

**MDS TECHNOLOGIES LTD**  
**REPORT OF THE DIRECTORS AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2007**

Bowen May LLP  
Chartered accountants  
Griffon House  
Seagry Heath  
Great Somerford  
Wiltshire  
SN15 5EN

# **MDS TECHNOLOGIES LTD**

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**MDS TECHNOLOGIES LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2007**

**DIRECTORS:**

S Gupta  
J R Ancell  
A R Brown  
M K Sprules  
RN Tredwin  
I Dodd

**SECRETARY:**

RN Tredwin

**REGISTERED OFFICE:**

Corsham Media Park  
Westwells Road  
Corsham  
Wiltshire  
SN13 9GB

**REGISTERED NUMBER:**

4545442 (England and Wales)

**ACCOUNTANTS:**

Bowen May LLP  
Chartered accountants  
Griffon House  
Seagry Heath  
Great Somerford  
Wiltshire  
SN15 5EN

# MDS TECHNOLOGIES LTD

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2007

The directors present their report with the financial statements of the company for the year ended 30 April 2007.

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of managed service provision for the mobile industry and internet service provision for local business partners.

### REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company has continued its concentration on managed service provision for the mobile industry as its key area and has connectivity for services to over 20 countries globally.

During the first half of the year the company experienced continued cash flow problems as a result of its attempted expansion of mobile phone content operations within the United States in the previous two years. This investment exacerbated cash flow problems and finally resulted in the original shareholders transferring shares representing a controlling interest in the company to a small number of investors in October 2006, all of whom have been appointed directors of the company and have brought much needed financial stability to the company which has resulted in the company returning to profitability in the second half of the financial year.

### DIRECTORS

The directors during the year under review were:

S Gupta	
J R Ansell	- appointed 1.11.06
A R Brown	- appointed 1.11.06
M K Sprules	- appointed 1.11.06
RN Tredwin	- appointed 1.11.06
I Dodd	

The beneficial interests of the directors holding office on 30 April 2007 in the issued share capital of the company were as follows:

	30.4.07	1.5.06 or date of appointment if later
<b>Ordinary £1 shares</b>		
S Gupta	26	26
J R Ansell	14	-
A R Brown	6	-
M K Sprules	25	-
RN Tredwin	6	-
I Dodd	8	74
<b>A class £1 shares</b>		
S Gupta	-	-
J R Ansell	1	-
A R Brown	-	-
M K Sprules	1	-
RN Tredwin	-	-
I Dodd	-	2

**MDS TECHNOLOGIES LTD**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 APRIL 2007**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**

.....  
RN Tredwin - Secretary

Date: .....

# MDS TECHNOLOGIES LTD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2007

	Notes	2007 £	2006 £
<b>TURNOVER</b>		948,598	1,095,612
Cost of sales		104,788	365,924
<b>GROSS PROFIT</b>		843,810	729,688
Administrative expenses		796,759	733,351
<b>OPERATING PROFIT/(LOSS)</b>	2	47,051	(3,663)
Interest receivable and similar income		2,388	1,115
		49,439	(2,548)
Interest payable and similar charges		13,418	22,282
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		36,021	(24,830)
Tax on profit/(loss) on ordinary activities	3	6,875	(4,621)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		29,146	(20,209)

The notes form part of these financial statements

# MDS TECHNOLOGIES LTD

## BALANCE SHEET 30 APRIL 2007

	Notes	2007		2006	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	4		-		-
Tangible assets	5		132,871		169,584
			<u>132,871</u>		<u>169,584</u>
<b>CURRENT ASSETS</b>					
Debtors	6	372,520		317,519	
Cash in hand		66,369		696	
		<u>438,889</u>		<u>318,215</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	7	274,086		470,105	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>164,803</u>		<u>(151,890)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			297,674		17,694
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		(275,534)		(19,676)
<b>PROVISIONS FOR LIABILITIES</b>	9		<u>(9,836)</u>		<u>(14,860)</u>
<b>NET ASSETS/(LIABILITIES)</b>			<u>12,304</u>		<u>(16,842)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		104		104
Profit and loss account	11		12,200		(16,946)
<b>SHAREHOLDERS' FUNDS</b>			<u>12,304</u>		<u>(16,842)</u>

The notes form part of these financial statements

**MDS TECHNOLOGIES LTD**

**BALANCE SHEET - continued**  
**30 APRIL 2007**

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 April 2007.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2007 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....  
Director

# MDS TECHNOLOGIES LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2007

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### Goodwill

Amortisation of goodwill in previous years had been provided on a straight line basis over a period of 8 years, starting from 2003, however the directors decided in 2005 that the original purchased goodwill no longer had any value and the remaining cost was fully amortised in that year.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 4 years and Straight line over 7 years
Motor vehicles	- 25% on reducing balance
Computer equipment	- Straight line over 3 years

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

### 2. OPERATING PROFIT/(LOSS)

The operating profit (2006 - operating loss) is stated after charging:

	2007	2006
	£	£
Depreciation - owned assets	49,123	54,191
Loss on disposal of fixed assets	12,729	-
	<u>61,852</u>	<u>54,191</u>
Directors' emoluments and other benefits etc	8,333	20,833
	<u>70,185</u>	<u>75,024</u>

### 3. TAXATION

#### Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2007	2006
	£	£
Current tax:		
UK corporation tax	11,899	(1,327)
Deferred tax	(5,024)	(3,294)
	<u>6,875</u>	<u>(4,621)</u>

# MDS TECHNOLOGIES LTD

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2007

### 4. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 May 2006	
and 30 April 2007	<u>5,000</u>
<b>AMORTISATION</b>	
At 1 May 2006	
and 30 April 2007	<u>5,000</u>
<b>NET BOOK VALUE</b>	
At 30 April 2007	<u><u>-</u></u>
At 30 April 2006	<u><u>-</u></u>

### 5. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 May 2006	10,962	12,682	22,632	279,438	325,714
Additions	7,807	3,286	-	14,045	25,138
Disposals	-	-	(22,632)	-	(22,632)
	<u>18,769</u>	<u>15,968</u>	<u>-</u>	<u>293,483</u>	<u>328,220</u>
At 30 April 2007					
<b>DEPRECIATION</b>					
At 1 May 2006	2,740	6,303	9,902	137,183	156,128
Charge for year	2,346	3,063	-	43,714	49,123
Eliminated on disposal	-	-	(9,902)	-	(9,902)
	<u>5,086</u>	<u>9,366</u>	<u>-</u>	<u>180,897</u>	<u>195,349</u>
At 30 April 2007					
<b>NET BOOK VALUE</b>					
At 30 April 2007	<u><u>13,683</u></u>	<u><u>6,602</u></u>	<u><u>-</u></u>	<u><u>112,586</u></u>	<u><u>132,871</u></u>
At 30 April 2006	<u><u>8,222</u></u>	<u><u>6,379</u></u>	<u><u>12,730</u></u>	<u><u>142,255</u></u>	<u><u>169,586</u></u>

### 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	92,721	110,310
Employee loans	43,198	43,198
Director's current account	182,574	142,879
Tax	1,327	1,327
VAT	16,149	-
Prepayments	36,551	19,805
	<u><u>372,520</u></u>	<u><u>317,519</u></u>

**MDS TECHNOLOGIES LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2007**

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Bank loans and overdrafts	17,401	85,235
Other loans	-	102,000
Trade creditors	149,365	157,038
Tax	11,899	-
Social security and other taxes	5,053	32,888
Accruals	28,537	5,000
Deferred income	61,831	87,944
	<u>274,086</u>	<u>470,105</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2007	2006
	£	£
Bank loans - 1-2 years	11,125	19,676
Churngold C. H. Ltd	162,409	-
Director's loan account	102,000	-
	<u>275,534</u>	<u>19,676</u>

**9. PROVISIONS FOR LIABILITIES**

	2007	2006
	£	£
Deferred tax	<u>9,836</u>	<u>14,860</u>
		Deferred tax
		£
Balance at 1 May 2006		14,860
Accelerated capital allowances		<u>(5,024)</u>
Balance at 30 April 2007		<u>9,836</u>

**10. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:			2007	2006
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	100	100
4	A class	£1	4	4
			<u>104</u>	<u>104</u>

**MDS TECHNOLOGIES LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2007**

11. RESERVES

	Profit and loss account £
At 1 May 2006	(16,946)
Profit for the year	29,146
	<hr/>
At 30 April 2007	12,200
	<hr/> <hr/>

# MDS TECHNOLOGIES LTD

## TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2007

	2007		2006	
	£	£	£	£
<b>Sales</b>		948,598		1,095,612
<b>Cost of sales</b>				
Purchases	56,754		272,857	
Sub contractors	48,034		93,067	
		<u>104,788</u>	<u>365,924</u>	
<b>GROSS PROFIT</b>		843,810		729,688
<b>Other income</b>				
Interest received		2,388		1,115
		<u>846,198</u>		<u>730,803</u>
<b>Expenditure</b>				
Directors' salaries	8,333		20,833	
Salaries	176,404		244,164	
Employers NI	18,855		30,394	
Equipment hire	44,447		25,177	
Rent	110,275		117,827	
Rates	17,949		16,972	
Insurance	7,709		7,387	
Light and heat	96,329		45,708	
Premises expenses	19,232		5,355	
Sales commission	26,835		2,092	
Telephone	51,492		21,352	
Post, stationery & advertising	421		1,704	
Travel & subsistence	9,588		73,557	
Motor expenses	5,560		9,063	
Computer monitoring	-		3,674	
Office expenses & consumables	6,131		4,851	
Sundry expenses	2,536		3,544	
Subscriptions	3,207		2,571	
Book keeping services	5,308		-	
Audit & accountancy	16,229		6,690	
Consultancy	62,799		24,205	
Legal & professional	17,610		4,419	
Profit/loss on sale of tangible fixed assets	12,729		-	
Bad debts	1,945		4,831	
Redundancy costs	16,790		-	
Security costs	6,702		-	
Depreciation	49,123		54,191	
		<u>794,538</u>	<u>730,561</u>	
Carried forward		51,660		242

This page does not form part of the statutory financial statements

# MDS TECHNOLOGIES LTD

## TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2007

	2007		2006	
	£	£	£	£
Brought forward		51,660		242
<b>Finance costs</b>				
Bank charges	2,221		2,790	
Loan interest	13,418		22,282	
	<u>          </u>	15,639	<u>          </u>	25,072
<b>NET PROFIT/(LOSS)</b>		<u>          </u> <u>          </u>		<u>          </u> <u>          </u>
		36,021		(24,830)

This page does not form part of the statutory financial statements

## **MDS TECHNOLOGIES LTD**

### **NOTES WHOLLY REPLACED AND/OR ACCOUNTING POLICIES TOTALLY IGNORED AND/OR ACCOUNTING POLICIES WITH TEXT REPLACED BY USER'S CHOICE ON CLIENT SCREEN ENTRIES FOR THE YEAR ENDED 30 APRIL 2007**

No notes have been replaced completely by user entries.

The following standard accounting policy has been IGNORED as a result of user choice DESPITE THE EXISTENCE OF RELEVANT ACCOUNTING ENTRIES.

When considering this, remember that the Financial Reporting Standard for Smaller Entities has been applied to the financial statements.

#### **HIRE PURCHASE AND LEASING COMMITMENTS**

The following standard accounting policy has been REPLACED completely by user entries.

#### **GOODWILL**

PLEASE CHECK THAT THESE CHOICES ARE CORRECT - all changes that would automatically be made to notes generated by IRIS as a result of posting amendments etc WILL NOT BE AMENDED where REPLACEMENT notes have been selected.

**MDS TECHNOLOGIES LTD**

**OVERDRAWN DIRECTORS' CURRENT OR LOAN ACCOUNTS  
30 APRIL 2007**

The following accounts have DEBIT balances as indicated at 30 April 2007:

Director's current account		
Acc		
Order		£
2	S Gupta	36,800
7	I Dodd	145,774

Please consider any disclosure requirements.