

Registered in England & Wales, Number 4468412

MFUSE LIMITED
Accounts

for the year ended 30th June 2003



A52 *A373UG7E* 0621
COMPANIES HOUSE 20/11/03
A48 *AUS65P2U* 0310
COMPANIES HOUSE 12/11/03

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**Annual report
for the year ended 30th June 2003**

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Directors' report
for the year ended 30th June 2003

The directors present their report and financial statements of Mfuse Ltd for the year ended 30th June 2003.

Principal activities

The principal activity of the company during the period was that of providing specialist wireless technology delivering end to end mobile solutions including SMS, MMS, WAP and Java. This is done in partnership with the Company's clients.

Results

The trading loss for the year after taxation amounted to £96,140.
In the opinion of the directors the state of affairs of the company are satisfactory and all reserves are to remain in the company.

Directors

The directors of the company during the year were as follows:

M J Wareham
C W Palmer
J A Simpson
P J Wareham

Shareholdings

	Ordinary A Shares of £1.00 each
	30/6/2003
M J Wareham	1
C W Palmer	1
	Ordinary B Shares of £1.00 each
J A Simpson	400
P J Wareham	300

Directors' report
for the year ended 30th June 2003 (cont)

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30th June 2003. The directors also confirm that applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit

It is the opinion of the Directors that the company is able to take advantage of the audit exemption as allowed under section 249A(2) of the Companies Act 1985 (Audit Exemption) Regulations 1994.

By order of the board



M.J. Wareham
Secretary

29th October 2003.

Accountant's Report

In accordance with instructions given to me, I have prepared, without carrying out an audit, the attached Profit and Loss Account and Balance Sheet from the accounting records of Mfuse Limited and from information and explanations given to me.



Roger J D Jones FMAAT

29th October 2003.

Declaration on behalf of the Board

I certify that, to the best of my knowledge and belief, the accounting records produced, together with the information and explanations given to Roger J D Jones, constitute a true and correct record of Mfuse Limited for the period ended 30th June 2003 and confirm that the attached accounts have the Board's approval

M J Wareham
Secretary

29th October 2003.

**Profit and Loss Account
for the year ended 30th June 2003**

	Notes	2003 £
Turnover		0
Administrative Expenses		109,019
Other Operating Income		-----
Operating Profit / (Loss)	2	(109,019)
Other interest receivable and similar income		
Interest payable and similar charges	3	1,394

Profit / (loss) on ordinary activities before taxation		(110,413)
Tax on profit / (loss) on ordinary activities		(14,273)

Profit / (loss) on ordinary activities after taxation		<u>(96,140)</u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

Research and development costs have been written off as they have occurred.

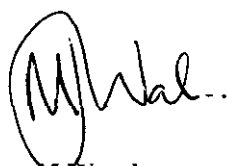
There are no recognised gains and losses other than those passing through the Profit and Loss Account

The notes form part of these financial accounts.

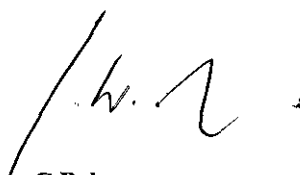
**Balance sheet
at 30th June 2003**

	Notes	2003
		£
Fixed assets		
Tangible assets	5	28,746
Investments		
Current assets		
Debtors	7	32,200
Cash at bank and in hand		9,261
		<u>41,461</u>
Creditors: amounts falling due within one year	8	26,944
Net current assets/liabilities		<u>14,516</u>
Total assets less current liabilities		<u>43,262</u>
Creditors: amounts falling due after more than one year	9	94,400
		<u>(51,138)</u>
Capital and reserves		
Called up share capital	10	902
Share Premium Account		44,100
Profit and Loss account		(96,140)
Equity shareholders' fund		<u>(51,138)</u>

In the opinion of the Board, for the year ended 30th June 2003, the company is entitled to and has taken advantage of the audit exemption allowed under Section 249A (1) of The Companies Act 1985 (Audit Exemption) Regulations 1994 (SI 1994 No 1935). No members have requested an audit pursuant to Section 249B (2). In taking advantage of this exemption, the Board acknowledges its responsibility and confirms that the company has kept accounting records which comply with Section 221 of The Companies Act 1985 and prepared accounts which give a true and fair view of the state of affairs of the company as at 30th June 2003 and of its profit or loss for the financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the said Act relating to accounts. The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting standard for Smaller Entities) effective June 2002) and were approved by the Board on 21st October 2003 and were signed on its behalf by:



M Wareham
Director



C Palmer
Director

The notes form part of these financial accounts.

Notes to the financial statements for the year ended 30th June 2003

Principal accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard for smaller entities (effective March 2000). They are prepared on the going concern basis which assumes the continued support of the directors and all activities are continuing. Research and development costs are written off in the year in which they are incurred.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life

Computer equipment	33.33% on net book value
Office equipment	20.00% on net book value

Turnover

Turnover represents the amounts receivable for goods and services exclusive of VAT. The company is VAT registered.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that in the opinion of the directors there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Profit and Loss account.

Corporation Tax

The Company has applied for a Tax Credit against the losses resultant from Research and Development expenditure

2 Operating profit / (loss)

	2003
Operating profit / (loss) is stated after charging	£
Depreciation of tangible assets	2,273
Directors' emoluments	29,805

3 Interest payable

	2003
	£
Bank interest paid	1
Hire purchase interest	0

4. Taxation

	2003
Domestic current year tax	£
UK Corporation Tax (R&D tax credit exchange)	14,273
Adjustment for prior years	n/a
	14,273

5 Tangible fixed assets

	Computer Equipment £	Office Equipment £	Total £
Cost			
As at 1/7/2002	0	0	0
Additions	23,539	7,480	31,019
As at 30/6/2003	23,539	7,480	31,019
Depreciation			
As at 1/7/2002	0	0	0
Charge for year	2,055	218	2,273
As at 30/6/2003	2,055	218	2,273
Net Book Value			
As at 30/6/2003	21,484	7,262	28,746

7 Debtors

	2003
	£
Bank and cash	9,261
VAT	8,135
Corporation tax	14,273
Other debtors	9,792
	41,461

8 Creditors: amounts falling due within one year

	2003
	£
Trade creditors	5,253
Other taxes and social security costs	2,483
Directors loans	1,822
Accruals and deferred income	17,386
	26,944

Hire purchase creditors are secured over the assets to which they relate. There is no other security for any of the above creditors.

9 Creditors: amounts falling due after more than one year

	2003
	£
Bank loan	75,000
Net obligations under hire purchase contracts	19,400
	94,400

Hire purchase creditors are secured over the assets to which they relate.

10 Share capital

	2003
	£
Authorised	
1,000 Ordinary Class A shares of £1.00 each	1,000
5,000 Ordinary Class B shares of £1.00 each	5,000
Allotted, called up and fully paid	
2 Ordinary Class A shares of £1.00 each	2
900 Ordinary Class B shares of £1.00 each	900

12 Financial commitments

At 30th June 2003 the company had annual commitments under non-cancellable operating agreements as follows

	2003
	£
Expiry date	
Between two and five years	4,135
In over five years	35,000

The company is subject to rent review commencing June 2008.

13 Employees

Number of employees	2003
Ave monthly number of employees including directors	
Directors	2
Programming	3
Employment costs	£
Wages and salaries	59,430
Social security costs	4,768
Directors' emoluments included in the above	£
Directors' remuneration	29,805

Mfuse Limited
Detailed Trading and Profit and Loss Accounts for the period ended 30/6/2003

	2003 £
Turnover	0
Total	
Research and Development costs	59,471
Business Development costs	17,246
Administrative expenses	33,695
Other operating income	
Sundry income	0
Operating profit / (loss)	(110,412)
Other interest receivable and similar income	
Bank interest received	0
Interest payable	
Bank interest paid	1
Hire purchase interest paid	0
Profit / (loss) before taxation	(110,413)
Administrative expenses	
Wages and salaries	6,118
Rent & rates	8,253
Insurance	497
Light and heat	314
Repairs and maintenance	158
Printing, postage and stationery	2,217
Telephone	7,435
Relocation expenses	1,544
Travelling expenses	305
Legal and professional fees	2,381
Subscriptions and donations	165
Bank charges	1,393
Sundry expenses	642
Depreciation	2,273
	33,695

N.B. This page does not form part of the statutory accounts