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Company Registration No. 5102316 (England and Wales)

I-MOB PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007

THURSDAY



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COMPANIES HOUSE

I-MOB PLC

COMPANY INFORMATION

Directors

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

Secretary

N D Gausden

Company number

5102316

Registered office

55 Station Road,
Beaconsfield,
Bucks
HP9 1QL

Auditors

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

I-MOB PLC

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I-MOB PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2007

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

The results incorporate the transactions carried out by the company's branch, which was incorporated in Portugal on 4 October 2007. There was no trading in the period from 4 October 2007 to 31 December 2007.

Principal activities and review of the business

The principal activity of I-Mob plc continued to be that of development, distribution and sale of motor vehicle security and safety solutions, branded 'I-mob'. These products combine proven GSM (mobile telephony) and GPS (Global positioning) technologies enabling the vehicle and its owner to communicate via mobile phone.

The fiscal performance of the company has again been disappointing, but now that we have completed the company structure in terms of the sales and financial model, personnel and supply chains, this will lead to enhanced margins in later periods, expected to be 2008/9. Our supply chain has been restructured to the extent that I-Mob plc purchased the intellectual property rights from its main supplier on 15 June 2007 enabling I-Mob plc to source products from manufacturers directly.

We expect in the coming years to make a return on the investments we have made and allow us to capitalise on our unique offering.

International markets continue to perform well in the Far East and South America, where changes in legislation will drive our success. Within mainland Europe, we have now established a branch in Portugal where our development has continued and we have secured a four year blue chip distributor agreement. We have now been supplying products to both the distributor and dealerships since February 2008 and current trading is very encouraging.

Our streamlined '2' platform product range has been received well and delivered clarity of understanding of our products and unique offering to the retail, dealer and manufacturer channels. We have seen a substantial increase in the interest of our product range and expect this to translate to higher sales volumes within 12 months.

The directors are confident of good performances in the coming financial periods commencing 1st January 2008, as a result of the investment in our products and supply chain in the last year to 31 March 2007 and in the 9 month period to 31 December 2007. The directors are pleased to report that invoiced amounts of turnover, based on the management accounts, for the six month period to 30 June 2008 were in excess of £1m.

I-MOB PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

Financial Risk Management

The company 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 company 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 company has encountered strained cash flow on many occasions. The company has an ongoing relationship with its bankers with the existing overdraft guaranteed by directors and M J P Noble. The existing bank overdraft facility remains subject to agreement of final terms, as disclosed in note 10 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 company continues to monitor cash borrowings and any increase in interest rates and currency fluctuations are included within its financial planning.

Results and dividends

The results for the period are set out on page 7.

I-MOB PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

Directors

The following directors have held office since 1 April 2007

R D Abbott - Non-executive Chairman

S H Allen - Managing Director

N D Gausden - Finance Director

(Appointed 1 February 2008)

M B Gray - Non-executive Director

Creditor payment policy

The company'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 company's contractual and other legal obligations

On average, trade creditors at the year end represented 18 (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 United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year/period which 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 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 company will continue in business

After making enquiries, the directors have a reasonable expectation that the company has 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 which 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

I-MOB PLC

DIRECTORS' REPORT (CONTINUED)


FOR THE PERIOD ENDED 31 DECEMBER 2007

Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 company's auditors are aware of that information

On behalf of the board



M B Gray

Director

04 July 2008

I-MOB PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF I-MOB PLC

We have audited the financial statements of I-Mob Plc for the 9 month period ended 31 December 2007 on pages 7 to 17. 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 the 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.

I-MOB PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF I-MOB PLC

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 2007 and of its loss for the period then ended, and
- the financial statements have been 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

04 July 2008

Chartered Accountants

Registered Auditor



55 Station Road
Beaconsfield
Bucks
HP9 1QL

I-MOB PLC

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2007

		9 Months ended 31 December 2007 £	12 Months ended 31 March 2007 £
	Notes		
Turnover	2	113,250	495,682
Cost of sales		(117,097)	(337,463)
Gross (loss)/profit		(3,847)	158,219
Administrative expenses		(432,439)	(465,970)
Operating loss	3	(436,286)	(307,751)
Interest payable and similar charges	4	(24,379)	(12,309)
Loss on ordinary activities before taxation		(460,665)	(320,060)
Tax on loss on ordinary activities	5	-	-
Loss for the period	14	(460,665)	(320,060)

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

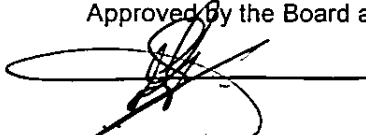
I-MOB PLC

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	31 December 2007		31 March 2007	
		£	£	£	£
Fixed assets					
Intangible assets	6		178,613		82,729
Tangible assets	7		6,244		5,712
			<u>184,857</u>		<u>88,441</u>
Current assets					
Stocks	8	39,581		19,858	
Debtors	9	50,525		122,078	
Cash at bank and in hand		30,829		40,440	
			<u>120,935</u>		<u>182,376</u>
Creditors amounts falling due within one year	10	(637,293)		(487,308)	
Net current liabilities			<u>(516,358)</u>		<u>(304,932)</u>
Total assets less current liabilities			<u>(331,501)</u>		<u>(216,491)</u>
Creditors amounts falling due after more than one year	11	(1,274,753)		(929,098)	
Provisions for liabilities			<u>(1,606,254)</u>		<u>(1,145,589)</u>
Capital and reserves					
Called up share capital	13		12,500		12,500
Profit and loss account	14		(1,618,754)		(1,158,089)
Shareholders' funds	15		<u>(1,606,254)</u>		<u>(1,145,589)</u>

Approved by the Board and authorised for issue on 04 July 2008


N D Gausden
Director

I-MOB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company will continue to receive financial support from its parent undertaking, I-Mob Holdings Limited, on the basis that the parent undertaking has secured additional external funding since the balance sheet date and that the directors have extensively reviewed the forecasts

In addition, the company is in negotiation with its bankers regarding the terms relating to the existing overdraft facility. See note 10 for further details. Therefore, the directors have a reasonable expectation that the company has 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 company is a wholly-owned subsidiary of I-Mob Holdings Limited and is included in the consolidated financial statements of I-Mob Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1

1.2 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

1.3 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

1.4 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

1.5 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
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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

1.6 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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

1 Accounting policies (continued)

1.7 Deferred taxation

In accordance with FRS19, 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

An asset is recognised to the extent that the transfer of economic benefits in the future is more likely than not. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. The deferred tax balance has not been discounted.

1.8 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.

1.9 Group accounts

The largest and smallest group for which consolidated financial statements are prepared is that headed by I-Mob Holdings Limited, the company's immediate and ultimate parent undertaking, a company registered in England and Wales.

2 Turnover

Geographical market

	Turnover	
	9 Months ended	12 Months ended
	31 December 2007	31 March 2007
	£	£
United Kingdom	108,874	180,072
Rest of the World	4,376	315,610
	<u>113,250</u>	<u>495,682</u>

3 Operating loss

	9 Months ended	12 Months ended
	31 December 2007	31 March 2007
	£	£
Operating loss is stated after charging		
Amortisation of intangible assets	38,318	13,990
Depreciation of tangible assets	1,468	1,959
Loss on foreign exchange transactions	-	760
Auditors' remuneration	15,950	16,500
Remuneration of auditors for non-audit work	7,193	13,928
and after crediting		
Profit on foreign exchange transactions	<u>(6,517)</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

4 Interest payable

	9 Months ended 31 December 2007 £	12 Months ended 31 March 2007 £
On bank loans and overdrafts	19,104	12,309
On other loans wholly repayable within five years	5,275	-
	<u>24,379</u>	<u>12,309</u>

5 Taxation

	9 Months ended 31 December 2007 £ -	12 Months ended 31 March 2007 £ -
Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	<u>(460,665)</u>	<u>(320,060)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2007 - 30.00%)	<u>(138,200)</u>	<u>(96,018)</u>
Effects of		
Non deductible expenses	1,299	803
Depreciation add back	11,936	3,385
Capital allowances	(995)	(1,699)
Tax losses utilised	137,455	93,529
Other tax adjustments	<u>(11,495)</u>	<u>-</u>
	<u>138,200</u>	<u>96,018</u>
Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of £ 1,572,444 (2007 - £ 1,108,647) available for carry forward against future trading profits

I-MOB PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

6 Intangible fixed assets

	Intellectual Property £	Goodwill £	Total £
Cost			
At 1 April 2007	26,533	93,349	119,882
Additions	134,202	-	134,202
At 31 December 2007	160,735	93,349	254,084
Amortisation			
At 1 April 2007	23,152	14,001	37,153
Charge for the period	34,818	3,500	38,318
At 31 December 2007	57,970	17,501	75,471
Net book value			
At 31 December 2007	102,765	75,848	178,613
At 31 March 2007	3,381	79,348	82,729

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2007	13,578
Additions	3,800
Disposals	(1,800)
At 31 December 2007	15,578
Depreciation	
At 1 April 2007	7,866
On disposals	-
Charge for the period	1,468
At 31 December 2007	9,334
Net book value	
At 31 December 2007	6,244
At 31 March 2007	5,712

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

8	Stocks	31 December 2007 £	31 March 2007 £
	Finished goods and goods for resale	39,581	19,858

9	Debtors	31 December 2007 £	31 March 2007 £
	Trade debtors	36,602	85,107
	Other debtors	13,923	20,249
	Prepayments and accrued income	-	16,722
		50,525	122,078

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

10 Creditors: amounts falling due within one year	31 December 2007 £	31 March 2007 £
Bank loans and overdrafts	214,522	230,313
Trade creditors	199,297	177,897
Taxes and social security costs	7,002	3,304
Other creditors	100,269	269
Accruals and deferred income	116,203	75,525
	<u>637,293</u>	<u>487,308</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. The bank overdraft is 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. The group are in negotiations with its bankers regarding the terms relating to the existing overdraft facility.

The existing bank overdraft has been renewed since the period end and remains subject to final terms. The bank overdraft attracts an interest rate of 3.85% above the Bank of England base rate together with a fixed quarterly charge of £1,350 per quarter.

Other Creditors includes amounts due to the Noble family trust and the Allen family trust amounting to £50,000 each. The amounts due are expected to be repaid by September 2008. M J Noble and S H Allen do not control their respective family trusts. The coupon rate is 4% over base.

Since the period end, £10,000 plus interest has been repaid to each trust.

11 Creditors: amounts falling due after more than one year	31 December 2007 £	31 March 2007 £
Other loans	<u>1,274,753</u>	<u>929,098</u>
Loan maturity analysis		
In more than five years	<u>1,274,753</u>	<u>929,098</u>

Other loans represents amounts owed to group companies and there are no fixed terms of repayment. The loans do not attract interest.

I-MOB PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

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

	31.12.2007	Not provided 31.03.2007	31.12.2007	Provided 31.03.2007
	£	£	£	£
Tax losses available	471,733	332,594	-	-

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

13 Share capital

	31 December 2007 £	31 March 2007 £
Authorised		
100,000 Ordinary Shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
12,500 Ordinary Shares of £1 each	12,500	12,500

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2007	(1,158,089)
Loss for the period	(460,665)
Balance at 31 December 2007	(1,618,754)

15 Reconciliation of movements in shareholders' funds

	31 December 2007 £	31 March 2007 £
Loss for the financial period	(460,665)	(320,060)
Opening shareholders' funds	(1,145,589)	(825,529)
Closing shareholders' funds	(1,606,254)	(1,145,589)

I-MOB PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

16 Directors' emoluments

	9 Months ended 31 December 2007 £	12 Months ended 31 March 2007 £
Emoluments for qualifying services	82,503	145,004

Directors fees were paid to the director's companies as detailed in note 19 to the financial statements

17 Employees

Number of employees

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

	9 Months ended 31 December 2007 Number	12 Months ended 31 March 2007 Number
	3	4
Employment costs	2007 £	2007 £
Wages and salaries	78,905	126,176
Social security costs	9,095	13,669
	88,000	139,845

18 Control

The company is controlled by I-Mob Holdings Limited, its parent undertaking. The ultimate controlling party is M J P Noble and S H Allen by virtue of the majority shareholding in I-Mob Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2007

19 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with I-Mob Holdings Limited, its parent undertaking, on the grounds that consolidated financial statements are prepared by the ultimate parent company

Aggrow Limited for which S Allen and M Noble are both directors and shareholders of, have contracted with the company in the following respects

Director's fees £60,003 (2007 £115,004) Consultancy fees £21,792 (2007 £10,000) Purchase Ledger Balance £7,917 (2007 £21,523)

Langton Advisory Services Limited for which M Gray is a director and shareholder of, have contracted with the company in the following respects

Director's fees £11,250 (2007 £15,000) Purchase Ledger Balance £1,469 (2007 £1,469)

Ropley Associates for which is controlled by a close family member of R Abbott, have contracted with the company in the following respects

Director's fees £11,250 (2007 £15,000) Purchase Ledger Balance £1,469 (2007 £1,469)