans.

2. RESULTS

Details of the results for the year are given in the attached accounts.

3. DIVIDENDS

The Directors do not recommend the payment of a dividend.

4. DIRECTORS

Directors and their shareholdings were as follows:

	<u>Shares of £1</u> <u>at 31 - 12 - 00</u>	<u>Shares of £1</u> <u>at 31 - 12 - 01</u>
Mr I. D. Bishop	0	0
Mr C. I. Bishop	20	10
Mr A. F. Bishop (appointed 05 November 2001)	20	20

5. AUDITORS

Sheppard + Co. have indicated their willingness to offer themselves for re-appointment, and a resolution to this effect will be placed before the Company's Annual General Meeting.

6. DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year which 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 the 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;

state whether applicable accounting principles 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 assume that the Company will continue in business.

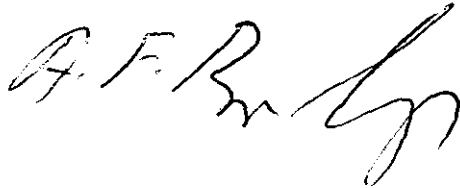
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to allow them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

MOBILE MONEY LIMITED

REPORT OF THE DIRECTORS (continued)

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

Signed on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'A. F. Bishop', written in a cursive style.

Alan F. Bishop, Secretary

Approved by the Board: 24 April 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOBILE MONEY LIMITED

We have audited the financial statements on pages 4 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1, the Company's directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 required by law regarding directors' remuneration and transactions is not disclosed.

We read other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

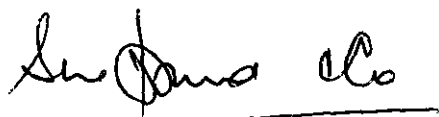
Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards 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 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 of the state of the Company's affairs as at 31 December 2001 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Sheppard + Co.
Chartered Accountants and Registered Auditors

24 April 2002

611, Fishponds Road
Fishponds
Bristol BS16 3AA

MOBILE MONEY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

		<u>2001</u>	<u>2000</u>
	<u>NOTES</u>	<u>£</u>	<u>£</u>
TURNOVER	2	1,564,053	924,506
COST OF SALES		-176,817	-127,619
GROSS PROFIT		1,387,236	796,887
Administrative Expenses		-1,185,027	-685,669
OPERATING PROFIT		202,209	111,218
Interest Receivable		4	1,884
Interest Payable and Other Charges		0	0
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		202,213	113,102
Taxation on Profit on Ordinary Activities	5	-42,234	-15,800
NET PROFIT FOR THE YEAR		159,979	97,302
PROFIT AND LOSS ACCOUNT - BEGINNING OF YEAR		56,483	-40,819
PROFIT AND LOSS ACCOUNT - END OF YEAR		216,462	56,483
		=====	=====

All of the Company's activities are continuing.

There are no recognised gains or losses other than the loss on ordinary activities for the financial period.

The notes on pages 6 to 8 form part of these accounts.

MOBILE MONEY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	<u>NOTES</u>	<u>2001</u> £	<u>2000</u> £
FIXED ASSETS:			
Tangible Assets	6	60,596	50,599
		-----	-----
CURRENT ASSETS:			
Cash at Bank and in Hand		104,082	19,209
Debtors	7	1,842,319	1,361,693
		-----	-----
Total Current Assets		1,946,401	1,380,902
CREDITORS:			
Amounts falling due within one year	8	-468,328	-250,597
		-----	-----
NET CURRENT ASSETS		1,478,073	1,130,305
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		1,538,669	1,180,904
CREDITORS:			
Amounts falling due after more than one year	9	-1,321,207	-1,123,421
		-----	-----
NET ASSETS		217,462	£57,483
		=====	=====
Represented by:			
CAPITAL AND RESERVES:			
Called up Share Capital	10	1,000	1,000
Profit and Loss Account		216,462	56,483
		-----	-----
EQUITY SHAREHOLDERS' FUNDS	11	217,462	£57,483
		=====	=====

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Small Entities.

The accounts were approved by the Board of Directors on 24 April 2002.

C. I. Bishop
Director
24 April 2002



The notes on pages 6 to 8 form part of these accounts.

MOBILE MONEY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

1.1 Accounting Convention - The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Tangible Fixed Assets - Tangible Fixed Assets are stated at cost less depreciation. Depreciation is calculated to write off the cost of the assets by equal annual instalments over the expected useful lives of the assets concerned. The annual rates of depreciation used are as follows:

Motor Vehicles	25% Straight Line
Office Equipment	25% Straight Line
Leasehold Improvements	Life of the Lease

1.3 Deferred Taxation - Deferred Taxation is provided for all timing differences except where there is reasonable probability that a liability will not crystallise in the foreseeable future.

2. TURNOVER

Turnover represents the interest and arrangement fees charged to customers in respect of loans. All of the turnover was to customers within the European Union.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on Ordinary Activities before Taxation is stated after charging:

	<u>2001</u>	<u>2000</u>
	£	£
Directors' Remuneration:		
Salary	49,219	41,257
Pension Contributions	0	0
Staff Costs:		
Wages and Salaries	422,632	229,835
Depreciation and Amortisation	25,007	14,700
Auditors' Remuneration	3,842	3,525
Loan Interest	176,817	127,619

The average number of employees employed by the Company during the period was 19 (2000 - 11).

4. DIRECTORS' REMUNERATION

The Directors received remuneration totalling £49,219 (2000 -£41,257).

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>2001</u>	<u>2000</u>
UK Corporation Tax:		
Current period charge at 20%	£46,000	£15,800
Prior Years	-3,766	0
	<u>£42,234</u>	<u>£15,800</u>
	=====	=====

The charge for Corporation Tax on the profits of the year ended 31 December 2000 has been reduced because of the utilisation of tax losses carried forward from previous periods.

MOBILE MONEY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000 (Continued)

6. TANGIBLE FIXED ASSETS

	<u>Leasehold Improvements</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£
<u>Cost:</u>				
At 31 December 2000	6,500	25,032	40,078	71,610
Additions	5,000	15,603	14,401	35,004
Disposals	0	0	0	0
	=====	=====	=====	=====
At 31 December 2001	11,500	40,635	54,479	106,614
	=====	=====	=====	=====
<u>Depreciation:</u>				
At 31 December 2000	0	5,866	15,145	21,011
Charge for the Period	2,695	8,692	13,620	25,007
Disposals	0	0	0	0
	=====	=====	=====	=====
At 31 December 2001	2,695	14,558	28,765	46,018
	=====	=====	=====	=====
 <u>Net Book Amount at 31 December 2001</u>	 8,805	 26,077	 25,714	 60,596
	=====	=====	=====	=====
 <u>Net Book Amount at 31 December 2000</u>	 6,500	 19,166	 24,933	 50,599
	=====	=====	=====	=====

7. DEBTORS

	<u>2001</u>	<u>2000</u>
	£	£
Trade Debtors	1,818,378	1,317,230
Prepayments and Other Debtors	23,941	44,463
	=====	=====
Totals	1,842,319	1,361,693
	=====	=====

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u>	<u>2000</u>
	£	£
Bank Overdrafts	384,650	189,305
Accruals and Deferred Income	37,678	18,081
Other Taxation and Social Security	0	13,411
Tax Deducted on Interest	0	14,000
Corporation Tax	46,000	15,800
	=====	=====
Totals	468,328	250,597
	=====	=====

The bank overdrafts are secured by personal guarantees given by two of the directors and two investors, and by a lien on the Company's loan book.

MOBILE MONEY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)

9. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Loan from Investors	1,321,207	1,123,421

Investors are able to request repayment of up to £50,000 of their investments by giving the Company 90 (2000 30) days' notice. In practice, investors leave their investments for the long term.

10. SHARE CAPITAL

Share Capital at 31 December 2001 and 2000 was as follows:

	<u>Number</u>	<u>£</u>
Authorised:		
Ordinary Shares of £1 each	1,000	1,000
Allotted, Called up and Fully paid:		
Ordinary Shares of £1 each	1,000	1,000

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Profit for the Period	175,499	97,302
Shares Issued	0	0
Movement for the Year	175,499	97,302
Opening Shareholders' Funds	57,483	-39,819
Closing Shareholders' Funds	<u>232,982</u>	<u>57,483</u>

12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities at 31 December 2001 or 2000.

The Directors had not entered into any commitments not reflected in the accounts for the periods ended 31 December 2001 or 2000.

13. TRANSACTIONS WITH RELATED PARTIES

During the year ended 31 December 2001, there were no transactions with related parties (2000 £50,772 to Oz Karts Pty Ltd., a business incorporated in Australia, and controlled by Mr. I. D. Bishop, a Director of Mobile Money Limited.)

Additionally, consultancy fees were paid during the year ended 31 December 2001 (2000 £4,879) to directors and shareholders as follows:

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Mr. A. Bishop	2807	800
Mr. I Bishop	53,020	0
Mr. C. I. Bishop	0	2,679
Capitecs Limited	1,600	600
Mr. A. Clarke	2,200	800