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Company Number:3696108

MOBILE STREAMS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

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I N D E X

MOBILE STREAMS LIMITED
COMPANY INFORMATION

DIRECTORS

S.D. Buckingham
I.A. Donn
P. Tomlinson

SECRETARY

L.H. Buckingham

REGISTERED OFFICE

9 The Broadway
Newbury
Berkshire
RG14 1AS

BANKERS

National Westminster Bank Plc
P.O. Box 13
30 Market Place
Newbury
RG14 5AJ

REGISTERED AUDITOR

Lloyd & Co.,
Chartered Accountants
103/105 Brighton Road
Couldson
Surrey
CR5 2NG

MOBILE STREAMS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2003

The Directors present their report and the financial statements for the year ended 31st December 2003.

PRINCIPAL ACTIVITIES
The Company's principal activities continued to be data communications consultants, publishers and website operators.

DIRECTORS
The Directors who served during the year were:

S.D. Buckingham
I.A. Donn
P.A. Tomlinson

DIRECTORS INTERESTS
The Directors interests in the shares of the Company were:

	31.12.03	31.12.02
S D Buckingham	750	750
I A Donn	50	50
P A Tomlinson	50	50

STATEMENT OF DIRECTORS' RESPONSIBILITIES
Company law requires the directors to prepare financial statements for each financial year 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 year. In preparing those financial statements, the directors are required to:

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

SMALL COMPANY EXEMPTION
This report has been prepared in accordance with the special provisions relating to small companies within part VII of The Companies Act 1985.

REGISTERED OFFICE
9 The Broadway
Newbury, Berks
RG14 1AS

SIGNED BY ORDER OF THE BOARD

L.H. Buckingham
Secretary

19th October 2004

MOBILE STREAMS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MOBILE STREAMS LIMITED

We have audited the financial statements of Mobile Streams Limited for the year ended 31st December 2003 set out on pages 4 to 9. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on Page 6.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 inconsistent 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 required by law regarding directors remuneration and transactions with the company 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 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 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.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31st December 2003 and of the profit for the year then ended and have been properly prepared in accordance with provisions of the Companies Act 1985.

Lloyd

Lloyd & Co

Chartered Accountants
Registered Auditor

....
103/105 Brighton Road
Coulsdon, Surrey
CR5 2NG

19th October 2004

MOBILE STREAMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2003

	Notes	2003 £	2002 £
TURNOVER	2	1257401	587935
Cost of Sales		(506558)	(253541)
GROSS PROFIT		750843	334394
Distribution Costs		(1457)	(4053)
Administrative Expenses		(489974)	(351283)
OPERATING PROFIT/(LOSS)	3	259412	(20942)
Provision against subsidiary company operation	6/7	(118814)	-
OPERATING PROFIT/(LOSS) AFTER PROVISION		140598	(20942)
Interest Receivable		843	354
Interest Payable		(685)	(822)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		140756	(21410)
Tax on profit on ordinary activities	4	(61291)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		79465	(21410)
Dividends- paid or proposed.		(145014)	-
LOSS FOR THE FINANCIAL YEAR	11	(65549)	(21410)

MOBILE STREAMS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2003

	Note	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	5		9032		30717
Investments	6		25000		66667
			34032		97384
CURRENT ASSETS					
Debtors	7	251326		51797	
Cash at bank and in hand		159760		20499	
		411086		72296	
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	8	(441466)		(100479)	
NET CURRENT LIABILITIES			(30380)		(28183)
TOTAL ASSETS LESS CURRENT LIABILITIES			3652		69201
			====		=====
CAPITAL AND RESERVES					
Called Up Share Capital	9		875		875
Share Premium	10		99900		99900
Profit and Loss Account	11		(97123)		(31574)
SHAREHOLDERS FUNDS			3652		69201
			====		=====

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts were approved by the board and signed on its behalf by:-

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S.D. Buckingham
Director

19th October 2004

MOBILE STREAMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

1. **ACCOUNTING POLICIES**

Basis of Preparation of the Financial Statements
The financial statements have been prepared under the historical cost convention and under the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover
Turnover represents the value of services supplied during the year, exclusive of value added tax.

Depreciation
Depreciation of Tangible Fixed Assets is calculated to write off the cost of each asset over its expected useful economic life at the following annual rates.

Plant and Equipment	33 1/3% Straight Line
Website Development Costs	33 1/3% Straight Line
Office Furniture	25% Reducing Balance

Website development costs represent the cost of the initial development of websites, which support the company's core operations. The capitalisation is based on matching the cost with anticipated revenues in future periods.

Investments
Fixed asset investments are stated at cost, less provision for any permanent diminution in value.

Consolidation
The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

2. **TURNOVER**

Turnover attributable to geographical markets outside of the United Kingdom amounted to £188,610 (2002: £242,730).

3. **OPERATING PROFIT/(LOSS)**
This is stated after charging

	Note	2003	2002
		£	£
Depreciation of Tangible Fixed Assets	5	29597	24864
Operating lease rentals		7473	-
Auditors Remuneration		2000	1750
Directors Emoluments		119930	22500
		======	=====

4. **TAXATION**

	2003	2002
	£	£
UK Corporation Tax based on the profits for the year	61291	-
	=====	====

MOBILE STREAMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

5. TANGIBLE FIXED ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
	£	£	£	£
Cost				
Plant and Machinery etc	44491	7912	-	52403
Website Development	60000	-	-	60000
	104491	7912	-	112403

	Opening Balance	Charge For The Year	Disposals	Closing Balance
	£	£	£	£
Depreciation				
Plant and Machinery etc	33774	9597	-	43371
Website Development	40000	20000		60000
	73774	29597	-	103371

	Opening Balance	Closing Balance
	£	£
Net Book Value		
Plant and Machinery etc	10717	9032
Website Development	20000	-
	30717	9032

6. INVESTMENTS

	Opening Balance	Additions	Provision	Closing Balance
	£	£	£	£
Subsidiary Investments	66667	-	(41667)	25000

The company's investment in its subsidiary company represents the cost, less provision, of the whole of the ordinary share capital subscribed for in Mobile Streams Inc., a company registered in USA, which provides similar services to the USA market. At 31st December 2003, the aggregate share capital and reserves of Mobile Streams Inc., amounted to £36546 deficit (2002: £2738 deficit) and the loss for the year to 31st December 2003 amounted to £34264 (2002: Loss £69405).

A provision is made to recognise the level of subsidiary losses to date.

MOBILE STREAMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

7. DEBTORS

	2003	2002
	£	£
Trade Debtors	239746	40225
Due from subsidiary company	-	6208
Prepayments and Accrued Income	11580	5364
	251326	51797

The amount due from subsidiary company of £ 77148 is provided in full.

8. CREDITORS: Amounts Falling Due Within One Year

	2003	2002
	£	£
Trade Creditors	225950	68988
Taxation and Social Security	110787	22859
Other Creditors	104729	8632
	441466	100479

9. SHARE CAPITAL

Authorised

	2003	2002
	£	£
Ordinary Shares: 1000 @ £1 each	1000	1000

Allotted, called up and fully paid

	2003	2002
	£	£
Ordinary shares: 875 @ £1 each	875	875

10. SHARE PREMIUM ACCOUNT

	2003	2002
	£	£
Balances at 01/01/03 and 31/12/03	99900	99000

MOBILE STREAMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

11. PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
Balance as at 1st January 2003	(31574)	(10164)
(Loss)/Profit for the Year	(65549)	(21410)
Balance as at 31st December 2003	(97123)	(31574)
	=====	=====

12. OPERATING LEASE CHARGES

The company had annual commitments as at 31st December 2003 as follows:

	2003	2002
	£	£
Expiring within 2-5 years	16258	-
	=====	=====

13. RELATED PARTY TRANSACTIONS

The company provided services to the value of £91950 (2002: £57156) to Mobile Streams Inc., its subsidiary company, on normal commercial terms. This amount is included in Sales. The balance due from Mobile Streams Inc. as at 31st December 2003 was £77148 (2002:£6208). This indebtedness is fully provided.

The company received administrative services from Newbury Kitchen Studio Limited in the sum of £3000 (2002- £3000) on normal commercial terms. Mr S.D. Buckingham's parents are controlling shareholders in this company.

14. CONTROLLING PARTY

Mr S.D. Buckingham, a director, controls the company, as a result of controlling 86% of the issued share capital.