

Company Registration Number 4439855

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BLUEBACK LIMITED
ABBREVIATED FINANCIAL STATEMENTS
30 SEPTEMBER 2004



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BLUEBACK LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2004

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BLUEBACK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 30 September 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.


Other information

On 20 January 2006 we reported as auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the going concern status of the company. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

12 York Gate
Regent's Park
London, NW1 4QS


BLICK ROTHENBERG
Chartered Accountants and
Registered Auditors


20 January 2006

BLUEBACK LIMITED**ABBREVIATED BALANCE SHEET****30 SEPTEMBER 2004**

	Note	£	2004 £	£	2003 £
Fixed assets	2				
Tangible assets			75,179		31,015
Current assets					
Stocks		-		6,090	
Debtors	3	384,125		124,113	
Cash at bank and in hand		1,857		831,436	
		<u>385,982</u>		<u>961,639</u>	
Creditors: Amounts falling due within one year		<u>(819,906)</u>		<u>(155,162)</u>	
Net current (liabilities)/assets			<u>(433,924)</u>		<u>806,477</u>
Total assets less current liabilities			<u>(358,745)</u>		<u>837,492</u>
Creditors: Amounts falling due after more than one year			<u>(26,183)</u>		<u>(15,539)</u>
			<u>(384,928)</u>		<u>821,953</u>
Capital and reserves					
Called-up share capital	4		315		315
Share premium account			1,099,780		1,099,780
Profit and loss account			<u>(1,485,023)</u>		<u>(278,142)</u>
(Deficiency)\shareholders' funds - equity			<u>(384,928)</u>		<u>821,953</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 12 January 2006 and are signed on their behalf by:


S W Pielsticker
Director

BLUEBACK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2004

1. Accounting policies

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has a deficiency on shareholders' funds at the end of the year. The directors consider this basis to be appropriate for the following reasons:

1. As disclosed in note 5, the company has issued 20,503 shares since the year end for a consideration of £1,750,400. In addition, the company has received £1,542,200 in the form of five year convertible loans.

2. The directors have prepared budgets and cashflow forecasts to 30 September 2008 and anticipate making an operating profit from July 2006. The company has sufficient cash reserves based upon the current business plan to fund operations to that date.

Certain comparatives have been restated for a better comparison with current year disclosures.

1.2 Turnover

Turnover represents amounts receivable for services, net of VAT.

1.3 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 20% straight line
Computer equipment	- 20%-33% straight line

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.5 Leases

Assets held under finance leases and hire purchase contracts are capitalised at the fair value on the inception of the lease and are depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding and are charged to the profit and loss account.

Operating lease rentals are charged to the profit and loss account in equal instalments over the lease term.

1.6 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

BLUEBACK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2004

2. Fixed assets

	Tangible assets £
Cost	
At 1 October 2003	32,814
Additions	<u>59,607</u>
At 30 September 2004	<u>92,421</u>
Depreciation	
At 1 October 2003	1,799
Charge for year	<u>15,443</u>
At 30 September 2004	<u>17,242</u>
Net book value	
At 30 September 2004	<u>75,179</u>
At 30 September 2003	<u>31,015</u>

3. Debtors

Debtors include amounts of £6,943 (2003: £6,838) due after more than one year.

4. Share capital

	2004		2003	
	Number	£	Number	£
Authorised share capital:				
Ordinary shares of 1p each	<u>50,000</u>	<u>500</u>	<u>50,000</u>	<u>500</u>
Allotted and called up:				
Ordinary shares of 1p each	<u>31,465</u>	<u>315</u>	<u>31,465</u>	<u>315</u>

The amounts of unpaid share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls. The amount of unpaid share capital was as follows:

	2004	2003
	£	£
Ordinary shares of 1p each	<u>95</u>	<u>95</u>

BLUEBACK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2004

5. Post balance sheet events

Subsequent to the year end, the company has issued 20,503 ordinary shares of 1p each for a consideration of £1,750,400. In addition, the company has received £1,542,200 in the form of five year convertible loans. On 23 December 2004 the company increased its authorised share capital to 70,000 shares of 1p each, and on 29 November 2005 further increased its authorised share capital to 250,000 shares of 1p each.

On 16 December 2005 the board approved the issue of warrants to certain shareholders entitling them to subscribe for 43,515 ordinary shares in the company at price of 1p per share.