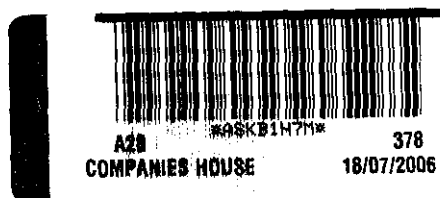


Wireless Information Network Limited

**Directors' report and financial
statements**

Registered number 3212199

31 December 2005



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2005.

Principal activities

The company's principal activity continues to be the design, management and packaging of information services to users of wireless devices, including mobile phones.

Business review

The profit for the year is shown on page 5.

Proposed dividend

The directors do not recommend the payment of a dividend (2004: £nil).

Directors and directors' interests

The following directors held office during the year.

J Rands
PL Button
RW Joyce
MA Paver

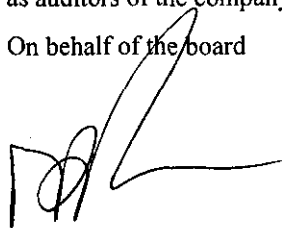
The interests of the directors are disclosed in the directors' report of the parent company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board



M Paver
Director

1 Cliveden Office Village
Lancaster Road
Cressex Business Park
High Wycombe
Buckinghamshire
HP12 3YZ

A March 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the member of Wireless Information Network Limited

We have audited the financial statements of Wireless Information Network Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 judgments 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.

Independent auditors' report to the members of Wireless Information Network Limited *(continued)*

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, company's affairs as at 31 December 2005 and of the profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

17 March,

2006

Profit and loss account
for the year ended 31 December 2005

	<i>Note</i>	2005 £	2004 £
Turnover	<i>1,2</i>	43,300,790	31,706,214
Cost of sales		(34,691,649)	(26,140,813)
Gross profit		8,609,141	5,565,401
Administrative expenses		(5,342,569)	(4,269,048)
Operating profit		3,266,572	1,296,353
Interest receivable and similar income	<i>6</i>	229,855	126,439
Interest payable and similar charges	<i>7</i>	(12,021)	(21,614)
Profit on ordinary activities before taxation	<i>3</i>	3,484,406	1,401,178
Tax on profit on ordinary activities	<i>8</i>	(875,443)	406,968
Profit for the financial year	<i>16</i>	2,608,963	1,808,146

A statement of recognised gains and losses has not been included as part of these financial statements as the company made no gains or losses in the year other than as disclosed in the profit and loss account.


A note on historical cost gains and losses has not been included as part of the financial statements as the results disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

The results stated above are all derived from continuing operations.

Balance sheet
at 31 December 2005

	Note	2005	2004
		£	£
Fixed assets			
Tangible assets	9	555,472	528,405
Investment	10	-	-
		<u>555,472</u>	<u>528,405</u>
Current assets			
Debtors	11	12,860,389	8,076,837
Cash at bank		1,444,652	2,010,760
		<u>14,305,041</u>	<u>10,087,597</u>
Creditors: amounts falling due within one year	12	<u>(8,434,968)</u>	<u>(6,854,420)</u>
Net current assets		<u>5,870,073</u>	<u>3,233,177</u>
Total assets less current liabilities		<u>6,425,545</u>	<u>3,761,582</u>
Provisions for liabilities	13	<u>(179,000)</u>	<u>(124,000)</u>
Net assets		<u>6,246,545</u>	<u>3,637,582</u>
Capital and reserves			
Called up share capital	14	71,859	71,859
Share premium account	15	5,578,558	9,494,815
Profit and loss account	15	596,128	(5,929,092)
		<u>6,246,545</u>	<u>3,637,582</u>
Shareholder's funds (comparative year on FRS 4 basis)	16	<u>6,246,545</u>	<u>3,637,582</u>
Shareholder's funds			
Equity			-
Non-equity			3,637,582
			<u>3,637,582</u>

These financial statements were approved by the board of directors on 17 MARCH 2006 and were signed on its behalf by:


M Paver
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date';
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure'; and
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption.

FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

FRS 25 'Financial instruments: presentation and disclosure' has no material effect as redemption rights which previously resulted in classification of shares as 'non equity' have expired.

The corresponding amounts in these financial statements are, other than those covered by the exception permitted by FRS 25, stated in accordance with the new policies. FRS 25 permits the corresponding amounts not to be restated and the Company has adopted this approach. The financial instruments policy set out below provides further details of the current year and comparative year bases.

Basis of preparation

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

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of WIN plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of WIN plc, within which this company is included, can be obtained from the address given in note 21.

Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic life as follows:

Leasehold improvements	-	3 years
Plant and equipment	-	3 years
Computer equipment	-	3 years
Furniture and equipment	-	3 years

Notes (continued)

1 Accounting policies (continued)

Investments

Investments are held at cost less any provisions made.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution stakeholder pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represented the contributions payable to employees' private pension schemes in respect of the accounting period.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- 1 they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- 2 where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

The Company has taken advantage of the transitional arrangements of FRS 25 not to restate corresponding amounts in accordance with the above policy. No adjustments have been necessary to implement this policy in the current year as the redemption rights which previously resulted in classification of shares as 'non-equity' have expired.

The comparative year disclosures follow FRS 4 as applicable. This includes the analysis of comparative year shareholders funds into equity and non equity components. FRS 4 used 'equity' as a subset of shareholders' funds whereas FRS 25 applies the term 'equity;' to issued financial instruments other than those of those components classified as liabilities.

Revenue recognition

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers.

Information services

Revenue from the provision of information is accrued on the basis of recorded transactions with the ultimate end user.

Development revenue

Revenue for development work is recognised at the point of delivery of services to the customer.

2 Turnover

The turnover was derived from the company's principal activities.

Notes (*continued*)

3 Profit on ordinary activities before taxation

	2005 £	2004 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration		
Audit	24,400	29,000
Other services - fees received by the auditors and their associates	4,000	600
Depreciation and other amounts written off tangible fixed assets - owned	256,280	148,224
Hire of Land and buildings - rentals payable under operating leases	259,032	259,032
Hire of other assets - rentals payable under operating leases	7,949	1,939
	<u> </u>	<u> </u>

4 Remuneration of directors

	2005 £	2004 £
Directors' emoluments	-	340,340
Company contributions to money purchase pension scheme	-	472
	<u> </u>	<u> </u>
	-	340,812
	<u> </u>	<u> </u>

	Number of directors	
	2005	2004
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	1
	<u> </u>	<u> </u>

Directors of the company received no remuneration from the company. Remuneration received from other group companies is disclosed in the financial statements of the parent company, WIN plc.

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2005	2004
Management	-	3
Sales and marketing	26	12
Administration	4	2
Operations and development	28	22
	<u>58</u>	<u>39</u>

The aggregate payroll costs of these persons were as follows:

	2005	2004
	£	£
Wages and salaries	2,749,407	2,482,955
Social security costs	303,088	274,436
Other pension costs	33,505	24,211
	<u>3,086,000</u>	<u>2,781,602</u>

6 Interest receivable and similar income

	2005	2004
	£	£
Bank interest receivable	90,549	27,744
Interest on rent deposit	6,921	36,243
Early settlement discounts	132,385	62,452
	<u>229,855</u>	<u>126,439</u>

7 Interest payable and similar charges

	2005	2004
	£	£
Bank interest paid	6,206	330
Interest paid on financing	-	21,284
Net foreign exchange losses	5,815	-
	<u>12,021</u>	<u>21,614</u>

Notes (continued)

8 Taxation

	2005 £	2004 £
<i>UK corporation tax</i>		
Current tax on income for the period	252,664	-
Tax on interest received in prior period	-	3,917
	<hr/>	<hr/>
Total current tax	252,664	3,917
Deferred tax	622,779	(410,885)
	<hr/>	<hr/>
Tax on profit on ordinary activities	875,443	(406,968)
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than (2004: lower than) the standard rate of corporation tax in the UK 30% (2004: 30%). The differences are explained below

Current tax reconciliation

	2005 £	2004 £
Profit on ordinary activities before tax	3,484,406	1,401,178
	<hr/>	<hr/>
Current tax at 30% (2004: 30%)	1,045,322	420,353
<i>Effects of:</i>		
Expenses not deductible for tax purposes	84,612	28,072
Capital allowances in arrears / (excess) of depreciation	20,468	(19,039)
Group relief	(177,629)	(31,724)
Decrease in losses carried forward	(720,109)	(397,602)
Tax on interest received in prior period	-	3,917
	<hr/>	<hr/>
Total current tax charge	252,664	3,917
	<hr/>	<hr/>

The elements of deferred taxation are as follows:

	2005 £	2004 £
Difference between accumulated depreciation and capital allowances	2,606	22,302
Company tax losses	-	720,109
	<hr/>	<hr/>
Deferred tax asset (see note 11)	2,606	625,385
	<hr/>	<hr/>

Factors that may affect future tax charges

The company has tax losses at the year end of £nil (2004: £2.4m). The deferred tax asset has been recognised to the extent that the recovery of tax losses is regarded as more likely than not.

Notes (continued)

9 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Computer equipment £	Furniture and equipment £	Total £
Cost					
At beginning of year	241,138	209,309	990,522	115,206	1,556,175
Additions	45,441	-	217,252	20,654	283,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	286,579	209,309	1,207,774	135,860	1,839,522
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At beginning of year	228,039	124,952	562,182	112,597	1,027,770
Charged in year	17,277	31,631	204,209	3,163	256,280
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	245,316	156,583	766,391	115,760	1,284,050
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2005	41,263	52,726	441,383	20,100	555,472
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	13,099	84,357	428,340	2,609	528,405
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

10 Fixed asset investments

	Shares in group undertaking £
Cost	
At beginning and end of year	1,905,000
	<hr/>
Provisions	
At beginning and end of year	1,905,000
	<hr/>
Net book value	
At 31 December 2005	-
	<hr/>
At 31 December 2004	-
	<hr/>

Notes (continued)

10 Fixed asset investments (continued)

The companies in which the company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Bellboy Limited *	England	Dormant	Ordinary 100%
Wireless Information Network Inc. (formerly Sprintel Communications Inc.) *	USA	Dormant	Ordinary 100%
WIN Financial Limited	England	Data systems and services	Ordinary 100%
WIN Mobile Limited	England	Dormant	Ordinary 100%

* These companies are held indirectly through WIN Financial Limited.

The results of WIN Financial Limited are included in the consolidation of WIN plc.

11 Debtors

	2005 £	2004 £
Trade debtors	8,689,746	3,058,275
Amounts owed by group undertakings	609,265	125,348
Other debtors	134,564	129,516
Deferred tax asset (see note 8)	2,606	625,385
Prepayments and accrued income	3,424,208	4,138,313
	<u>12,860,389</u>	<u>8,076,837</u>

Other debtors include £129,516 (2004: £129,516) due after more than one year.

12 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	3,425,805	2,673,886
Taxation and social security	1,415,959	579,255
Corporation tax	252,664	-
Other creditors	-	134,445
Accruals and deferred income	3,340,540	3,466,834
	<u>8,434,968</u>	<u>6,854,420</u>

Notes (continued)

13 Provisions for liabilities

	Other Provisions £
At beginning of year	124,000
Charge to the profit and loss for the year	55,000
At end of year	179,000

The above provision relates to an empty property leased by the business but no longer in use and is made in accordance with FRS 12. The increase in the provision of £55,000 in the year relates to a revision of the estimate as further information became available during the year. The remaining period of the lease is 5 years and the provision is for the onerous element.

14 Called up share capital

	2005		2004	
	Number	£	Number	£
<i>Authorised</i>				
Ordinary shares of 1p each	94,091,882	940,919	94,091,882	940,919
Convertible redeemable preference A shares of 1p each	8,118	81	8,118	81
Convertible redeemable preference B shares of 1p each	5,098,200	50,982	5,098,200	50,982
Non-voting deferred shares of £8,118 each	1	8,118	1	8,118
	99,198,201	1,000,100	99,198,201	1,000,100
<i>Allotted, called up and fully paid</i>				
Ordinary shares of 1p each	1,267,776	12,678	1,267,776	12,678
Convertible redeemable preference A shares of 1p	8,118	81	8,118	81
Convertible redeemable preference B shares of 1p	5,098,200	50,982	5,098,200	50,982
Non-voting deferred shares of £8,118 each	1	8,118	1	8,118
	6,374,095	71,859	6,374,095	71,859

Notes (continued)

14 Called up share capital (continued)

As is more fully explained in note 1, classifications within shareholder's funds are determined on different bases in 2004 and 2005 due to the application of FRS 25 from 1 January 2005.

On 21 September 2004, the 811,800 non-voting deferred shares of 1p each were consolidated into 1 deferred share of £8,118.

All shares except the non-voting deferred shares rank equally for dividends. The convertible redeemable preference A and B shares rank for voting rights as if they had been converted into ordinary shares immediately prior to the meeting. Each convertible redeemable preference A and B share is convertible into 732.03992 and 0.1398777 ordinary shares respectively. The convertible redeemable preference A and B shares are redeemable at any date at the option of the company based on a price agreed either by tender or private treaty. On 4 May 2005 the holders of the A convertible redeemable preference shares had the right to elect to redeem some or all of their shares at the aggregate of the nominal amount and any premium paid on subscription for shares of the holder or the amount payable on a winding up.

In the event of a winding up funds up to £6,725,591 will be distributed 91% to A convertible redeemable preference shareholders and 9% to B convertible redeemable preference shareholders. Funds up to £16,000,000 will be distributed 9% to B convertible redeemable preference shareholders and A convertible redeemable preference shareholders will receive in aggregate between 75% and 91%. Additional funds in excess of £16,000,000 will be distributed to all shareholders equally, excluding the non-voting deferred shares.

The non-voting deferred shares have the right to a return of capital equal to the amounts paid up on the shares, following the repayment of the ordinary and the convertible redeemable preference shares and the payment of a further amount of £1,000,000 in respect of each ordinary share.

15 Reserves and Share premium

Company	Share premium account £	Profit and loss account £
At beginning of year	9,494,815	(5,929,092)
Profit for the year	-	2,608,963
Share premium reduction	(3,916,257)	3,916,257
At end of year	5,578,558	596,128

On 22 September 2005 the company applied to the courts to reduce the company's share premium account. The capital of the company was reduced by decreasing the share premium account of the company from £9,494,815 to £5,578,558. The reduction was effected upon the terms that no part of the reserves so arising would be paid to the member of the company but would be transferred to the profit and loss reserve account.

Notes (continued)

16 Reconciliation of movements in shareholder's funds

	2005 £	2004 £
Profit for the financial year	2,608,963	1,808,146
Net increase in shareholder's funds	2,608,963	1,808,146
Opening shareholder's funds	3,637,582	1,829,436
Closing shareholder's funds	6,246,545	3,637,582

17 Contingent liabilities

Wireless Information Network Limited has given a fixed and floating charge over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery to National Westminster Bank plc.

18 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	900	-	1,939
2 to 5 years	-	4,917	-	-
Over five years	259,032	-	259,032	-
	259,032	5,817	259,032	1,939

19 Pension scheme

The company operates a defined contribution pension scheme. No payments were made to this scheme in the period. The pension charge for the period represents contributions payable to employees' private pension schemes and amounted to £33,505 (2004: £24,211).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

20 Related party disclosures

The company is controlled by WIN plc, the parent company. The directors consider there to be no ultimate controlling party.

Notes *(continued)*

21 Ultimate parent company and parent undertaking of a larger group of which the company is a member

On 29 September 2004, a share for share exchange with the company's immediate parent company, Wireless Information Network Limited and WIN plc took place. WIN plc is now the ultimate parent company, incorporated in United Kingdom.

The group in which the results of the company are consolidated is that headed by WIN plc, incorporated in United Kingdom. The consolidated accounts of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.