

Limited Liability Partnership Registration No. OC309339 (England and Wales)

**STATUTORY COPY**

**E POCKET SOFTWARE 2 LLP**

**MEMBERS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 2007**

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## **E POCKET SOFTWARE 2 LLP**

### **LIMITED LIABILITY PARTNERSHIP INFORMATION**

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<b>Designated members</b>	L Paul Feetum Stephen R Marsden Simon A Smith
<b>Limited liability partnership number</b>	OC309339
<b>Registered office</b>	Quadrant House 17 Thomas More Street Thomas More Square London E1W 1YW
<b>Auditors</b>	UHY Hacker Young LLP Quadrant House 17 Thomas More Street Thomas More Square London E1W 1YW
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0Qs
<b>Solicitors</b>	Brabners Chaffe Street 1 Dale Street Liverpool L2 2ET

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## **E POCKET SOFTWARE 2 LLP**

### **CONTENTS**

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	<b>Page</b>
Members' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

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## **E POCKET SOFTWARE 2 LLP**

### **MEMBERS' REPORT**

**FOR THE YEAR ENDED 5 APRIL 2007**

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The members present their report and financial statements for the year ended 5 April 2007

#### **Principal activities and review of the business**

The principal activity of the limited liability partnership is to exploit the software license purchased from Global Sterling Payments Systems Limited

In the opinion of the designated members the state of the LLP's affairs at 5 April 2007 is satisfactory

The designated members intend to continue to develop the business. Although much work has been done with Bell Canada and eCoin to provide payment services, this has not yet resulted in completed sales. Negotiations are now taking place with other on-line service providers to make and receive payments using ePocket and it is anticipated that income will be available during the year 2007-08. The problems of internet fraud and identity theft have contributed to an increased interest in the ePocket system and the directors are confident that ePocket will become a major on-line payment method with global applications.

#### **Designated Members**

The following designated members have held office since 6 April 2006

L Paul Feetum  
Stephen R Marsden  
Simon A Smith

#### **Policy on members' drawings**

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

## **E POCKET SOFTWARE 2 LLP**

### **MEMBERS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 5 APRIL 2007**

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#### **Statement of members' responsibilities**

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

Company law (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) requires the members to prepare financial statements for each financial year. Under that law the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that year. In preparing those financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

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

#### **Auditors**

On 30 April 2007 the limited liability partnership's auditors, UHY Hacker Young, transferred their business to a limited liability partnership, UHY Hacker Young LLP, and the office of auditor has passed to UHY Hacker Young LLP. The designated members propose to reappoint UHY Hacker Young LLP as auditors of the limited liability partnership subsequent to the approval of these financial statements.

On behalf of the members



Simon A Smith

**Designated Member**

28 January 2008

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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF E POCKET SOFTWARE 2 LLP**

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We have audited the financial statements of E Pocket Software 2 LLP for the year ended 5 April 2007 set out on pages 5 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability 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 auditors**

The members' 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 Members' 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 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

In addition, we report to you if, in our opinion, the limited liability partnership has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

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 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 members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership'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.

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE MEMBERS OF E POCKET SOFTWARE 2 LLP**

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**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 limited liability partnership's affairs as at 5 April 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001)

  
UHY Hacker Young LLP

28 January 2008

Chartered Accountants  
Registered Auditor

**E POCKET SOFTWARE 2 LLP**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 5 APRIL 2007**

		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Administrative expenses		(39,632)	(975)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	(39,632)	(975)
Tax on loss on ordinary activities		-	-
		<hr/>	<hr/>
<b>Loss for the financial year before members' remuneration and profit shares</b>		<u>(39,632)</u>	<u>(975)</u>

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



**E POCKET SOFTWARE 2 LLP****BALANCE SHEET****AS AT 5 APRIL 2007**

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	3	26,850,000		26,850,000	
<b>Current assets</b>					
Debtors	4	13,978		-	
Cash at bank and in hand		359		34,821	
		<u>14,337</u>		<u>34,821</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(66,434)</u>		<u>(47,286)</u>	
<b>Net current liabilities</b>			<u>(52,097)</u>		<u>(12,465)</u>
<b>Total assets less current liabilities</b>			<u>26,797,903</u>		<u>26,837,535</u>
<b>REPRESENTED BY:</b>					
<b>Equity - Members' other interests:</b>					
Other reserves classified as equity under FRS 25	6	(3,202,105)		(3,162,473)	
Members capital	6	30,000,008		30,000,008	
		<u>26,797,903</u>		<u>26,837,535</u>	
<b>TOTAL MEMBERS' INTERESTS</b>					
Members' other interests	6	26,797,903		26,837,535	
		<u>26,797,903</u>		<u>26,837,535</u>	

Approved by the Members and authorised for issue on 28 January 2008

Simon A Smith  
Designated Member

## **E POCKET SOFTWARE 2 LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2007**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

At 5 April 2007 the LLP's accumulated losses were £3,202,105 with a net asset value of £26,797,903. 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 cash flow statement on the grounds that it is a small company.

##### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Limited Liability Partnership Statement of Recommended Practice, which have been applied consistently (except as otherwise stated).

##### **1.3 Software expenditure**

The purchase of exclusive software entitlements are deemed to be software expenditure. This expenditure will be depreciated when the LLP begins earning income from the exploitation of software under license.

#### **2 Operating loss**

	2007	2006
	£	£
Operating loss is stated after charging		
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	750	500

**E POCKET SOFTWARE 2 LLP**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 5 APRIL 2007**

**3 Tangible fixed assets**

	<b>Software £</b>
<b>Cost</b>	
At 6 April 2006 & at 5 April 2007	26,850,000
<b>Depreciation</b>	
At 6 April 2006 & at 5 April 2007	-
<b>Net book value</b>	
At 5 April 2007	26,850,000
At 5 April 2006	26,850,000

**4 Debtors**

	<b>2007 £</b>	<b>2006 £</b>
Other debtors	13,978	-

**5 Creditors: amounts falling due within one year**

	<b>2007 £</b>	<b>2006 £</b>
Trade creditors	43,590	-
Other creditors	20,944	4,964
Accruals and deferred income	1,900	42,322
	66,434	47,286

# E POCKET SOFTWARE 2 LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2007

### 6 Members' interests

	Members' other interests		Total	Loans and other debts due to/(from) members	Total	2006
	Members' capital	Other reserves				
	£	£	£	£	£	£
Members' interests at 6 April 2006	30,000,008	(3,162,473)	26,837,535	-	26,837,535	26,838,510
Loss for the financial year available for division among members	-	(39,632)	(39,632)	-	(39,632)	(975)
Members' interests after loss for the year	30,000,008	(3,202,105)	26,797,903	-	26,797,903	26,837,535
Members' interests at 5 April 2007	30,000,008	(3,202,105)	26,797,903	-	26,797,903	26,837,535

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors

### 7 Information in relation to members

	2007 Number	2006 Number
The average number of members during the year was	26	26

The three designated members fees were not paid any remuneration for the period ended 5 April 2006

### 8 Employees

#### Number of employees

There were no employees during the year apart from the members

**E POCKET SOFTWARE 2 LLP**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 5 APRIL 2007**

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**9 Control**

E Pocket Software 2 LLP is controlled by its members

**10 Related party transactions**

The three designated members have an interest in Tower Project Finance LLP. The amount of £20,944 (2006 - £4,970) is due to Tower Project Finance LLP as at 5 April 2007.