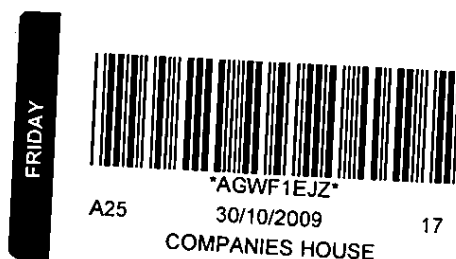


SOFTCARD SOLUTIONS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2008

REGISTRATION NO: 3678919 (England and Wales)



SOFTCARD SOLUTIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

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
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YEAR ENDED 31ST DECEMBER 2008

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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 2008.

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 2008, 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.

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

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 2008

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 2008

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.

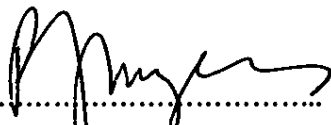
Share redemption

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 29/10/2009 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 them 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 2008 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
CHARTERED CERTIFIED ACCOUNTANTS & REGISTERED AUDITORS
299 Northborough Road
Norbury
London SW16 4TR

SOFTCARD SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2008

	NOTES	<u>2008</u>	<u>2007</u>
Turnover		-	-
Administrative Expenses		<u>(2,827)</u>	<u>(3,583)</u>
Loss on ordinary activities before interest	2	(2,827)	(3,583)
Other interest receivable and similar income	3	<u>1,852</u>	<u>2,006</u>
Loss on ordinary activities before taxation		(975)	(1,577)
Losses Brought forward		<u>(1,288,545)</u>	<u>(1,286,968)</u>
Losses Carried forward		<u>(£1,289,520)</u>	<u>(£1,288,545)</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 2008

	NOTES	<u>2008</u>	<u>2007</u>
Fixed Assets			
Intangible assets	4	2	2
Investments	5	<u>100</u>	-
		<u>102</u>	<u>2</u>
Current Assets			
Debtors and prepayments	6	629	629
Cash at bank and in hand		<u>62,658</u>	<u>64,185</u>
		63,287	64,814
Creditors: Amounts falling due within one year	7	<u>(49,154)</u>	<u>(49,706)</u>
Net current assets		<u>14,133</u>	<u>15,108</u>
Total assets less current liabilities		<u>£14,235</u>	<u>£15,110</u>
Capital and Reserves			
Called up Share Capital	8	2,255	9,070
Share Premium Account	9	1,301,500	1,294,585
Profit and Loss Account		<u>(1,289,520)</u>	<u>(1,288,545)</u>
Shareholders' funds	10	<u>£14,235</u>	<u>£15,110</u>

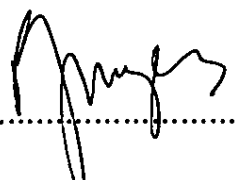
The directors are satisfied:

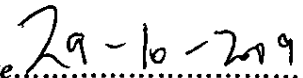
- (a) that for the period in question the company is entitled to the exemption from audit by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited under Section 249B(2) of the Act in relation to the accounts for the financial period

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.....

The accompanying notes form an integral part of the accounts.

SOFTCARD SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31ST DECEMBER 2008

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. Operating loss

The operating loss is stated after charging:	<u>2008</u>	<u>2007</u>
Operating lease rentals		
- Land and Buildings	2,740	2,740

SOFTCARD SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31ST DECEMBER 2008

3. Other Interest Receivable and Similar Income		<u>2008</u>	<u>2007</u>
Bank interest receivable		<u>£1,852</u>	<u>£2,006</u>
4. Intangible fixed assets		<u>Development</u>	
	<u>Patents</u>	<u>Costs</u>	<u>Total</u>
Cost			
At 1st January 2008	9,854	116,153	126,007
Additions	=	=	=
	<u>9,854</u>	<u>116,153</u>	<u>126,007</u>
Amortisation			
At 1st January 2008	9,853	116,152	126,005
Charge for the Year	=	=	=
	<u>9,853</u>	<u>116,152</u>	<u>126,005</u>
Net Book Values			
At 31st December 2008	<u>£1</u>	<u>£1</u>	<u>£2</u>
At 31st December 2007	<u>£1</u>	<u>£1</u>	<u>£2</u>
5. Investment		<u>2008</u>	<u>2007</u>
Shares in group undertakings		<u>£100</u>	=
6. Debtors		<u>2008</u>	<u>2007</u>
Amounts owed by group undertaking		431	431
Prepayments		<u>198</u>	<u>198</u>
		<u>£629</u>	<u>£629</u>

SOFTCARD SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31ST DECEMBER 2008

7. Creditors: Amounts Falling due Within One Year	<u>2008</u>	<u>2007</u>
Trade Creditors	968	1,120
Directors Loan account	80	80
Accruals and deferred income	<u>48,106</u>	<u>48,506</u>
	<u>£49,154</u>	<u>£49,706</u>
8. Share Capital	<u>2008</u>	<u>2007</u>
Authorised		
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>
	<u>£20,000</u>	<u>£20,000</u>
Allotted, called up and fully paid		
600,000 'A' Ordinary Shares of 0.01p each	6,000	6,000
534,000 'B' Ordinary Shares of 0.01p each	5,340	2,910
16,000 'C' Ordinary Shares of 0.01p each	<u>160</u>	<u>160</u>
	11,500	9,070
Redeemed shares		
243,000 'B' Ordinary Shares of 0.01p each	<u>9,245</u>	=
	<u>£2,255</u>	<u>£9,070</u>
9. Share Premium Account	<u>2008</u>	<u>2007</u>
Balance at 1st January 2008	1,294,685	1,294,685
SCS Applications	<u>6,815</u>	<u>(100)</u>
Balance at 31st December 2008	<u>£1,301,500</u>	<u>£1,294,585</u>
10. Reconciliation of shareholders funds	<u>2008</u>	<u>2007</u>
Loss for the Period	(975)	(1,577)
SCS Applications	<u>100</u>	<u>(100)</u>
Net Addition to shareholders funds'	(875)	(1,677)
Opening shareholders' funds	<u>15,110</u>	<u>16,787</u>
Closing shareholders' funds	<u>£14,235</u>	<u>£15,110</u>