

Limited Liability Partnership No. OC309339 (England and Wales)

**TOWER E POCKET 2 LLP
(FORMERLY TOWER NO. 107 LLP)**

FINANCIAL STATEMENTS

FOR THE PERIOD TO 5 APRIL 2005



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**TOWER E POCKET 2 LLP
(FORMERLY TOWER NO. 107 LLP)**

FOR THE PERIOD TO 5 APRIL 2005

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**TOWER E POCKET 2 LLP
(FORMERLY TOWER NO. 107 LLP)**

**DESIGNATED MEMBERS AND PROFESSIONAL ADVISERS
PERIOD ENDED 5 APRIL 2005**

Designated members

Mr P L Feetum
Mr S R Marsden
Mr A S Smith

Registered office

1st Floor
Martins Building
Water Street
Liverpool
L2 3SX

Auditors

UHY Hacker Young
St Alphage House
2 Fore Street
London
EC2Y 5DH

Solicitors

Brabners Chaffe Street
1 Dale Street
Liverpool
L2 2ET

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

**TOWER E POCKET 2 LLP
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**THE MEMBERS' REPORT
PERIOD ENDED 5 APRIL 2005**

The members present their report and the financial statements of the Limited Liability Partnership for the period ended 5 April 2005.

Principal activities and business review

The LLP was incorporated on 22 September 2004 and commenced trading on that date.

The principal activity of the LLP is to exploit the intellectual property rights purchased from Global Sterling Payments Systems Limited.

In the opinion of the members the state of the LLP's affairs at 5 April 2005 is satisfactory. The members intend to continue to develop the business.

The company changed its name from Tower No. 107 LLP on 15 March 2005.

Designated members

The following were designated members during the period:

Mr P L Feetum
Mr S R Marsden
Mr A S Smith

Policy with respect to members' drawings and subscriptions and repayment of members' capital

Members are permitted to make drawings once the profit is determined. Drawings cannot exceed a member's profit share. Profit share is determined by the amount of capital contribution made by the members pro rate over net profit.

New members are required to subscribe a minimum level of capital. Members may increase the amount of capital contribution if members so agree by members' consent. On retirement, the balance on a members' capital account is repaid.

Auditors

UHY Hacker Young were appointed as auditors to the LLP in accordance with Section 385 of the Companies Act, a resolution proposed that they be re-appointed will be put to the next members' meeting.

Members' responsibilities

Legislation applicable to limited liability partnership requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the LLP at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the members are required to:

select suitable accounting policies, as described on page 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statement on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

**TOWER E POCKET 2 LLP
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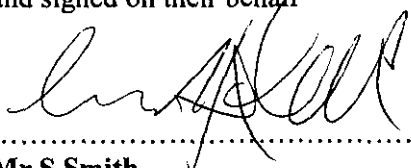
**THE MEMBERS' REPORT
PERIOD ENDED 5 APRIL 2005**

The members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Limited Liability Partnership Regulations. The members are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other regularities.

Small company provisions

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

Approved by the members
and signed on their behalf



.....

Mr S Smith

7 February 2006

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOWER E POCKET 2 LLP
(FORMERLY TOWER NO. 107 LLP)
FOR THE PERIOD ENDED 5 APRIL 2005**

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the LLP's members, as a body, in accordance with the Companies Act as applied to the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the members 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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and the auditors

As described on pages 2 and 3, the LLP's members are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Limited Liability Partnerships Regulations 2001. We also report to you if, in our opinion, the members' report is not consistent with the accounts, if the LLP 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 members' remuneration and transactions with the LLP is not disclosed.

We read the members' 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the accounts, and of whether the accounting policies are appropriate to the LLP'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 accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the LLP's affairs as at 5 April 2005 and of the loss for the period then ended and have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001.

We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.



UHY Hacker Young
Chartered Accountants
Registered Auditors

7 February 2006

**TOWER E POCKET 2 LLP
(FORMERLY TOWER NO. 107 LLP)**

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 5 APRIL 2005**

	Note	2005 £
Turnover		
Administrative expenses	2	(3,161,498)
Loss for the period available for division among members		<hr/> (3,161,498) <hr/>

The LLP has not recognised gains or losses other than the results for the year as set out above.

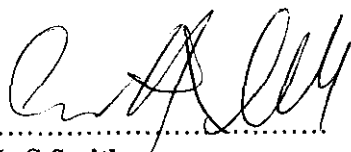
All the activities of the LLP are classed as continuing.

**TOWER E POCKET 2 LLP
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**BALANCE SHEET
AS AT 5 APRIL 2005**

	Note	£	2005 £
Fixed assets			
Tangible assets	4		26,850,000
Current assets			
Debtors	5	37,785,234	
Cash at bank and in hand		23	
		<u>32,785,257</u>	
Creditors: amounts falling due within one year	6	(32,796,747)	
		<u></u>	
Net current assets			(11,490)
			<u></u>
Total assets less current liabilities			<u>26,838,510</u>
			<u></u>
Members' other interests			
Members' capital			26,838,510
			<u>26,838,510</u>
Total members' interests			
Members' other interests			26,838,510
			<u>26,838,510</u>

These financial statements were approved by the members on 7 February 2006 and are signed on their behalf by:



Mr S Smith

The notes on page 8 – 10 form part of these financial statements.

TOWER E POCKET 2 LLP
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RECONCILIATION OF MEMBERS' INTERESTS
FOR THE PERIOD ENDED 5 APRIL 2005

Members' other interests

	Members' capital £	Loss to be divided £	Total £	Loans and other debts due to members £	Total members interests £
Members' interests at incorporation					
Capital contribution	30,000,008		30,000,008	-	30,000,008
Loss for the financial period available for division among members		(3,161,498)	(3,161,498)	-	(3,161,498)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Members' interests at 5 April 2005	<u>30,000,008</u>	<u>(3,161,498)</u>	<u>26,838,510</u>	<u>-</u>	<u>26,838,510</u>

**TOWER E POCKET 2 LLP
(FORMERLY TOWER NO. 107 LLP)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 5 APRIL 2005**

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the applicable accounting standards and the Statement of Recommended Practice for a Limited Liability Partnerships.

At 5 April 2005 the LLP's losses were £3,161,498 with a net asset value of £26,838,510, the members believe that the losses were expected during the initial period of trading as the LLP is in the process of developing the market.

Furthermore, the LLP has assurances from its members that they will continue to support the LLP for the foreseeable future.

The LLP has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small LLP.

Software expenditure

The purchase of exclusive software entitlements are deemed to be software expenditure. This expenditure will be depreciated when the company begins earning fees.

Tax provisions

The taxation payable on profits is the personal liability of the members during the year. A retention from profits is made to fund payments of taxation on members' behalf. The retention is reflected in members' current accounts and payments are charged against this retention.

2. Loss for the financial period

Loss for the financial period is stated after charging:

	2005
	£
Audit fees	10,000
	<u>=====</u>

3. Particulars of members

The average number of members during the period was 23 (excluding 3 designated members).

The three designated members fees were not paid any remuneration for the period ended 5 April 2005.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 5 APRIL 2005

4. Tangible fixed assets

	Software equipment £
Cost	
At 22 September 2004	-
Additions	26,850,000
	<hr/>
At 5 April 2005	26,850,000
	<hr/>
Depreciation	
At 22 September 2004	-
Charge for the year	-
	<hr/>
At 5 April 2005	-
	<hr/>
Net book value	
At 5 April 2005	26,850,000
	<hr/> <hr/>

5. Debtors

	2005 £
Other debtors	28,086,484
VAT repayment	4,698,750
	<hr/>
	32,785,234
	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 5 APRIL 2005

6. Creditors: amounts falling due within one year

	2005
	£
Trade creditors	31,548,750
Other creditors	1,206,499
Accruals	41,498
	<hr/>
	32,796,747
	<hr/> <hr/>

7. Control

Tower E Pocket 2 LLP is controlled by its members.

8. Related party transactions

Included in professional fees is an amount of £2,706,250 which is a fee earned by Tower Project Finance LLP. The three designated members have an interest in Tower Project Finance LLP. The amount of £1,206,499 is due to Tower Project Finance LLP as at 5 April 2005.