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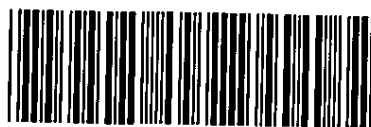
Company Registration Number 04630969

MChex Limited

Financial Statements

31 December 2008

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MChex Limited

The Directors' Report

Year ended 31 December 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

Principal activities

The company did not trade during the year.

Results and dividends

The company did not actively trade during the year but due to remedial transactions made a profit of £32,144 (2007: loss of £143,748). The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

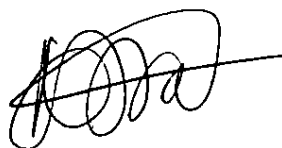
Mr P J Greene	Resigned 5 March 2008
Mr M J Higginson	Appointed 21 July 2008
Mr G R Whyte	

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985.

Registered office:
76 Church Street
Lancaster
LA1 1ET

Signed by order of the director



Nichola Halverson
Company Secretary

Approved by the directors on 19 JUNE 2009

MChex Limited

Statement of Directors' Responsibilities

Year ended 31 December 2008

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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 and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

MChex Limited

Independent Auditor's Report to the Shareholders

Year ended 31 December 2008

We have audited the financial statements of MChex Limited for the year ended 31 December 2008 on pages 5 to 12, which have been prepared on the basis of the accounting policies set out on pages 7 to 8.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 which 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.

MChex Limited

Independent Auditor's Report to the Shareholders *(continued)*

Year ended 31 December 2008

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.

Emphasis of matter - Going concern

Without qualifying our opinion with regard to going concern, we draw attention to Note 15 in the financial statements which indicates that the company made a net profit of £32,144 during the year ended 31 December 2008 and, as of that date the company's current liabilities exceeded its total assets by £2,013,383. These conditions, along with other matters as set forth in Note 15, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Fleet House
New Road
Lancaster
LA1 1EZ

19/06/09



CLB Coopers
Chartered Accountants
& Registered Auditors

MChex Limited

Profit and Loss Account

Year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	1	–	662,962
Cost of sales		<u>64,660</u>	<u>(644,968)</u>
Gross profit		<u>64,660</u>	<u>17,994</u>
Administrative expenses		<u>(19,444)</u>	<u>(185,107)</u>
Operating profit / (loss)	2	<u>45,216</u>	<u>(167,113)</u>
Loss on disposal of discontinued operations	4	–	(26,649)
Interest payable and similar charges	5	–	(6)
Profit/(loss) on ordinary activities before taxation		<u>45,216</u>	<u>(193,768)</u>
Tax on profit/(loss) on ordinary activities	6	<u>(13,072)</u>	<u>50,020</u>
Profit/(loss) for the financial year		<u>32,144</u>	<u>(143,748)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

MChex Limited

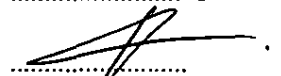
Balance Sheet

31 December 2008

	Note	2008 £	2007 £
Current assets			
Debtors	7	2,431,957	2,457,710
Cash at bank		—	4,562
		<u>2,431,957</u>	<u>2,462,272</u>
Creditors: Amounts falling due within one year	8	<u>(4,445,340)</u>	<u>(4,507,799)</u>
Net current liabilities		<u>(2,013,383)</u>	<u>(2,045,527)</u>
Net liabilities		<u>(2,013,383)</u>	<u>(2,045,527)</u>
Capital and reserves			
Called-up equity share capital	10	1,200	1,200
Profit and loss account	11	<u>(2,014,583)</u>	<u>(2,046,727)</u>
Deficit	12	<u>(2,013,383)</u>	<u>(2,045,527)</u>

These financial statements were approved and signed by the director and authorised for issue on

19 JUNE 2009



Mr G R Whyte

MChex Limited

Accounting Policies

Year ended 31 December 2008

Basis of Accounting

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

Cash Flow statement

The director has taken advantage of the exemption in the Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover is the aggregate amount of revenue derived from the provision of mobile technology services supplied to customers in the ordinary course of business. Revenue is recognised upon delivery of media content.

Where the company provides services as principal, turnover represents the gross revenue in respect of those services. To the extent that the company provides services as a service provider to third parties, in respect of those services turnover represents the company's share of the revenue.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

MChex Limited

Accounting Policies

Year ended 31 December 2008

Foreign Currencies

Monetary 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 of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest on the assets of the company after deducting all of its liabilities.

MChex Limited

Notes to the Financial Statements

Year ended 31 December 2008

1. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	-	662,962

2. Operating loss

Operating loss is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	-	5,445
Loss on disposal of fixed assets	-	7,613
Net loss on foreign currency translation	-	171

Auditors' remuneration for the period amounting to £500 (2007 - £2,000) in respect of audit services was paid by NetPlay TV plc on behalf of the company.

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2008 No	2007 No
Number of management and administration staff	-	1
Number of sales and technical staff	-	2
Total	-	3

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	-	60,907
Social security costs	-	6,811
Other pension costs	-	1,583
Total	-	69,301

MChex Limited

Notes to the Financial Statements

Year ended 31 December 2008

4. Loss on disposal of discontinued operations

	2008 £	2007 £
Termination of discontinued operations:		
Loss on termination of operation	<u>-</u>	<u>26,649</u>

5. Interest payable and similar charges

	2008 £	2007 £
Interest payable on bank borrowing	<u>-</u>	<u>6</u>

6. Taxation on profit/(loss) on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 28.5% (2007: 30%)	13,027	-
Receipt for group relief surrendered	<u>-</u>	<u>(111,161)</u>
Total current tax	13,027	(111,161)
Deferred tax:		
Origination and reversal of timing differences	<u>-</u>	<u>61,141</u>
Tax on profit/(loss) on ordinary activities	13,027	(50,020)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 28.5% (2007 – 30%)

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	<u>45,216</u>	<u>(193,768)</u>
Profit/(loss) on ordinary activities by rate of tax	12,887	(58,130)
Capital allowances in excess of depreciation	-	(61,248)
Expenditure disallowable for tax purposes	185	19
Unrelieved loss	<u>-</u>	<u>8,198</u>
Total current tax (note 6(a))	13,072	(111,161)

MChex Limited

Notes to the Financial Statements

Year ended 31 December 2008

7. Debtors

	2008 £	2007 £
Trade debtors	–	23,080
Amounts owed by group undertakings	2,431,957	2,432,217
Other debtors	–	2,413
	<u>2,431,957</u>	<u>2,457,710</u>

8. Creditors: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	–	76,843
Amounts owed to group undertaking	4,427,583	4,427,583
Corporation tax	13,072	–
Other taxes and social security	4,685	–
Accruals and deferred income	–	3,373
	<u>4,445,340</u>	<u>4,507,799</u>

9. Related party transactions

The company is a wholly owned subsidiary of NetPlay TV plc and has taken advantage of the exemption contained in the Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

10. Share capital

Authorised share capital:

	2008 £	2007 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted and called up:

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>

MChex Limited

Notes to the Financial Statements

Year ended 31 December 2008

11. Profit and loss account

	2008 £	2007 £
Balance brought forward	(2,046,727)	(1,902,979)
Profit/(loss) for the financial year	32,144	(143,748)
Balance carried forward	<u>(2,014,583)</u>	<u>(2,046,727)</u>

12. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit/(loss) for the financial year	32,144	(143,748)
Opening shareholders' deficit	<u>(2,045,527)</u>	<u>(1,901,779)</u>
Closing shareholders' deficit	<u>(2,013,383)</u>	<u>(2,045,527)</u>

13. Pensions

The company operates a defined benefit scheme for employees. The assets of the scheme are held separately from those of the company in independent trustee administered funds. The pension costs charge for the year amounted to £nil (2007 £1,583). All contributions were paid during the year.

14. Ultimate parent company

The company's immediate parent company is MChex Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is NetPlay TV plc, a company incorporated in England and Wales and listed on the Alternative Investment Market.

There is no ultimate controlling party.

Copies of the consolidated financial statements are available to the public and may be obtained from 76 Church Street, Lancaster LA1 1ET.

15. Going concern

The financial statements have been prepared on a going concern basis. This basis may not be appropriate because the company made profit in the year of £32,144 the company's liabilities exceeded its assets at the year end by £2,013,383.

The company is reliant on support from the parent company, NetPlayTV plc, who have given assurances that it will continue to support the company for the foreseeable future. On this basis in the opinion of the directors the financial statements should be prepared on the going concern basis.