

Company Registration No. 05085171 (England and Wales)

I-MOB HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

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I-MOB HOLDINGS LIMITED

DIRECTORS AND ADVISERS

Directors

R.D Abbott - Non-executive Chairman
S.H. Allen - Managing Director
M.B. Gray - Non-executive Director
N.D. Gausden - Finance Director

Secretary

N.D. Gausden

Company number

05085171

Registered office

55 Station Road,
Beaconsfield,
Bucks.
HP9 1QL

Registered auditors

HLB Vantis Audit Plc
55 Station Road
Beaconsfield
Bucks
HP9 1QL

I-MOB HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9 - 10
Notes to the financial statements	11 - 27

I-MOB HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008. The comparative period relates to the 9 month period ended 31 December 2007.

The results incorporate the transactions carried out by the group's branch, which was incorporated in Portugal on 4 October 2007 and commenced trading on 8 January 2008.

Directors

The following directors have held office since 1 January 2008:

R.D. Abbott - Non-executive Chairman

S.H. Allen - Managing Director

M.B. Gray - Non-executive Director

N.D. Gausden - Finance Director (Appointed 1 February 2008)

Directors share options

	At 31 December 2007	Exercised/ granted in the year	At 31 December 2008	Date exercisable	Expiry date
R.D. Abbott	15	-	15	21 June 2007	21 June 2014
S.H. Allen	40	-	40	21 June 2007	21 June 2014
M.B. Gray	40	-	40	21 June 2007	21 June 2014
N.D. Gausden	40	-	40	1 October 2007	1 October 2014

The share options are exercisable at £2,000 per share.

The prevailing market price of the shares at the beginning of the year was £3,100 and at the end of the year was £3,142.

Principal activities and review of the business

The principal activity of I-Mob Holdings Limited continued to be that of a holding company. The principal activity of the subsidiary is that of development, distribution and sale of motor vehicle security and safety solutions.

The fiscal performance of the Group has been very encouraging with sales of over £2m a profit of £108,568 in the year, following on from the hard work that was completed in 2007. The company now holds exclusive contracts in Portugal for various 'blue chip' organisations within the mobile telephony, vehicle manufacturers and insurance industries.

International markets continue to perform well in the Far East and South America, where our development program, driven by local legislation 'Contran 245' over the next year will help success. Within mainland Europe, the Portuguese branch is the largest contributor in 2008 and again this is expected in 2009, due to contracts already gained. We are also seeing more success in other markets outside of Europe with renewed interest within the Middle East.

The streamlined '2' platform product range has continued to sell well and delivered clarity of understanding of our products and unique offering to our distribution channels. We expect sales volumes to increase over the course of 2009.

Within these very difficult global conditions, the directors are confident of good performances in the coming financial periods, as a result of the continued hard work of management in the UK and Portugal.

I-MOB HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Financial Risk management

The group operates daily accounting practices and control procedures, allowing the directors to closely monitor the business and enable effective planning to maximise performance and create the most value for investments made in the business. This close monitoring allows corrective action to be taken at an early stage and to suitably manage overheads to maximise shareholder value.

To ensure exchange risk is mitigated within international sales these are conducted in the same currency, namely Euros.

Price Risk

The group continuously assesses its market position and product offerings and continues to develop the supply chain to increase margins and create attractive offerings to customers, in line with competitors. International sales to distributors have continued to be very competitive due to the flexibility of our product and the limited after care that it requires, leaving the total cost of ownership as among the lowest in the sector, for our product range.

Credit Risk

Throughout the UK, retail sales to the general public are only payable by credit card and cheque, on completion of works and in advance for monitoring service.

For UK trade sales, the group deal only mainly with franchised dealers who are given standard 30 day terms and actively chased to comply with this.

Trade sales within Portugal are given standard 30 day terms, although the terms with the blue chip distributor are 60 day terms in accordance with the contract.

International sales are all provided under distribution agreements and payment is received for units prior to shipping.

Our performance historically demonstrates that the company does not have an issue with understanding debts from customers, across all channels.

Liquidity Risk

As in previous years, the group has encountered strained cash flow on occasions. The company entered a new banking relationship in May 2009 and has also gained additional flexible finance from The South East of England transition development fund. Both the old and new overdraft is guaranteed by directors and M J P Noble. The bank overdraft facility terms are disclosed in note 12 to these financial statements. The company and group monitor cash requirements on a frequent basis and respond to any identified needs by acquiring additional funding where necessary to support the business.

Interest rate cash flow risk

The group continues to monitor cash borrowings and any increase in interest rates and currency fluctuations are included within its financial planning.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

I-MOB HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Creditor payment policy

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the group's contractual and other legal obligations.

On average, trade creditors at the year end represented 88 (2007 - 179) days' purchases.

Auditors

A resolution proposing that HLB Vantis Audit plc be reappointed as auditors of the company will be proposed at the Annual General Meeting.

Directors' responsibilities

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 group and of the profit or loss of the group for that period. In preparing those 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 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 group will continue in business.

After making enquiries the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board



S.H. Allen
Managing Director

30/7/09

I-MOB HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF I-MOB HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of I-Mob Holdings Limited for the year ended 31 December 2008 set out on pages 6 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an 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 and the company's members 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 group's and 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.

I-MOB HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF I-MOB HOLDINGS LIMITED

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 group's and parent company's affairs as at 31 December 2008 and of the group's profit 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 Directors' Report is consistent with the financial statements.

HLB Vantis Audit plc

HLB Vantis Audit Plc

30/7/09

Chartered Accountants

Registered Auditor



55 Station Road
Beaconsfield
Bucks
HP9 1QL

I-MOB HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

		Year ended 31 December 2008 £	Period ended 31 December 2007 £
	Notes		
Turnover	2	2,040,999	113,250
Cost of sales		(1,028,477)	(117,097)
Gross profit/(loss)		1,012,522	(3,847)
Administrative expenses		(856,219)	(637,680)
Operating profit/(loss)	3	156,303	(641,527)
Other interest receivable and similar income		183	259
Interest payable and similar charges	4	(47,918)	(30,381)
Profit/(loss) on ordinary activities before taxation	3	108,568	(671,649)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation		108,568	(671,649)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

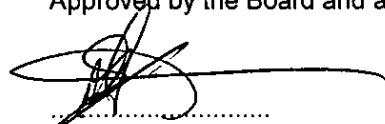
I-MOB HOLDINGS LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2008

	Notes	Group 2008 £	2007 £	Company 2008 £	2007 £
Fixed assets					
Intangible assets	7	137,834	178,613	-	-
Tangible assets	8	32,577	6,244	-	-
Investments	9	-	-	1,814,000	1,287,253
		<u>170,411</u>	<u>184,857</u>	<u>1,814,000</u>	<u>1,287,253</u>
Current assets					
Stocks	10	56,443	39,581	-	-
Debtors	11	1,007,641	61,944	-	11,419
Cash at bank and in hand		43,586	31,020	126	191
		<u>1,107,670</u>	<u>132,545</u>	<u>126</u>	<u>11,610</u>
Creditors: amounts falling due within one year	12	<u>(830,756)</u>	<u>(781,479)</u>	<u>(3,646)</u>	<u>(144,186)</u>
Net current assets/(liabilities)		<u>276,914</u>	<u>(648,934)</u>	<u>(3,520)</u>	<u>(132,576)</u>
Total assets less current liabilities		<u>447,325</u>	<u>(464,077)</u>	<u>1,810,480</u>	<u>1,154,677</u>
Creditors: amounts falling due after more than one year	13	<u>(97,165)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>350,160</u>	<u>(464,077)</u>	<u>1,810,480</u>	<u>1,154,677</u>
Capital and reserves					
Called up share capital	14	1,849	1,615	1,849	1,615
Share premium account	15	2,108,149	1,434,164	2,108,149	1,434,164
Profit and loss account	15	<u>(1,759,838)</u>	<u>(1,899,856)</u>	<u>(299,518)</u>	<u>(281,102)</u>
Shareholders' funds	16	<u>350,160</u>	<u>(464,077)</u>	<u>1,810,480</u>	<u>1,154,677</u>

Approved by the Board and authorised for issue on 30th Jul 2009


 N.D. Gausden
 Director

I-MOB HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Year ended 31 December 2008 £	Period ended 31 December 2007 £
Net cash outflow from operating activities	(518,992)	(226,289)
Returns on investments and servicing of finance		
Interest received	183	259
Interest paid	(47,918)	(30,381)
Net cash outflow for returns on investments and servicing of finance	(47,735)	(30,122)
Capital expenditure		
Payments to acquire intangible assets	(11,401)	(134,202)
Payments to acquire tangible assets	(45,065)	(3,800)
Receipts from sales of tangible assets	-	1,800
Net cash outflow for capital expenditure	(56,466)	(136,202)
Net cash outflow before management of liquid resources and financing	(623,193)	(392,613)
Financing		
Issue of ordinary share capital	674,219	508,800
Redemption of convertible loan	(60,000)	(110,000)
Other new short term loans	100,000	-
Repayment of other long term loans	(20,000)	-
Repayment of other short term loans	(53,177)	-
Net cash inflow from financing	641,042	398,800
Increase in cash in the year	17,849	6,187

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating profit/(loss) to net cash outflow from operating activities	2008	2007
		£	£
	Operating profit/(loss)	156,303	(641,527)
	Depreciation of tangible assets	18,732	1,468
	Amortisation of intangible assets	52,180	38,318
	(Increase) in stocks	(16,862)	(19,723)
	(Increase)/decrease in debtors	(945,697)	71,553
	Increase in creditors within one year	184,902	186,122
	FRS 20 - non cash charge	31,450	137,500
	Net cash outflow from operating activities	(518,992)	(226,289)

2	Analysis of net debt	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	31,020	12,566	-	43,586
	Bank overdrafts	(214,522)	5,283	-	(209,239)
		<u>(183,502)</u>	<u>17,849</u>	<u>-</u>	<u>(165,653)</u>
	Finance leases	-	-	(19,543)	(19,543)
	Debts falling due within one year	(60,000)	13,174	-	(46,826)
	Debts falling due after one year	-	-	(80,000)	(80,000)
		<u>(60,000)</u>	<u>13,174</u>	<u>(99,543)</u>	<u>(146,369)</u>
	Net debt	(243,502)	31,023	(99,543)	(312,022)

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

3	Reconciliation of net cash flow to movement in net debt	2008 £	2007 £
	Increase in cash in the year	17,849	6,187
	Cash outflow from decrease in debt	13,174	110,000
		<hr/>	<hr/>
	Change in net debt resulting from cash flows	31,023	116,187
	New finance lease	(19,543)	-
	Reanalysis of short term loan	(80,000)	-
		<hr/>	<hr/>
	Movement in net debt in the year	(68,520)	116,187
	Opening net debt	(243,502)	(359,689)
		<hr/>	<hr/>
	Closing net debt	<u>(312,022)</u>	<u>(243,502)</u>

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. The directors have extensively reviewed the forecasts for the period ended twelve months from the date of the approval of these financial statements and believe the forecasts are realistic based on signed contracts to date and forecast international trade. These indicate that the group will have adequate cash resources to meet its obligations as they fall due for the following reasons:

(i) Since the year end the group have renegotiated the overdraft facility with a new bank. See note 12 for further details.

(ii) The directors are in ongoing fundraising negotiations with certain parties in concert with our advisors and have received confirmation of additional equity funding which will be received subsequent to signing these accounts. See note 22 for additional details.

The group will meet its day to day working capital requirements through these sources. For this reason the directors continue to adopt the going concern basis in preparing financial statements.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with the Companies Act 1985 and with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Sales of vehicle security products are recognised on completion of installation or shipping to a foreign distributor.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years, being the period over which the directors believe there is a benefit to the company.

1.5 Intellectual Property

Intellectual Property is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives. The directors estimate the expected useful life to be three years.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	33% straight line
Motor vehicles	25% straight line

The estimation of useful lives of assets is based on the type of asset and its rate of obsolescence.

The carrying value of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate the carrying value may not be recoverable.

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

(continued)

1.7 Leasing

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.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock

Stock is valued on a first in, first out basis at the lower of cost and net realisable value after making due provision for slow moving or obsolete stock.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Foreign currency translation

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 the transaction. All differences are taken to profit and loss account.

The assets and liabilities of the overseas branch are translated at the closing exchange rate. The profit and loss account of the branch is translated at the average rate of exchange during the year. Exchange differences are taken to the profit and loss account.

1.12 Group accounts

The group financial statements are a consolidation of the financial statements of the company, I-Mob Holdings Limited and its subsidiary undertaking I-Mob Plc for the year ended 31 December 2008.

As permitted by Section 230 of the Companies Act 1985, no profit or loss account is presented for I-Mob Holdings Limited. The loss for the financial period of the parent undertaking is disclosed in note 6 of these financial statements.

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

(continued)

1.13 Share-based payments

As required by FRS 20 'Share based payments' the company recognises a charge to the profit and loss account in respect of share based remuneration payments.

The company issues equity-settled share-based payments representing share options to certain employees, directors and service providers. Equity-settled share-based payments are measured at their intrinsic value. The intrinsic value is expensed over the life of the share option, with a corresponding increase in equity.

Intrinsic value is calculated as the market price of the underlying shares which the holder of the equity instrument is entitled less the exercise price of the equity instrument. The expected vesting period is determined by reference to the option agreement and on the basis that the performance conditions are met. The intrinsic value of the equity instrument is recalculated at the end of each subsequent accounting period.

A charge of £31,450 (2007: £137,500) was made to the profit and loss account and the corresponding amount was credited to the profit and loss reserve in respect of the above during the period. The total credit to the equity reserves in respect of equity reserves totalled £31,450 (2007: £137,500).

2 Turnover

	Year ended 31 December 2008 £	Period ended 31 December 2007 £
Geographical market		
United Kingdom	110,710	108,874
Rest of the World	1,930,289	4,376
	<u>2,040,999</u>	<u>113,250</u>

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

3	Operating profit/(loss)	Year ended	Period ended
		31 December	31 December
		2008	2007
		£	£
	Operating loss is stated after charging:		
	Amortisation of intangible assets	52,180	38,318
	Depreciation of tangible assets	18,732	1,468
	Operating lease rentals	62,257	20,731
	Auditors' remuneration	12,000	18,950
	Remuneration of auditors for non-audit work	4,490	10,193
	and after crediting:		
	Profit on foreign exchange transactions	(81,970)	(6,517)
		<u><u> </u></u>	<u><u> </u></u>
4	Interest payable	Year ended	Period ended
		31 December	31 December
		2008	2007
		£	£
	On bank loans and overdrafts	23,298	19,104
	On other loans wholly repayable within five years	19,641	5,275
	Other interest	4,979	6,002
		<u><u> </u></u>	<u><u> </u></u>
		47,918	30,381
		<u><u> </u></u>	<u><u> </u></u>

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

5	Taxation	Year ended 31 December 2008	Period ended 31 December 2007
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	108,568	(671,649)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007 - 30.00%)	30,942	(201,495)
	Effects of:		
	Non deductible expenses	13,175	19,800
	Depreciation add back	20,210	11,936
	Capital allowances	(6,043)	(995)
	Tax losses utilised	(52,323)	141,077
	FRS 20 cost in respect of employee share schemes	8,963	41,250
	Other tax adjustments	(29,795)	(11,573)
		(30,942)	201,495
	Current tax charge	-	-

The group has estimated losses of £1,919,337 (2007: £2,102,927) available for carry forward against future trading profits.

6 Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Holding company's loss for the financial year	(49,866)	(210,984)

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7 Intangible fixed assets Group

	Intellectual Property £	Goodwill £	Total £
Cost			
At 1 January 2008	160,735	93,349	254,084
Additions	11,401	-	11,401
At 31 December 2008	172,136	93,349	265,485
Amortisation			
At 1 January 2008	57,970	17,501	75,471
Charge for the year	47,512	4,668	52,180
At 31 December 2008	105,482	22,169	127,651
Net book value			
At 31 December 2008	66,654	71,180	137,834
At 31 December 2007	102,765	75,848	178,613

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

8 Tangible fixed assets Group

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2008	15,578	-	15,578
Additions	22,718	22,347	45,065
	<u>38,296</u>	<u>22,347</u>	<u>60,643</u>
At 31 December 2008			
Depreciation			
At 1 January 2008	9,334	-	9,334
Charge for the year	13,146	5,586	18,732
	<u>22,480</u>	<u>5,586</u>	<u>28,066</u>
At 31 December 2008			
Net book value			
At 31 December 2008	15,816	16,761	32,577
	<u>6,244</u>	<u>-</u>	<u>6,244</u>
At 31 December 2007			

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values			
At 31 December 2008	-	16,761	16,761
	<u>-</u>	<u>16,761</u>	<u>16,761</u>
Depreciation charge for the year			
31 December 2008	-	5,586	5,586
	<u>-</u>	<u>5,586</u>	<u>5,586</u>

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

9 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2008	1,287,253
Additions	526,747
	<hr/>
At 31 December 2008	1,814,000
	<hr/>
Net book value	
At 31 December 2008	1,814,000
	<hr/>
At 31 December 2007	1,287,253
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company owns the entire issued ordinary share capital of I-Mob Plc. The principal activity of I-Mob Plc is development, distribution and sale of motor vehicle security and safety solutions, branded 'I-Mob'. The results of I-Mob Plc have been consolidated in these financial statements.

10 Stocks

	Group 2008 £	2007 £	Company 2008 £	2007 £
Finished goods and goods for resale	56,443	39,581	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

11 Debtors

	Group 2008 £	2007 £	Company 2008 £	2007 £
Trade debtors	699,032	36,602	-	-
Called up share capital not paid	-	6,000	-	6,000
Other debtors	19,550	19,342	-	5,419
Prepayments and accrued income	289,059	-	-	-
	<u>1,007,641</u>	<u>61,944</u>	<u>-</u>	<u>11,419</u>

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

12 Creditors : amounts falling due within one year

	Group 2008 £	2007 £	Company 2008 £	2007 £
Bank loans and overdrafts	209,239	214,522	-	-
Net obligations under finance lease and hire purchase contracts	2,378	-	-	-
Trade creditors	292,051	260,937	-	61,640
Taxes and social security costs	122,316	7,002	647	-
Other creditors	47,837	100,269	-	-
Accruals and deferred income	156,935	138,749	2,999	22,546
Convertible debt	-	60,000	-	60,000
	<u>830,756</u>	<u>781,479</u>	<u>3,646</u>	<u>144,186</u>

The existing bank overdraft is secured by a cross guarantee and debenture between I-Mob Holdings Limited and I-Mob Plc, by a fixed and floating charge over the assets of the company and also secured by a guarantee from S.H. Allen, M.B. Gray, and R.D. Abbott, the directors and M.J.P. Noble which is limited to the sum of £240,000.

Since the year end the company has renegotiated an overdraft facility with a new bank. The new overdraft facility will attract an interest rate of 4% above the Bank of England base rate. The bank overdraft will be secured by a cross guarantee and debenture between I-Mob Holdings Limited and I-Mob Plc, by a fixed and floating charge over the assets of the company. The bank overdraft will also be secured by a guarantee from S.H. Allen, M.B. Gray, N. Gausden and R.D. Abbott, the directors, and M.J.P. Noble which is limited to the sum of £300,000. The new facility has been negotiated for a period of 12 months, up to June 2010. This is subject to a six month review during October 2009.

Convertible debt

During 2004, the company created £500,000 principal amount of 8% Convertible Unsecured Loan Stock 2007 of which £170,000 had been issued by the period ended 31st March 2005. No further issues occurred in the years ended 31 March 2006, 31 March 2007 or period ended 31 December 2007. The stockholder has the right to require the company to repay all but not part only of the principal sum outstanding in relation to the stock held by him at any time on or after the 14 June 2007; and at any time during the period of 30 days following the occurrence of any of the following events:

These being an effective resolution is passed or an order made for the winding up of the company; an administrator is appointed to the company or a receiver is appointed over any part of the undertakings assets or property of the company; the company ceases or threatens to cease to carry on its business; or the company applies for any of the shares to be listed, admitted to trading in on any recognised investment exchange, any other public securities market or any prescribed market.

The company has the right to purchase any stock at any time at any price not exceeding par plus accrued interest. The loan stock is convertible at the option of the stockholder at any time from the 14 June 2007 or on occurrence of any of the events listed above. The number of shares to be issued on conversion will be determined on the basis of £2,000 Principal Sum of Stock for £1 nominal amount of fully paid Ordinary Shares.

During the year the remaining loan stock totalling £60,000 (2007: £50,000) was fully repaid.

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

13 Creditors : amounts falling due after more than one year

	Group 2008 £	2007 £	Company 2008 £	2007 £
Other loans	80,000	-	-	-
Net obligations under finance leases and hire purchase agreements	17,165	-	-	-
	<u>97,165</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other creditors represents amounts due to the Noble family trust and the Allen family trust amounting to £40,000 each. The amounts due are expected to be repaid in the next 24 months. M.J.P. Noble and S.H.Allen do not control their respective family trusts. The coupon rate is 4% over base.

Since the year end, no amounts have been repaid to either trust.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	2,378	-	-	-
Repayable between one and five years	17,165	-	-	-
	<u>19,543</u>	<u>-</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	<u>(2,378)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>17,165</u>	<u>-</u>	<u>-</u>	<u>-</u>

14 Share capital

	2008 £	2007 £
Authorised		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
1,849 ordinary shares of £1 each	<u>1,849</u>	<u>1,615</u>

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

15 Statement of movements on reserves

Group

	Share premium account £	Profit and loss account £
Balance at 1 January 2008	1,434,164	(1,899,856)
Profit for the period	-	108,568
Premium on shares issued during the year	673,985	-
Adjustment in respect of employee share schemes	-	31,450
Balance at 31 December 2008	<u>2,108,149</u>	<u>(1,759,838)</u>

Company

	Share premium account £	Profit and loss account £
Balance at 1 January 2008	1,434,164	(281,102)
Loss for the year	-	(49,866)
Premium on shares issued during the year	673,985	-
Adjustment in respect of employee share schemes	-	31,450
Balance at 31 December 2008	<u>2,108,149</u>	<u>(299,518)</u>

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

16 Reconciliation of movements in shareholders' funds	2008		2007	
	Group		£	
Profit/(Loss) for the financial year	108,568	(671,649)		
Proceeds from issue of shares	674,219	508,800		
Adjustment in respect of employee share schemes	31,450	137,500		
Net addition to/(depletion in) shareholders' funds	814,237	(25,349)		
Opening shareholders' funds	(464,077)	(438,728)		
Closing shareholders' funds	350,160	(464,077)		
	2008	2007		
	£	£		
Loss for the financial year	(49,866)	(210,984)		
Proceeds from issue of shares	674,219	508,800		
Adjustment in respect of employee share schemes	31,450	137,500		
Net addition to shareholders' funds	655,803	435,316		
Opening shareholders' funds	1,154,677	719,361		
Closing shareholders' funds	1,810,480	1,154,677		

17 Financial commitments

At 31 December 2008 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
Expiry date:		
Between two and five years	47,059	-

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

18 Directors' emoluments

Year ended 31 December 2008	Period ended 31 December 2007
£	£

Emoluments for qualifying services	186,183	132,503
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Directors fees have been paid to the directors as detailed in note 21 to these financial statements.

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2008 Number	2007 Number
13	3

Employment costs

Year ended 31 December 2008	Period ended 31 December 2007	
£	£	
Wages and salaries	201,477	78,905
Social security costs	34,479	9,095
Cost of employee share schemes	31,450	137,500
267,406	225,500	

20 Control

There is no ultimate controlling party of the group.

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2008**

21 Related party transactions

Group

During the period, the following transactions were carried out at arm's length with related parties:

1) The group paid £80,004 (2007: £60,003) to Aggrow Limited relating to directors' fees, £24,000 (2007:£21,792) relating to consultancy fees and £4,180 (2007:£nil) relating to commissions. At the year end, a purchase ledger balance of £nil (2007: £7,917) was due to Aggrow Limited. S H Allen and M J P Noble are both directors and shareholders of Aggrow Limited.

2) The group paid £15,000 (2007: £11,250) to Langton Advisory Services Limited relating to directors' fees. At the year end, a purchase ledger balance of £32,313 (2007: £1,469) was due to Langton Advisory Services Limited. M Gray is both a director and a shareholder of Langton Advisory Services Limited.

3) The group paid £24,167 (2007: £11,250) to Ropley Associates relating to director's fees. At the year end, a purchase ledger balance of £4,896 (2007: £1,469) was due to Ropley Associates Limited. Ropley Associates is controlled by a close family member of R Abbott.

4) The group paid £67,012 (2007: £17,500) to HRJ Solutions Limited relating to director's fees. At the year end, a purchase ledger balance of £14,260 (2007: £12,082) was due to HRJ Solutions Limited. N Gausden is a director of HRJ Solutions Limited.

22 Post Balance Sheet Events

Group

Prior to signing these accounts the directors received confirmation that further equity funding will be received by the group in early August 2009.

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

23 Share based payments

Share option schemes

In 2004, the company developed an unapproved executive share option scheme for its four directors. Three directors are the holders of an option to acquire up to 40 ordinary shares of £1 each in the capital of I-Mob Holdings Limited at a price of £2,000. The option was granted on 21 June 2004 and no price was paid for the award of this option. The option is not exercisable before the 21 June 2007 and no later than 21 June 2014. A further option to acquire up to 40 ordinary shares of £1 each at £2,000 was granted to the other director on 1 October 2007. This option is not exercisable before 1 October 2009 and no later than 1 October 2014. These options are exercisable only if and to the extent that the performance conditions are met.

In 2004, the company produced an EMI Option Deed for one of its employees. As a result of the deed the company has granted the option holder an option to subscribe up to 20 £1 ordinary shares in the company at the acquisition price of £2,000 per share. No money was due on the grant of this option. These options vested by 1 January 2006 and therefore are outside the scope of FRS 20.

In 2004, an option deed was created for a non director or employee of the company or its subsidiary in consideration of services provided in connection with the promotion of the company. The company has granted the option holder an option to subscribe for up to 10 £1 ordinary shares at the acquisition price (£2,000 per share). No consideration was paid on the grant of this option. These options vested by 1 January 2006 and therefore are outside the scope of FRS 20.

In April 2008, St Helen's Finance were granted 15 share options at an exercise price of £3,100 per share.

Calculation of values

The share-based payments (options) are measured at their intrinsic value. The market value of the shares has been calculated by reference to the prevailing market price of shares issued at the year end, £3,412. The exercise price of the options has then been deducted to calculate the intrinsic value. The options did not have an intrinsic value as the prevailing market value of the shares did not exceed the exercise price at the year end. The exercise price varies from £2,000 to £3,100 for the share options at any date of exercise within the exercise period.

The values calculated are inherently subjective and uncertain due to the assumptions made in the application of the intrinsic value.

The total charge for the year relating to share-based payment plans was £31,450 (2007: £137,500) all of which relates to equity settled share based transactions. After deferred tax the total charge was £31,450 (2007: £137,500).

Details of the share options (under the unapproved executive share option scheme) outstanding during the year are as follows:

	2008 Number of share options	2007 Number of share options
Outstanding at the beginning of the period	135	120
Granted during the period	15	40
Exercised during the period	-	(25)
Outstanding at the period end	150	135

I-MOB HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

24 Deferred Taxation

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	31 December 2008	Not provided 31 December 2007	31 December 2008	Provided 31 December 2007
Tax losses available	534,437	450,830	-	-
FRS 20 - share based payments	8,963	41,250	-	-
	<u>543,400</u>	<u>492,080</u>	<u>-</u>	<u>-</u>

The group has not recognised a deferred tax asset as its recoverability cannot be assured in the foreseeable future.