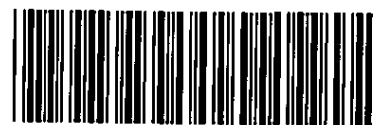


**SOFTCARD SOLUTIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2006**

**REGISTRATION NO: 3678919 (England and Wales)**

THURSDAY



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**SOFTCARD SOLUTIONS LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2006**

Company Number	3678919
Registered Office	299 Northborough Road Norbury London SW16 4TR
Directors	Philip Myers Esq Noel Stephens Esq Phillippe Julien Esq
Secretary	Philip Myers Esq
Bankers	Barclays Bank Plc Piccadilly Corporate Banking Centre Pall Mall Corporate Group 50 Pall Mall London SW1 1QA
Solicitors	Denton Wilde Sapte Solicitors One Fleet Place London EC4M 7WS
Reporting Accountants	Leroy Reid & Co Chartered Certified Accountants & Registered Auditors 299 Northborough Road Norbury London SW16 4TR

**SOFTCARD SOLUTIONS LIMITED**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2006**

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# REPORT OF THE DIRECTORS TO THE MEMBERS

OF

## SOFTCARD SOLUTIONS LIMITED

The directors present their report and the accounts for the year ended 31st December 2006

### Principal activities and review of business

The principal activity of the company is that of software development and related implementation consultancy  
The company continues to seek trading and technological advances

During the year 2006, the company did not receive any contract

Details of the company's results for the year are shown on page 6 of the accounts

### Research and development and future developments

The directors considered that there is a huge potential users for Multos and other Multi Application smartcard systems. However significant investment is required to fully develop the Smart Card market. Therefore the company is seeking to increase the sales of its Smart Card products.

The company controls 100% of SCS Applications Limited's ordinary share as of 1st March 2004 to develop potential sales in the United States of its smart card products.

### Amortisation of Intangible assets

The reason for the write down is that all software was originally written using Microsoft Com technology unfortunately for the company the market now demand technology written in JAVA or .net technologies.

### Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were

	Ordinary 'A' Shares of 0.01p each	Ordinary 'B' Shares of 0.01p each
Noel Stephens Esq	401,000	8,000
Philip Myers Esq	-	150,000

The directors are also the directors of the SCS Applications Limited and their interest in the share capital of that company are disclosed in its financial statements.

# REPORT OF THE DIRECTORS TO THE MEMBERS

OF

## SOFTCARD SOLUTIONS LIMITED

### Directors share options

The following share options have been granted to directors

#### Unauthorised share option scheme

31st December 2006

Ordinary 'C' Shares of 0.01p each

Phillip Myers Esq	14,000
Noel Stephens	45,500

None of the Directors options disclosed above lapsed or were exercised during the year

### At 31st December 2006

Name	Date of Option	No of Shares	Option Price	Performance related conditions of exercise
Philip Myers Esq	31 12 99	14,000	£1	None
Noel Stephens Esq	31 12 99	45,500	£1	None

### Events since the end of the year

The company has continued to seek projects to implement their smart card technology and to seek funding for future developments

### Directors' Responsibilities for the financial statements

The law requires us as directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing the financial statements, the directors are required to

- 1 select suitable accounting policies and then apply them consistently throughout the year
- 2 make judgements and estimates that are reasonable and prudent
- 3 state whether applicable accounting standards have been followed, subject to any material departures that should be disclosed and explained in the financial statements
- 4 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities should they exist

**REPORT OF THE DIRECTORS TO THE MEMBERS****OF****SOFTCARD SOLUTIONS LIMITED****Directors' Report Statement**

The directors are aware, there is no relevant information needed by the company's accountant in connection with preparing their report of which the company's accountant are unaware. The directors have taken all the steps that they ought to have taken as a director in order to make himself aware of any relevant accountant information.

**Share redemption**

The Company redeemed 243,000 £0.01 Original 'B' shares from GemPlus International S A at £9,245 during the year.

**Reporting Accountants**

The reporting accountants Leroy Reid & Co, will be proposed for reappointment in accordance with S385 of the Companies Act 1985.

This report was approved by the board on 27/11/2007 and signed on its behalf



Philip Myers Esq  
Director

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS**  
**ON THE UNAUDITED FINANCIAL STATEMENTS**  
**OF**  
**SOFTCARD SOLUTIONS LIMITED**

In accordance with the engagement letter dated 1st March 2005 and in order to assist you to fulfill your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account and Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state in this 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 Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Association of Chartered Certified Accountants (ACCA) and have complied with the ethical guidance laid down by the Association relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements for the year ended 31 December 2006 that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the period.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information or explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*Leroy Reid & Co 28/11/07*

LEROY REID & CO  
CHARTERED CERTIFIED ACCOUNTANTS & REGISTERED AUDITORS  
299 Northborough Road  
Norbury  
London SW16 4TR

**SOFTCARD SOLUTIONS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31ST DECEMBER 2006**

	<b>NOTES</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Turnover	2	-	-
Administrative Expenses		<u>(3,729)</u>	<u>(11,050)</u>
Loss on ordinary activities before interest	3	(3,729)	(11,050)
Other interest receivable and similar income	4	<u>2,072</u>	<u>2,002</u>
Loss on ordinary activities before taxation		(1,657)	(9,048)
Retained Loss Brought forward		<u>(1,285,311)</u>	<u>(1,276,263)</u>
Retained Loss Carried forward		<u>(£1,286,968)</u>	<u>(£1,285,311)</u>

The profit / (loss) for the year represents the total recognised gains / (losses) for the period

The company has not traded during the financial year. During the year the company received no income.

None of the company's activities were acquired or discontinued during the year.

The accompanying notes form an integral part of the financial statements.



**SOFTCARD SOLUTIONS LIMITED**  
**BALANCE SHEET AS AT 31ST DECEMBER 2006**

	NOTES	<u>2006</u>	<u>2005</u>
<b>Fixed Assets</b>			
Intangible assets	5	2	2
Investments	6	<u>100</u>	<u>100</u>
		<u>102</u>	<u>102</u>
<b>Current Assets</b>			
Debtors	7	648	1,301
Cash at bank and in hand		<u>64,718</u>	<u>65,415</u>
		65,366	66,716
Creditors Amounts falling due within one year	8	<u>(48,681)</u>	<u>(48,374)</u>
Net current assets		<u>16,685</u>	<u>18,342</u>
Total assets less current liabilities		<u>£16,787</u>	<u>£18,444</u>
<b>Capital and Reserves</b>			
Called up Share Capital	9	9,070	9,070
Share Premium Account	10	1,294,685	1,294,685
Profit and Loss Account		<u>(1,286,968)</u>	<u>(1,285,311)</u>
Shareholders' funds	11	<u>£16,787</u>	<u>£18,444</u>

The directors are satisfied

- (a) that for the period in question the company is entitled to the exemption from audit by Section 249A(1) of the Companies Act 1985,
- (b) that no notice has been deposited under Section 249B(2) of the Act in relation to the accounts for the financial period

The directors acknowledge their responsibilities for

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

The financial statements were approved by the Board

Director



Date 27-11-2007

The accompanying notes form an integral part of the accounts

# SOFTCARD SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

### 1 Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies of the company are set out below.

The company and its subsidiary undertaking comprise a small group. The company has taken advantage of the exemption provided by s 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided as principal excluding value added tax and trade discounts.

#### 1.3 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

#### 1.4 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### 2. Turnover

The whole of the turnover and profit before taxation from continuing activities is attributable to consultancy and software sales.

	<u>2006</u>	<u>2005</u>
UK	-	-

### 3 Operating loss

The operating loss is stated after charging	<u>2006</u>	<u>2005</u>
Operating lease rentals		
- Land and Buildings	2,740	2,740

**SOFTCARD SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER 2006**

<b>4 Other Interest Receivable and Similar Income</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Bank interest receivable	<u>£2,072</u>	<u>£2,002</u>

<b>5 Intangible fixed assets</b>	<b><u>Patents</u></b>	<b><u>Development Costs</u></b>	<b><u>Total</u></b>
<b>Cost</b>			
At 1st January 2006	9,854	116,153	126,007
Additions	=	=	=
	<u>9,854</u>	<u>116,153</u>	<u>126,007</u>
<b>Amortisation</b>			
At 1st January 2006	9,853	116,152	126,005
Charge for the Year	=	=	=
	<u>9,853</u>	<u>116,152</u>	<u>126,005</u>
<b>Net Book Values</b>			
At 31st December 2006	<u>£1</u>	<u>£1</u>	<u>£2</u>
At 31st December 2005	<u>£1</u>	<u>£1</u>	<u>£2</u>

<b>6 Investment</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Shares in group undertakings	<u>£100</u>	<u>100</u>

The company holds 100% of the ordinary shares of SCS Applications Limited, a company which operates in the same business. The aggregate amount of share capital and reserves of SCS Applications Limited as at 31 December 2006 was £(1 159) and the loss for the year ended on that date was £240.

<b>7 Debtors</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Amounts owed by group undertaking	431	983
HM Custom & Excise	19	120
Prepayments	<u>198</u>	<u>198</u>
	<u>£648</u>	<u>£1,301</u>

**SOFTCARD SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER 2006**

<b>8. Creditors: Amounts Falling due Within One Year</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Trade Creditors	24	187
Directors Loan account	80	80
Accruals and deferred income	<u>48,577</u>	<u>48,107</u>
	<b><u>£48,681</u></b>	<b><u>£48,374</u></b>
<b>9. Share Capital</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Authorised</b>		
700,000 Ordinary 'A' Shares of 0.01p each	7,000	7,000
1,000,000 Ordinary 'B' Shares of 0.01p each	10,000	10,000
300,000 Ordinary 'C' Shares of 0.01p each	<u>3,000</u>	<u>3,000</u>
	<b><u>£20,000</u></b>	<b><u>£20,000</u></b>
<b>Allotted, called up and fully paid</b>		
600,000 'A' Ordinary Shares of 0.01p each	6,000	6,000
291,000 'B' Ordinary Shares of 0.01p each	2,910	5,340
16,000 'C' Ordinary Shares of 0.01p each	<u>160</u>	<u>160</u>
	9,070	11,500
<b>Redeemed shares</b>		
243,000 'B' Ordinary Shares of 0.01p each	=	<u>(2,430)</u>
	<b><u>£9,070</u></b>	<b><u>£9,070</u></b>
<b>10. Share Premium Account</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Balance at 1st January 2006	1,294,685	1,301,500
Arising on shares redeemed during the year	=	<u>(6,815)</u>
Balance at 31st December 2006	<b><u>£1,294,685</u></b>	<b><u>£1,294,685</u></b>
<b>11 Reconciliation of shareholders funds</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Loss for the Period	(1,657)	(9,048)
Share redeemed	=	<u>(9,245)</u>
Net Addition to shareholders funds'	(1,657)	(18,293)
Opening shareholders' funds	<u>18,444</u>	<u>36,737</u>
Closing shareholders' funds	<b><u>£16,787</u></b>	<b><u>£18,444</u></b>