MOBILE TORNADO

Annual Report and Accounts

for the year ended 31 December 2009

Contents

Chairman's report

Introduction

Mobile Tornado Group plc, the leading provider of mobile applications to the enterprise market, announces its results for the twelve month period to 31 December 2009.

Financial results

I am pleased to report a year of steady progress. Whilst we are yet to see this reflected in the bottom line I am confident that the decisions we took during the year and the initiatives that were launched will start to deliver increasing momentum during 2010.

Turnover in the year to 31 December 2009 amounted to £2,340,000 (2008: £466,000). Operating losses before exchange differences reduced significantly to £1,985,000 (2008: £3,494,000). After exchange losses of £424,000 (2008: exchange gain £1,407,000) and net financing costs of £266,000 (2008: £132,000) the loss on ordinary activities before taxation was £2,675,000 (2008: £2,219,000).

The revenue for the year was boosted through the £1.9 million sale of 10,000 BB3G phones to InTechnology plc, our exclusive UK partner. The phone was developed in partnership with ZTE, one of the leading mobile phone producers in China and showcases the Mobile Tornado applications suite, which combines Push to Talk, Push to Locate and Push to Alert on an integrated intuitive interface. InTechnology are selling the phone to customers in the UK and have had early successes with NSL, Loomis and a number of local authorities.

Mobile Tornado has access to a stock of handsets which are being trialled by customers in Spain, South Africa, Germany, USA, France, Nigeria and Brazil. The response we have had is extremely positive and I expect the phone to assist us greatly as we seek to develop our customer base around the world.

The balance of revenues in 2009 comprised license fee revenues from our partners in UK, Germany, Israel and Spain, and professional service fees derived from the deployment of new platforms for partners in South Africa and Canada.

Operating expenses in the year were reduced by £700k when compared to the previous period and this reflects our continuing efforts to improve the efficiency of the business. Savings were made through the streamlining of both the technical and sales teams.

Operational review

During the period we have worked at refining our sales proposition into four key target segments:

- **Service integrator/Operator** – where the regional partner invests in our proprietary server platform, providing a managed service to enterprises, paying us a monthly license fee for every connection.

- **Enterprise** – where enterprises have sufficient scale to warrant owning and controlling their own platform, delivering services to their employees.

- **Managed hosted** – where we have established our own platforms to be used by partners who do not have the resources to invest in their own. Platforms have been deployed in the UK and Spain and we are in the process of deploying one in the USA.

- **Specialised devices** – where we offer a software developer kit to provide access to our API (application protocol interface) to device manufacturers or software integrators so they can access the functionality of our platform directly.

Within each target market we made good progress during the period. InTechnology plc are our principal service integrator partner, operating on an exclusive basis in the UK. In addition we have partners in Germany and Israel and during the period signed up further partners in Canada and South Africa.

We continue to engage with mobile operators and are currently negotiating with two operators in Israel and India respectively. Our preferred deal structure in all target markets is to secure a monthly license fee for each of the services provided as opposed to the perpetual license fee model which is the preferred deal structure for both of these operators. Where we feel it is appropriate we will sacrifice our desire to build up higher quality revenue streams for the benefits that the perpetual license fee model brings to short-term cashflow.

Our plans to launch in the US, which is the biggest PTT market in the world with over 25 million users, continued during the period. We have chosen to establish our own platform in the USA which will be hosted in New York. We have been actively engaged with partners interested in leveraging our software platform into the market and I am pleased to announce today our partnership with Psion Teklogix Inc. The combination of Mobile Tornado software running on Psion Teklogix's devices eliminates the need for workers to carry a separate mobile handset for Push to Talk in addition to their rugged mobile data capture device. Psion customers will now also be able to track employees in the field with Push to Locate, as well as send instant alerts in the event of an emergency with Push to Alert for improved effectiveness and safety. Under the terms of the agreement, Mobile Tornado will run the infrastructure and platform for the Push-to service for Psion customers. Psion will also resell the software as a white label product under the Psion brand. I am very hopeful that this deal and the interest we have already generated will lead to a meaningful presence in this huge market.

We completed the development of our API capability during the period which will now allow companies interested in our product set to incorporate the PTT, PTL or PTA functionality into their own technology platforms. Our first engagement is with a company in Germany that delivers communication solutions into the global transportation sector. They have incorporated PTT into their latest offering and are now in the process of trialling it with three bus companies in Germany. There are many businesses in the world offering solutions to enterprises, particularly in the workforce management sector, where the addition of PTT in particular would add greatly to the overall proposition. The advantage to us is that customer bases are already in place and so our ability to now offer these customers easy access to our technology through these API's will significantly enhance our market opportunity.

We have continually sought to operate the business more efficiently and took the decision in the final quarter of 2009 to transition a large part of the Research and Development function from Israel to the UK and India. A new team of engineers have been recruited in India and we expect to complete the transition process by the end of June 2010. This will have a significant impact on the cost base of the business, with a reduction of approximately £700k per annum, delivering an annualised cost base effective from July 2010 of approximately £1.4 million.

Outlook

We have executed some major changes to the organisation structure since the year end. Transitioning our Research and Development function from Israel to India and the UK has been a challenge but I am pleased to say that we are nearing a successful conclusion. Centralising our management team in one location will significantly enhance our effectiveness and the shift of resource to a lower cost environment means that we are in a position to reduce the level at which the business becomes profitable.

There are a number of market developments that give me confidence that we have a solution that will generate increasing demand over the coming months. The global roll-out of

3G networks continues and with this the reduction in data tariffs that help support the competitive price structure of our solution in the market. There is an acceptance amongst both mobile operators and enterprises that the managed services model is attractive, as in these difficult economic conditions capital expenditure budgets are being reduced or eliminated. There is a high level of interest in our solutions from the developing world, particularly Africa and Latin America. As these nations develop their mobile telecommunications infrastructure they are seeking out applications to suit the needs of their mobile workforces. In addition we are seeing an increasing number of devices being launched with a capability to offer Push to Talk which enhances our ability to penetrate existing customer bases through our API solution.

We stand to benefit from these trends and the renewed focus we have on our sales activities has resulted in an increasing number of engagements with partners and customers around the world. I look forward to reporting on the closure of these in the coming months.

Peter Wilkinson
Chairman

7 June 2010

Directors' report

The Directors present their annual report and audited financial statements of the Company and the Group for the year ended 31 December 2009.

Principal activity

Mobile Tornado is a provider of next generation instant messaging solutions which serve the market of mobile data services in the mobile communication industry. These services include a Group of services generically termed 'Push to x' services, of which 'Push to Talk' is the most commonly known.

Business review

The information that fulfils the requirements of the Business Review can be found in the Chairman's Report on pages 2 to 4 which forms part of the Directors' report.

Results and dividends

The Directors are unable to recommend the payment of a dividend in respect of the year ended 31 December 2009 (year ended 31 December 2008: £nil). The Company currently intends to reinvest future earnings to finance the growth of the business.

The loss sustained for the year of £2,675,000 (year ended 31 December 2008: £2,219,000) will be deducted from reserves.

Share Issues

On 28 April 2009, InTechnology plc subscribed for 18,750,000 new non-voting preference shares of 8p each. In addition, the terms attached to the pre-existing 18,750,000 non-voting preferences issued to InTechnology plc in October 2007 were varied so that the same terms attach to all non-voting preference shares. The redemption date for all preference shares is 31 December 2010. Further details of these terms are included in note 12 to the financial statements.

Key performance indicators

The key performance indicators used by the Board at this stage of the business to monitor performance are revenue and operating expenses. Revenue has increased by 402% and operating expenses have reduced by 23%.

Directors

The present Directors are detailed below.

- **Peter Robert Wilkinson** (56) was appointed Non-Executive Chairman on 24 November 2006. Peter is currently Chief Executive of InTechnology plc. Peter was formerly Chairman of Sports Internet Group plc which was sold to BSkyB plc for £301 million in May 2000. He also invented the free ISP model Freeserve, the internet access service which was launched by the Dixons Group plc.

- **Jeremy Mark Fenn** (47) is Managing Director and acting Finance Director and was appointed to the Board on 24 November 2006. Jeremy is a qualified chartered accountant and was formerly Chief Executive of Sports Internet Group plc. Following the sale of that business he remained as a Director of Skysports.com until December 2003. Prior to this he was Managing Director of Leeds United Football Club from 1996 to 1999. He is currently a Non-Executive Director of Eco City Vehicles plc, Commensus plc, Web Marketing Group Ltd, Autovip Ltd and Stonerings Ltd.

- **Richard Mark James** (49) was appointed as Director and Company Secretary on 24 November 2006. Richard qualified as a solicitor with Allen & Overy in 1986 and was a Partner at Pinsent Curtis in 1991 before moving to Hammond Suddards as a Partner in 1996. Richard is also a Director and Company Secretary of InTechnology plc.

- **John Paul Swingewood** (56) stood down as Executive Chairman of Mobile Tornado on 24 November 2006 to become a Non-Executive Director. John has held senior Director positions with BSkyB plc and BT plc and is currently a Non-Executive Director of Eco City Vehicles plc, Emizon Group Ltd and Swingewood Consulting Ltd.

The Directors and their families have the following beneficial interests in the ordinary share capital of the Company:

	31 December 2009		**31 December 2008**	
	number	**%**	**number**	**%**
Peter Wilkinson	24,837,725	13.4	24,837,725	13.4
John Swingewood	7,805,511	4.2	7,805,511	4.2
Jeremy Fenn	7,670,396	4.1	7,670,396	4.1
Richard James	2,959,870	1.6	2,959,870	1.6

There were no changes in Directors' interests between 1 January 2010 and 7 June 2010.

Third party indemnity insurance is in place for the four Directors above.

Details of related party transactions involving Directors of the Company are given in note 20 to the financial statements.

Substantial shareholdings

At 31 December 2009, InTechnology plc held 92,200,000 shares in the Company representing 49.9% of the issued ordinary share capital. At 31 December 2009, Jorge Pinievsky, a member of the senior management team, held 9,168,624 shares in the Company representing 5.0% of the issued ordinary share capital. There are no other shareholders, other than the Directors detailed above, who hold more than 3% of the Company's issued share capital.

Corporate governance

As an AIM listed Group, Mobile Tornado Group plc applies those principles of good governance appropriate to a Group of its size.

Audit Committee

The Audit Committee is chaired by Peter Wilkinson and its other member is the other Non-Executive Director, John Swingewood. Meetings are also attended, by invitation, by the Executive Directors. This committee normally meets twice during the financial year, around the time of the preparation of the Group's interim and final results.

The committee assists the Board in ensuring that appropriate accounting policies, internal financial controls and compliance procedures are in place.

Internal control

The Directors acknowledge their responsibility for the Group's systems of internal control. The Group maintains systems of internal controls, including suitable monitoring procedures, in order to provide reasonable, but not absolute, assurance of the maintenance of proper accounting records and the consequent reliability of the financial information used within the business to identify and deal with any problems on a timely basis. The monitoring and control procedures include the specification of defined lines of responsibility and authorisation limits, the delegation of authority, the identification of risks and the continual process of the preparation of, and reporting against, annual budgets, forecasts and strategic plans.

Principal risks and uncertainties

The management of the business and the nature of the Group's strategy are subject to a number of risks.

The Directors have set out below the principal risks facing the business. The Directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Product obsolescence

Due to the nature of the market in which the Group operates, products are subject to technological advances and as a result, obsolescence. The Directors are committed to the research and development strategy in place, and are confident that the Group is able to react effectively to the developments within the market.

Competition

The market in which the Group operates is highly competitive. As a result there is a risk of eroding margins and of being unable to meet customers' expectations. Policies of constant price monitoring and ongoing market research are in place to mitigate such risks.

Financial risk management

The Group's financial instruments comprise, principally, cash and short-term deposits and preference shares, and various items, such as trade debtors and trade creditors, arising directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments are currency risk, interest risk and liquidity risk. The Board's policies for managing these risks are summarised as follows:

Currency risk – the Group has no borrowings in foreign currency, and foreign currency liabilities are matched wherever possible by corresponding foreign currency assets. Foreign currency bank accounts are utilised where appropriate. No foreign currency transactions of a speculative nature are undertaken.

Interest risk – the Group is exposed to interest rate risk as it invests surplus cash in floating rate deposit accounts. These funds are invested with the objective of maintaining a balance between accessibility of funds and competitive rates of return.

Liquidity risk – the Group seeks to ensure sufficient liquidity is available to meet its foreseeable needs. The Board reviews cash flow projections and the headroom position in respect of its cash balances and banking facilities to ensure the Group is adequately funded.

Credit risk – the Group's exposure to credit risk is limited to the carrying amount of its financial assets at the balance sheet date. In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The Group's customers are generally companies with whom the Group has strong trading relationships with no recent history of default. The Group continually monitors its trade receivables and incorporates this information into its credit risk controls.

Going concern

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash balance, supplemented by additional investment, which has been agreed post year end (as further described in the basis of preparation). On this basis, the Directors consider that the going concern presumption is the correct basis for the preparation of the financial statements.

Employees

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and the various factors affecting the performance of the Group.

The Directors recognise that continued and sustained improvement in the performance of the Group depends on its ability to attract, motivate and retain employees of the highest calibre. Furthermore, the Directors believe that the Group's ability to sustain a competitive advantage over the long term depends in a large part on ensuring that all employees contribute to the maximum of their potential. The Group is committed to improving the performance of all employees through development and training.

The Group is an equal opportunity employer. The Group's policies seek to promote an environment free from discrimination, harassment and victimisation and to ensure that no employee or applicant is treated less favourably on the grounds of gender, marital status, age, race, colour, nationality or national origin, disability or sexual orientation or is disadvantaged by conditions or requirements, which cannot objectively be justified. Entry into, and progression within the Group, is solely determined on the basis of work criteria and individual merit.

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate.

Share schemes

Share ownership is at the heart of the Group's remuneration philosophy and the Directors believe that the key to the Group's future success lies in a motivated workforce holding a stake in the Company. Details of share options granted are set out in note 14 to the financial statements.

Pension costs

The Group does not operate a pension scheme but makes contributions to the personal pension schemes of some of its employees. These contributions are charged against profits.

Research and development

The Group continues to undertake research and development of new products with the objective of increasing future profitability. The cost to the Group is charged to the profit and loss account as incurred.

Policy and practice on payment of creditors

It is the Group's policy to agree terms and conditions for its business transactions with its suppliers. The Group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

In the year ended 31 December 2009 average creditor days for the Group and Company were 38 days (2008: 31 days) and 35 days (2008: 33 days) respectively.

Environment

The Group recognises the importance of environmental responsibility. The nature of its activities has a minimal effect on the environment but where they do, the Group acts responsibly and is aware of its obligations at all times.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 the Directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) for the Parent Company and International Financial Reporting Standards as adopted by the European Union (IFRSs) for the Group. 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. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group 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/IFRSs 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Annual General Meeting

The next AGM of the Company will be held on 30 June 2010. Details of the business to be proposed at the AGM are contained within the Notice of Meeting, which is set out on pages 41 to 44.

Independent auditor

Grant Thornton UK LLP have indicated their willingness to continue in office and a resolution proposing that they be reappointed as independent auditor and authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board

Jeremy Fenn
Managing Director

7 June 2010

Report of the independent auditor to the members of Mobile Tornado Group plc
For the year ended 31 December 2009

We have audited the Group and Parent Company financial statements (the 'financial statements') of Mobile Tornado Group plc for the year ended 31 December 2009 which comprise the principal accounting policies, the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated statement of changes in shareholders' equity, the Consolidated and Parent Company balance sheets, the Consolidated cash flow statement and notes to the financial statements. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Companys' members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2009 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the independent auditor to the members of Mobile Tornado Group plc
For the year ended 31 December 2009

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Leeds

7 June 2010

Consolidated income statement
For the year ended 31 December 2009

	Note	**Year ended 31 December 2009 £'000**	Year ended 31 December 2008 £'000
Continuing operations			
Revenue	2	**2,340**	466
Cost of sales		**(1,836)**	(48)
Gross profit		**504**	418
Operating expenses		**(2,358)**	(3,058)
Exchange differences		**(424)**	1,407
Depreciation and amortisation expense		**(131)**	(854)
Group operating loss	3	**(2,409)**	(2,087)
Finance costs	4	**(268)**	(153)
Finance income	4	**2**	21
Loss before tax		**(2,675)**	(2,219)
Income tax expense	5	**–**	–
Loss for the year		**(2,675)**	(2,219)
Attributable to:			
Equity holders of the parent		**(2,675)**	(2,219)
Loss per share (pence)			
Basic and diluted	6	**(1.45)**	(1.20)

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated statement of comprehensive income
For the year ended 31 December 2009

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Loss for the period	**(2,675)**	(2,219)
Other comprehensive income		
Exchange differences on translation of foreign operations	**964**	(2,683)
Total comprehensive income for the period	**(1,711)**	(4,902)

Consolidated statement of changes in equity
For the year ended 31 December 2009

	Share capital £'000	Share premium £'000	Reverse acquisition reserve £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2008	**3,689**	**4,449**	**(7,620)**	**10,938**	**(434)**	**(13,093)**	**(2,071)**
Equity settled share-based payments	–	–	–	–	–	(29)	(29)
Issue of share capital	10	–	–	–	–	–	10
Transactions with owners	**10**	**–**	**–**	**–**	**–**	**(29)**	**(19)**
Loss for the year	–	–	–	–	–	(2,219)	(2,219)
Exchange differences on translation of foreign operations	–	–	–	–	(2,683)	–	(2,683)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(2,683)**	**(2,219)**	**(4,902)**
Balance at 31 December 2008	**3,699**	**4,449**	**(7,620)**	**10,938**	**(3,117)**	**(15,341)**	**(6,992)**

	Share capital £'000	Share premium £'000	Reverse acquisition reserve £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2009	**3,699**	**4,449**	**(7,620)**	**10,938**	**(3,117)**	**(15,341)**	**(6,992)**
Equity settled share-based payments	–	–	–	–	–	12	12
Transactions with owners	**–**	**–**	**–**	**–**	**–**	**12**	**12**
Loss for the year	–	–	–	–	–	(2,675)	(2,675)
Exchange differences on translation of foreign operations	–	–	–	–	964	–	964
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**964**	**(2,675)**	**(1,711)**
Balance at 31 December 2009	**3,699**	**4,449**	**(7,620)**	**10,938**	**(2,153)**	**(18,004)**	**(8,691)**

Consolidated balance sheet
As at 31 December 2009

	Note	2009 £'000	2008 £'000
Assets			
Non-current assets			
Intangible assets	7	**–**	106
Property, plant & equipment	8	**44**	80
Available-for-sale investments	9	**–**	101
		44	287
Current assets			
Trade and other receivables	10	**146**	310
Cash and cash equivalents		**160**	206
		306	516
Liabilities			
Current liabilities			
Trade and other payables	11	**(3,112)**	(2,911)
Borrowings	12	**(3,000)**	–
Net current liabilities		**(5,806)**	(2,395)
Non-current liabilities			
Trade and other payables	11	**(2,929)**	(3,384)
Borrowings	12	**–**	(1,500)
Net liabilities		**(8,691)**	(6,992)
Shareholders' equity			
Share capital	13	**3,699**	3,699
Share premium	13	**4,449**	4,449
Reverse acquisition reserve		**(7,620)**	(7,620)
Merger reserve		**10,938**	10,938
Share option reserve		**46**	34
Foreign currency translation reserve		**(2,153)**	(3,117)
Retained earnings		**(18,050)**	(15,375)
Total equity		**(8,691)**	(6,992)

The financial statements on pages 13 to 35 were approved by the Board of Directors on 7 June 2010 and were signed on its behalf by:

Jeremy Fenn
Managing Director

7 June 2010
Company Number: 5136300

Consolidated cash flow statement

For the year ended 31 December 2009

	Note	**Year ended 31 December 2009 £'000**	Year ended 31 December 2008 £'000
Operating activities			
Cash used in operations	15	**(1,526)**	(1,609)
Net cash used in operating activities		**(1,526)**	(1,609)
Investing activities			
Purchase of property, plant & equipment		**(5)**	(149)
Interest received		**1**	21
Interest paid		**–**	(3)
Net cash used in investing activities		**(4)**	(131)
Financing			
Net proceeds from issue of ordinary share capital		**–**	10
Issue of preference shares		**1,500**	–
Net cash inflow from financing		**1,500**	10
Effects of exchange rates on cash and cash equivalents		**(16)**	52
Net decrease in cash and cash equivalents in the period		**(46)**	(1,678)
Cash and cash equivalents at beginning of period		**206**	1,884
Cash and cash equivalents at end of period		**160**	206

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards as adopted by the EU.

During the year the Group has applied IAS 1 Presentation of Financial Statements (Revised 2007). IAS 1 Presentation of Financial Statements (Revised 2007) requires presentation of a comparative balance sheet as at the beginning of the first comparative period, in some circumstances. Management considers that this is not necessary this year because the 2008 balance sheet is the same as that previously published.

The adoption of IAS 1 Presentation of Financial Statements (Revised 2007) has introduced a number of terminology changes (including titles for the primary statements) and has resulted in a number of changes in presentation and disclosure. The revised standard has had no impact on the reported results or financial position of the Group.

The Group has elected to present the 'Statement of comprehensive income' in two statements: the 'Income statement' and a 'Statement of comprehensive income'.

Going concern

The stage of development of the business and the current economic conditions create uncertainty particularly over (a) the level of demand for the Company's products; (b) the exchange rate between sterling and US dollar and thus the consequence for the value of revenue and (c) the requirement for funding in the foreseeable future.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash balance, supplemented by the additional investment detailed below, which has been agreed post year end with InTechnology plc.

InTechnology plc has agreed to provide an unsecured loan of £450,000. The loan will be advanced in six equal stages against specific performance criteria which the Board has every expectation of delivering against.

Significant accounting estimates and judgements

The preparation of these financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue during the reporting period. Actual results could differ from these estimates. The key sources of estimation at the balance sheet date are:

Share options – Share-based payments are dependent on estimates of the number of shares which are expected to vest.

Intellectual property – the Group tests annually whether intellectual property has suffered any impairment. This calculation requires the use of estimates.

1.2 Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings at 31 December 2009. A subsidiary is an entity controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Acquisitions of subsidiaries are dealt with using the acquisition method of accounting except for the reverse takeover transaction detailed below. The acquisition method of accounting involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities, of the subsidiary at the acquisition date regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Any difference between the fair value of assets acquired and the consideration paid is treated as goodwill in the consolidated balance sheet. The results of subsidiaries are included from the date that control commences to the date that control ceases.

On 31 October 2009, the trade and net assets of Mobile Tornado International Ltd were transferred to Mobile Tornado Group plc at book value. Further details of the accounting treatment are disclosed in the Company investment note on page 38.

1.3 Intangible assets

Acquired intellectual property

Intellectual property acquired separately and as part of a business combination is capitalised at cost and fair value as at the date of acquisition. Management must estimate the expected useful live of any intellectual property and charge amortisation accordingly. The useful life of the acquired intellectual property is estimated to be 5 years. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described below.

Impairment testing of intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Cash-generating units to which intangible assets have been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each asset or cash-generating unit and reflect their respective risk profiles as assessed by management.

An impairment charge is reversed if the asset or cash-generating unit's recoverable amount exceeds its carrying amount.

Research and development

Research expenditure, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is charged to income in the year in which it is incurred. Internal development expenditure, whereby research findings are applied to a plan for the production of new or substantially improved products or processes, is charged to income in the year in which it is incurred unless it meets the recognition criteria of IAS 38 'Intangible Assets'. Measurement and other uncertainties generally mean that such criteria are not met. Where, however, the recognition criteria are met, intangible assets are capitalised and amortised over their useful economic lives from product launch. Intangible assets relating to products in development are subject to impairment testing at each balance sheet date or earlier upon indication of impairment. Any impairment losses are written off immediately to income.

1.4 Revenue Recognition

Revenue comprises the fair value for the sale of licences, services and goods, excludes inter-company sales and value-added taxes and represents net invoice value less estimated rebates, returns and settlement discounts. Licence and service revenues are recognised over the period to which the licence and services relate. Unrecognised license and service revenues and associated costs of sale are included as deferred income and deferred cost respectively in the balance sheet.

The Group only recognises revenue on the sale of equipment once any obligation to install such equipment has been completed.

1.5 Interest

Interest is recognised on a time-proportion basis using the effective interest method.

1.6 Employee benefits

Pension obligations

The Group does not operate a pension scheme but makes contributions to the personal schemes of some of its employees. These contributions are charged to the income statement.

1.7 Share-based payments

The Group operates equity-settled share-based remuneration plans for its employees.

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, which takes into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where variations are due only to share prices not achieving the threshold for vesting.

1.8 Foreign currency translation

The consolidated financial statements are presented in UK Sterling (GBP £), which is also the functional currency of the Parent Company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currently other than the CU (the Group's presentation currency) are translated into CU upon consolidation. The functional currency of the entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into CU at the closing rate at the reporting date. Income and expenses have been translation into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to over comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into CU at the closing rate.

1.9 Taxation

The charge for taxation is based on the profits for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and for accounting purposes.

Temporary differences arise from the inclusion of profits and losses in the accounts in different periods from which they are recognised in tax assessments and primarily arise as a result of the difference between tax allowances on property, plant & equipment and the corresponding depreciation charge. Full provision is made for the tax effects of these differences using tax rates substantively enacted at the balance sheet date.

No provision is made for unremitted earnings of foreign subsidiaries where there is no commitment to remit such earnings. Similarly, no provision is made for temporary differences relating to investments in subsidiaries since realisation of such differences can be controlled and is not probable in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.10 Property, plant & equipment

Property, plant and equipment is stated at historical cost less depreciation. The Group's policy is to write off the difference between the cost of all property, plant and equipment and their residual value on a straight line basis over their estimated useful lives as follows:

Office equipment	3 years
Computer equipment	3 years

Reviews are made annually of the estimated remaining lives and residual values of individual productive assets, taking account of commercial and technological obsolescence as well as normal wear and tear, and adjustments are made where appropriate. All individual assets are reviewed for impairment when there are indications that the carrying value may not be recoverable.

1.11 Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Reverse acquisition reserve" represents the difference between the required total of the Group's equity instruments and the reported equity of the legal parent.
- "Merger reserve" represents the difference between the nominal value of the share capital issued by the Company and their fair value at 7 March 2006, the date of the acquisition of Mobile Tornado International Ltd.
- "Share option reserve" represents equity-settled share-based employee remuneration until such share options are exercised.
- "Foreign currency translation reserve" represents the differences arising from translation of investments in overseas subsidiaries.
- "Retained earnings" represents retained profits.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.13 Financial assets – loans and receivables

Financial assets comprise trade receivables and cash and cash equivalents. Financial assets are recognised in the Group's consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument. Loans and receivables are measured at initial recognition at fair value and are subsequently recorded at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

1.14 Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and comprise trade payables and borrowings. Financial liabilities are recognised in the Group's consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument. They are subsequently recorded at amortised cost using the effective interest method. Trade payables are measured at initial recognition at fair value. Changes in fair value are recognised in the income statement.

Borrowings are initially recorded at fair value and then subsequently recorded at amortised cost using the effective interest method.

1.15 Deferred consideration

Deferred consideration arising on acquisition of intellectual property is held as a creditor in the balance sheet until such time as those amounts are paid.

1.16 Investments

Investments are classified as available-for-sale financial assets. All financial assets within this category are initially measured at historic cost and subsequently at fair value, with changes in value recognised in equity, through the statement of changes in equity. Gains and losses arising from investments classified as available-for-sale are recognised in the income statement when they are sold or when the investment is impaired.

1.17 Standards and interpretations not yet applied

The following standards and interpretations currently in issue but not effective for accounting periods commencing on 1 January 2009 and which have not been applied in the 2009 consolidated financial statements are:

- IFRS 9 Financial Instruments (effective 1 January 2013)
- IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
- Improvements to IFRSs 2009 (various effective dates, earliest of which is 1 July 2009, but mostly 2010)

The above is not an exhaustive list but represents those most relevant to the Group. The standards are expected to have an impact on presentation only.

Notes to the financial statements

For the year ended 31 December 2009

2 Segmental analysis

The Group presents its results in accordance with internal management reporting information. Under IFRS 8, the Group has only one operating segment. Therefore the results presented in the income statement are the same as those required under IFRS 8, save for the year end entry of IFRS 2 share option charge of £12,000 (year ended 31 December 2008: £29,000 credit).

Revenue is reported by geographical location of customers. Non-current assets are reported by geographical location of assets.

	Year ended 31 December 2009 Revenue £'000	**At 31 December 2009 Non-current assets £'000**	Year ended 31 December 2008 Revenue £'000	At 31 December 2008 Non-current assets £'000
UK	2,022	18	–	–
Europe	153	–	30	246
North America	56	–	83	–
South America	5	–	153	–
Middle East	39	26	98	41
Africa	65	–	76	–
Asia/Pacific	–	–	26	–
Total	**2,340**	**44**	466	287

Total revenue comprises £2,047,000 relating to the sale of goods and £293,000 relating to the sale of services. Details of sales made to InTechnology plc, a large customer in the period, are detailed in the related party note.

3 Loss for the year

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Staff costs (note 17)	1,445	1,861
Depreciation of owned property, plant & equipment (note 8)	34	161
Amortisation of intangible assets (note 7)	97	693
Other operating lease rentals	202	248
Net exchange loss/(gain)	424	(1,407)

Notes to the financial statements
For the year ended 31 December 2009

Auditor remuneration

During the year the Group obtained the following services from the Group's auditor at costs as detailed below:

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	19	20
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	3	15
Tax services	4	3
Other services pursuant to legislation	2	2
Total	**28**	40

4 Net financial expenses

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Interest expense:		
– finance charge on preference shares	(268)	(150)
– other interest payable	–	(3)
Finance costs	(268)	(153)
Finance income:		
– bank interest receivable	–	21
– other interest receivable	2	–
Finance income	2	21
Net finance costs	**(266)**	(132)

5 Tax

Factors affecting the tax charge for the year

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Loss before tax	(2,675)	(2,219)
At standard rate of corporation tax of 28% (2008: 28%)	(749)	(621)
Effects of:		
Amortisation of intangible assets	37	194
Expenses not deductible for tax purposes	–	–
Un-utilised tax losses	712	427
Total charge for the year	**–**	–

The most appropriate tax rate for the Group is considered to be 28% (2008: 28%), the standard rate of profits tax in the UK which is the primary source of revenue for the Group.

Deferred Tax

At 31 December 2009, the Group had accumulated tax losses of £16,080,000 (31 December 2008: £14,326,000) which are available for offset against future trading profits of certain Group operations, subject to agreement with the relevant tax authorities. No deferred tax asset has been recognised in respect of these losses given the level of uncertainty over their recoverability.

6 Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of £2,675,000 (2008: £2,219,000) by the weighted average number of ordinary shares in issue during the year of 184,953,708 (2008: 184,503,773).

The adjusted basic loss per share has been calculated to provide a better understanding of the underlying performance of the Group as follows:

	Year ended 31 December 2009 Basic and diluted		Year ended 31 December 2008 Basic and diluted	
	(Loss)/ earnings	**(Loss)/ earnings per share**	(Loss)/ earnings (Restated)	(Loss)/ earnings per share (Restated)
	£'000	**pence**	£'000	pence
Loss attributable to Ordinary shareholders	**(2,675)**	**(1.45)**	(2,219)	(1.20)
Amortisation of goodwill	97	0.05	693	0.38
Adjusted basic loss per share	**(2,578)**	**(1.40)**	(1,526)	(0.82)

The loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options is not dilutive under the terms of IAS 33.

7 Intangible assets

	Purchased Intellectual Property £'000
Cost	
At 1 January 2008	3,208
Exchange Adjustments	1,028
At 31 December 2008	**4,236**
Exchange Adjustments	(375)
At 31 December 2009	**3,861**
Amortisation	
At 1 January 2008	2,486
Charge for the year	693
Exchange Adjustments	951
At 31 December 2008	**4,130**
Charge for the year	97
Exchange Adjustments	(366)
At 31 December 2009	**3,861**
Net book amount at 31 December 2009	**–**
Net book amount at 31 December 2008	106

8 Property, plant & equipment

	Office Equipment £'000	Computer Equipment £'000	Leasehold Improvement £'000	Total £'000
Cost				
At 1 January 2008	13	272	8	293
Additions	1	148	–	149
Disposals	–	(26)	–	(26)
Exchange Adjustments	4	129	3	136
At 31 December 2008	**18**	**523**	**11**	**552**
Additions	1	4	–	5
Exchange Adjustments	(1)	(52)	(1)	(54)
At 31 December 2009	**18**	**475**	**10**	**503**
Accumulated depreciation				
At 1 January 2008	1	197	1	199
Charge for the year	2	29	–	31
Impairment charge	–	130	–	130
Exchange Adjustments	1	110	1	112
At 31 December 2008	**4**	**466**	**2**	**472**
Charge for the year	1	33	–	34
Exchange Adjustments	–	(47)	–	(47)
At 31 December 2009	**5**	**452**	**2**	**459**
Net book amount at 31 December 2009	**13**	**23**	**8**	**44**
Net book amount at 31 December 2008	14	57	9	80

9 Investments

	£'000
At 1 January 2009	101
Write down of carrying value in Jukata investment	(101)
At 31 December 2009	**–**

The investment is classified as available for sale in accordance with IAS 39.

10 Trade and other receivables

	2009 £'000	2008 £'000
Trade receivables	55	252
Less: provision for impairment of trade receivables	–	(181)
Trade receivables – net	55	71
Other receivables	52	66
Prepayments and accrued income	39	156
Deferred cost of sales	–	17
	146	310
Current portion	**146**	310

The age of the Group's year end past due receivables is as follows:

	2009 £'000	2008 £'000
Impaired		
Over 6 months	–	181
	–	181
Not impaired		
Less than 3 months	55	71
	55	71

The individually impaired receivables relate to customers in unexpectedly difficult economic circumstances. The overdue receivables against which no provision has been made relate to a number of customers for whom there is no recent history of default or any other indication that settlement will not be forthcoming.

The carrying amounts of the Group's receivables are all denominated in US dollar.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Movement on the Group's provision for impairment of trade receivables are as follows:

	2009 £'000	2008 £'000
At 1 January 2009/1 January 2008	181	91
Provision for receivables impairment	–	61
Receivables written off during the year as uncollectable	(166)	–
Exchange differences	(15)	29
	–	181

The other classes of receivables do not contain impaired assets.

11 Trade and other payables

	2009 £'000	2008 £'000
Trade payables	153	257
Accruals	653	530
Social security and other taxes	91	134
Other creditors	304	398
Deferred income	1,757	1,488
Deferred consideration	3,083	3,488
	6,041	6,295
Less non-current portion: deferred consideration	(2,929)	(3,384)
Current portion	**3,112**	2,911

The deferred consideration arose on the purchase of intellectual property from Tersync Ltd and represents a royalty payable on future sales of Push to Talk related products by Mobile Tornado, payable in part consideration for the acquisition of the rights to the technology underlying such product. The royalty is payable quarterly on any relevant sales (on a cash receipts basis) as follows:

(i) 50% of the first US$200,000 relevant sales.

(ii) 15% of any additional relevant sales, subject to any related cumulative royalty payments being capped at a maximum of US$5.3 million. Direct reseller and other third party costs may be deducted in arriving at these royalty payments, subject to such costs not exceeding 10% of the relevant sales. The deferred consideration is secured by a charge over the intellectual property of the Mobile Tornado Group.

The deferred income balance includes an amount of £1,723,000 (2008: £1,171,000) received from InTechnology plc in respect of 12 month licenses that had not been brought into use at the balance sheet date.

12 Borrowings, other financial liabilities and other financial assets

	Group	
	2009	2008
	£'000	£'000
Preference shares	3,000	1,500
Deferred consideration	3,083	3,488
Total borrowings	**6,083**	4,988

Maturity analysis

	2009	2008
	£'000	£'000
In one year or less	3,154	104
Between one and two years	1,873	2,998
Between two and five years	1,056	1,886
	6,083	4,988

The following additional terms apply to all non-voting preference shares:

The non-voting preference shares carry a cumulative annual coupon of 10%.

The Company may, at any time on not less than 10 business days' notice in writing to the holders of preference shares, redeem, in multiples of not less than 6,250,000 preference shares, such total number of preference shares as is specified in such notice.

If all or some of the preference shares are not redeemed by 31 December 2010, a holder of preference shares may from that date give to the Company notice in writing of the conversion of all or some of his preference shares. Each preference share shall convert into one fully paid ordinary share.

Not less than 10 business days' prior to the sale of a controlling interesting in the Company, the Company shall notify in writing the preference shareholders of such sale. Following receipt of a sale notice, a preference shareholder may:

(a) elect to convert all or some of his preference shares into ordinary shares; or

(b) elect not to convert any of his preference shares.

Holders of preference shares not converted pursuant to the above may at anytime from the date of a sale give to the Company a conversion notice in respect of the conversion of all or some of the preference shares held by such shareholder.

Non-voting preference shares not redeemed or converted will continue to be afforded the existing rights under the Articles until such time as they are redeemed or converted.

Financial risks

The main financial risks faced by the Group include interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks.

The Group's financial instruments comprise cash, liquid resources and various items, such as debtors and creditors that arise directly from its operations. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The year end position reflects these policies and there have been no changes in policies or risks since the year end.

Financial asset returns are maximised by ongoing review of the Group's cash flow requirements. Any funds surplus to short-term working capital requirements are placed on interest bearing deposit.

Interest rate risk profile of financial assets

The interest rate profile of the financial assets of the Group comprise cash of £160,000 (2008:£206,000) as follows:

	Floating rate	
	31 December 2009 £'000	31 December 2008 £'000
Currency		
Sterling	91	48
US dollar	13	98
Euro	45	26
Israel Shekel	11	34
Total	**160**	206

The sterling, US dollar and euro financial assets relate to cash at bank and bear interest based on GBP LIBOR, US dollar LIBOR and EURIBOR respectively. There are no fixed rate financial assets (2008: £nil).

Interest rate risk profile of financial liabilities

The interest rate profile of the financial liabilities of the Group is as follows:

	Fixed	
	31 December 2009 £'000	31 December 2008 £'000
Fixed rate 10% preference shares	3,000	1,500
Total	**3,000**	1,500

Currency risk

The table below shows the extent to which Group companies have monetary assets and liabilities in currencies other than their local currency.

	31 December 2009 £'000	31 December 2008 £'000
Functional currency of operation: Sterling		
US Dollar (net liabilities)/net assets	(3,162)	6,548
Euro (net liabilities)	(48)	–
Total	**(3,210)**	6,548
Functional currency of operation: Euro		
US Dollar liabilities (net)	–	(10,020)
Total	**–**	(10,020)

Sensitivity analysis

Financial assets and liabilities are sensitive to movements in interest rates and foreign exchange rates.

A 10% movement in exchange rates would result in a charge or credit to profit and equity of £280,000 (2008: £228,000).

A 1% movement in interest rates would result in a charge or credit to profit and equity of £2,000 (2008: £2,000).

Capital management

The Group's capital management objectives are:

To ensure the Group's ability to continue as a going concern; and

To provide and adequate return to shareholders.

These objectives are maintained by pricing products and services commensurately with the level of risk.

The Group's goal in capital management is to maintain adequate cash balances with the minimum necessary borrowing. There are no externally imposed capital requirements during the period covered by the financial statements. In accordance with the objectives and goals, a loan facility was completed after the year end as referred to in the basis of preparation section of the accounting policies.

Summary of the Group's financial assets and liabilities as defined in IAS 39 'financial instruments: recognition and measurement'

	31 December 2009 £'000	31 December 2008 £'000
Current assets – loans and receivables		
Trade and other receivables	107	153
Cash and cash equivalanets	160	206
	267	359
Current liabilities – held at amortised cost		
Trade and other payables	(3,021)	(2,777)
Borrowings	(3,000)	–
	(6,021)	(2,777)
Non-current liabilities – held at amortised cost		
Trade and other payables	(2,929)	(3,384)
Borrowings	–	(1,500)
	(2,929)	(4,884)
Net financial assets and liabilities	**(8,683)**	(7,302)

The Directors consider that the fair value of financial assets and liabilities equates to the carrying value for both 2009 and 2008.

13 Share capital and share premium

	Number of shares '000	Share captital £'000	Share premium £'000	Total £'000
At 1 January 2008	184,431	3,689	4,449	8,138
Issue of shares	522	10	–	10
As at 31 December 2008 and 2009	**184,953**	**3,699**	**4,449**	**8,148**

The total authorised number of ordinary shares is 475 million (2008: 475 million) with a par value of 2p per share (2008: 2p per share).

Non-voting preference shares

	Number of shares '000	Value £'000
At 1 January 2009	18,750	1,500
Issue of preference shares of 8p each	18,750	1,500
As at 31 December 2009	**37,500**	**3,000**

The above preference shares are classified as debt and therefore shown within creditors.

14 Share-based payments

The Group has a share option scheme for certain employees and Directors. Options are exercisable at a price equal to the average market price of the Company's shares on the date of grant. The vesting period is usually two to three years. The options are settled in equity.

During the year options were granted for an aggregate of 4,781,000 ordinary shares. 1,231,000 options were granted on 2 February 2009 as replacement options for those that had expired at 31 December 2008. The terms of this grant were the same as those that had expired such that all options were immediately vested.

A further 3,550,000 options were granted on 2 February 2009. The fair value of this option award was calculated using the Black-Scholes option-pricing model, the inputs into which were:

	3,550,000 shares
Share price at grant date (pence)	5.0
Exercise price (pence)	5.0
Expected volatility	14%
Risk-free rate	1%
Expected time to exercise	2.0 years

Notes to the financial statements

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A reconciliation of option movements over the year to 31 December 2009 is shown below:

	2009		2008	
	Number '000	**Weighted average exercise price pence**	Number '000	Weighted average exercise price pence
Outstanding at 1 January 2009/2008	2,000	5.0	6,062	3.8
Granted	4,781	4.0	2,000	5.0
Forfeited	–	–	(3,600)	5.0
Exercised	–	–	(323)	2.0
Expired	–	–	(2,139)	2.0
Outstanding at 31 December	6,781	4.3	2,000	5.0
Exercisable at 31 December	667	5.0	267	5.0

The closing mid-market share price on 2 June 2010 was 4.25 pence.

The weighted average remaining contractual life of the share options outstanding at 31 December 2009 was 9.0 years.

The total charge for the year relating to employee share-based payment plans was £12,000 (2008: £29,000 credit), all of which related to equity-settled share-based payment transactions.

15 Cash used in operations

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Loss before taxation	(2,675)	(2,219)
Adjustments for:		
Depreciation and impairment	34	161
Amortisation of non-financial assets	97	693
Write down of investment	101	–
Share based payment (credit)/charge	12	(29)
Net finance costs	266	132
Changes in working capital		
Decrease in trade and other receivables	196	594
Increase/(decrease) in trade and other payables	443	(941)
Net cash used in operations	**(1,526)**	(1,609)

Notes to the financial statements

For the year ended 31 December 2009

16 Directors' remuneration

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Salary	5	44
Pension	–	–
Other benefits	1	4
Compensation paid to past Director for loss of office	–	59
Sums paid to third parties for services	263	243
Total	**269**	350
Highest Paid Director		
Salary	5	–
Pension	–	–
Other benefits	1	–
Sums paid to third parties for services	185	165
Total	**191**	165

These represent emoluments of the Directors of the legal parent Company, Mobile Tornado Group plc.

17 Employee information

The average monthly number of persons (including Executive Directors) employed by the Group during the year was:

	Year ended 31 December 2009 Number	Year ended 31 December 2008 Number
Sales	5	7
Product development	17	21
Finance & administration	5	6
Total	**27**	34

Staff costs for the persons above were:

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Wages and salaries	1,231	1,579
Social security costs	45	57
Pension costs	50	65
Other benefits	119	160
Total	**1,445**	1,861

18 Capital commitments

The Group had no capital commitments at 31 December 2009.

19 Post balance sheet event

Since the balance sheet date, the Group has commenced the transition of a large part of the Research and Development function from Israel to the UK and India. A new team of engineers have been recruited in India and we expect to complete the transition process by the end of June 2010. This will have a significant impact on the costbase of the business, with a reduction of approximately £700k per annum, delivering an annualised costbase effective from July 2010 of approximately £1.4 million.

20 Related party transactions

For the purposes of IAS 24, key management of the Group are the same as those of the board of Directors. There was no share-based payment credit or charge in relation to key management personnel. Key management personnel remuneration includes the following expenses:

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Salaries including bonuses	5	44
Pension	–	–
Company car allowance	–	4
Other benefits	1	–
Sums paid to third parties for services	263	243
Total short-term employee benefits	**269**	291
Termination benefits	–	59
Total remuneration	**269**	350

Peter Wilkinson is a shareholder and Director of InTechnology plc. Mobile Tornado Group plc has bought services totalling £56,000 (year ended 31 December 2008; £82,000) from InTechnology plc in the year to 31 December 2009. As at 31 December 2009, Mobile Tornado Group plc owed InTechnology plc £4,000 (31 December 2008; £27,000).

InTechnology plc has bought services totalling £52,000 from Mobile Tornado Group plc in the year to 31 December 2009 (year ended 31 December 2008; £18,000). InTechnology plc has bought future use licences totalling £303,000 in the year to 31 December 2009 (year ended 31 December 2008; £nil) from Mobile Tornado Group plc. As at 31 December 2009, there was no amount owing to Mobile Tornado Group plc by InTechnology plc (31 December 2008; £nil).

InTechnology plc has bought goods and future use licences totalling £2,364,000 from Mobile Tornado International Limited in the year to 31 December 2009 (year ended 31 December 2008; £957,000). As at 31 December 2009, there was no amount owing to Mobile Tornado International Limited by InTechnology plc (31 December 2008; £nil).

Payments to a third party, Stonerings Ltd, are made in respect of the services provided by Jeremy Fenn. As at 31 December 2009, Mobile Tornado Group plc owed £nil (31 December 2008: £nil) to Jeremy Fenn.

Company balance sheet – prepared under UK GAAP
As at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	2	**18**	–
Investments	3	**–**	12,859
Intangible assets	4	**12,758**	–
		12,776	12,859
Current assets			
Debtors	5	**68**	6,835
Cash at bank and in hand		**149**	11
		217	6,846
Creditors – amounts falling due within one year	6	**(5,761)**	(2,044)
Net current (liabilities)/assets		**(5,544)**	4,802
Total assets less current liabilities		**7,232**	17,661
Creditors – amounts falling due after one year		**(2,929)**	–
Net assets		**4,303**	17,661
Capital and reserves			
Called up share capital	7, 8	**3,699**	3,699
Share premium account	8	**4,449**	4,449
Merger reserve	8	**10,938**	10,938
Share option reserve	8	**46**	34
Profit and loss account	8	**(14,829)**	(1,459)
Shareholders' funds		**4,303**	17,661

The financial statements on pages 36 to 40 were approved by the Board of Directors on 7 June 2010 and were signed on its behalf by:

Jeremy Fenn
Managing Director
7 June 2010
Company Number: 5136300

The accompanying notes form an integral part of these financial statements.

Notes to the Company financial statements prepared under UK GAAP

For the year ended 31 December 2009

1 Principal accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost basis of accounting and under United Kingdom Generally Accepted Accounting Practice (UK GAAP).

1.2 Share options

The Group grants share options to employees and Directors on a discretionary basis.

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, which takes into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where variations are due only to share prices not achieving the threshold for vesting.

1.3 Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the exchange rates ruling at the balance sheet date.

All other exchange differences are taken to the profit and loss account.

1.4 Tangible fixed assets

The cost of tangible fixed assets is their purchase cost. Depreciation is calculated so as to write-off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	3 years
Computer equipment	3 years

The Directors review tangible fixed assets for impairment if events or changes in circumstances indicate that the carrying value of may not be recoverable.

1.5 Goodwill

Purchased goodwill is capitalised and amortised over five years, on a straight line basis, with provision made for any permanent diminution in value.

1.6 Investments

Investments are stated at cost less provision for any permanent impairment in value. The carrying value of investments is reviewed annually to determine the need for any provision for impairment.

Notes to the Company financial statements prepared under UK GAAP
For the year ended 31 December 2009

2 Tangible assets

	Computer Equipment £'000	Total £'000
Cost		
At 31 December 2008	–	–
Transfer from subsidiary	199	199
At 31 December 2009	**199**	199
Accumulated depreciation		
At 31 December 2008	–	–
Transfer from subsidiary	179	179
Charge for the year	2	2
At 31 December 2009	**181**	181
Net book amount at 31 December 2009	**18**	18
Net book amount at 31 December 2008	–	–

3 Investments

	£'000
At 1 January 2009	12,859
Write down of carrying value in Jukata investment	(101)
Transfer to goodwill (note 4)	(12,758)
At 31 December 2009	–

On 31 October 2009 the trade and net assets of Mobile Tornado International Ltd were transferred to Mobile Tornado Group plc at book value, following which the net investment held by Mobile Tornado Group plc in Mobile Tornado International Ltd was £12,758,000. Consequently, the value of the investment held in Mobile Tornado International Ltd is not supported by any net assets or future cash flows. As the transfer does not impair the future profitability of the Company, £12,758,000 has been transferred from investments to goodwill in the Company balance sheet.

Details of the principal investments at 31 December 2009 in which the Company holds more than 20% of the nominal value of ordinary share capital are as follows:

Subsidiary undertakings	Country of incorporation or registration	Nature of business	Group proportion held	Company proportion held
Mobile Tornado International Ltd	Republic of Ireland	Dormant	100%	100%
M.T. Labs Ltd	Israel	Sale of instant communication services	100%	100%

Notes to the Company financial statements prepared under UK GAAP
For the year ended 31 December 2009

4 Intangible assets

	Goodwill £'000
Cost and net book amount	
At 1 January 2009	
Transferred from investments (note 3)	12,758
At 31 December 2009	**12,758**

5 Debtors

	2009 £'000	2008 £'000
Trade receivables	47	–
Less: provision for impairment of trade receivables	–	–
Trade receivables - net	47	–
Other debtors and prepayments	21	74
Amounts owed by Group undertakings	–	6,761
	68	6,835

6 Creditors – amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors and accruals	681	497
Other taxation and social security	67	47
10% cumulative preference shares	3,000	1,500
Amounts owed to Group undertakings	98	–
Other creditors	4	–
Deferred income	1,757	–
Deferred consideration	3,083	–
	8,690	2,044
Less non-current portion: deferred consideration	(2,929)	–
	5,761	2,044

7 Share capital

	2009 £'000	2008 £'000
Authorised		
475,000,000 (2008: 475,000,000) Ordinary shares of 2p each	9,500	9,500
Total	**9,500**	9,500

	2009 £'000	2008 £'000
Allotted, called up and fully paid		
184,953,708 (2008: 184,953,708) Ordinary shares of 2p each	3,699	3,699
Total	**3,699**	3,699

Non-voting preference shares

	Number of shares '000	Value £'000
At 1 January 2009	18,750	1,500
Issue of preference shares of 8p each	18,750	1,500
As at 31 December 2009	**37,500**	3,000

8 Shareholders' funds

	Ordinary share capital £'000	Share premium account £'000	Merger reserve £'000	Share option reserve £'000	Profit & loss account £'000	Total share-holders' funds £'000
At 1 January 2009	3,699	4,449	10,938	34	(1,459)	17,661
Issue of shares	–	–	–	–	–	–
Employee share option adjustment	–	–	–	12	–	12
Loss for the year	–	–	–	–	(13,370)	(13,370)
At 31 December 2009	**3,699**	**4,449**	**10,938**	**46**	**(14,829)**	**4,303**

9 Related party transactions

The Company has taken advantage of the exemption available under FRS 8 'Related Party Disclosures' from disclosing transactions between the Company and its subsidiary undertakings as these have been eliminated on consolidation of these financial statements.

Payments to a third party, Stonerings Ltd, are made in respect of the services provided by Jeremy Fenn. As at 31 December 2009, Mobile Tornado Group Plc owed £nil (31 December 2008: £nil) to Jeremy Fenn.

10 (Loss)/profit for the financial year

The Parent Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Parent Company's loss for the year ended 31 December 2009 was £13,370,000 (year ended 31 December 2008: £675,000 profit).

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Central House, Beckwith Knowle, Harrogate, HG3 1UG on 30 June 2010 at 10.00 a.m. to transact the following business:

As ordinary business:

1. to receive and adopt the report of the Directors and the audited accounts of the Company and its subsidiaries for the financial year ended 31 December 2009 together with the report of the auditors thereon;

2. to re-appoint Grant Thornton UK LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration;

3. to re-appoint Jeremy Fenn, who retires in accordance with Article 92 of the Company's articles of association and who, being eligible, offers himself for re-appointment as a Director;

4. to re-appoint Richard James, who retires in accordance with Article 92 of the Company's articles of association and who, being eligible, offers himself for re-appointment as a Director;

As special business:

To consider and, if thought fit, pass the following resolutions, with resolution 5 being proposed as an ordinary resolution and resolution 6 being proposed as a special resolution:

5. THAT, in substitution for all existing and unexercised authorities (save for the authority granted pursuant to resolution number 2 passed at the general meeting of the Company held on 28 April 2009, which shall expire on 27 April 2014), pursuant to section 551 of the Companies Act 2006 (the "Act"), as amended, the Directors of the Company be and are hereby generally and unconditionally authorised to exercise all or any of the powers of the Company to allot and grant equity securities (within the meaning of section 560 of the Act) in the capital of the Company up to a maximum nominal amount of £1,233,012, provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before the expiry make an offer or agreement which would or might require equity securities to be allotted or granted after such expiry and the Directors of the Company may allot or grant equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

6. THAT, subject to the passing of resolution 5 (and in addition to the authority granted pursuant to resolution number 3 passed at the general meeting of the Company held on 28 April 2009, which shall expire on 27 April 2014), the Directors of the Company be and are hereby empowered pursuant to section 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash or otherwise pursuant to the authority given by resolution 5 and/or to allot equity securities where such allotment constitutes an allotment of securities by way of section 560(2)(b) of the Act, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
   (i) in connection with the grant of options under any share option scheme of the Company;

   (ii) in connection with or the subject of an offer or invitation, including a rights issue or open or equivalent offer to holders of ordinary shares and such other equity securities of the Company as the Directors may determine on the register on a fixed record date, in proportion (as near as may be) to the respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory; and

(iii) otherwise than pursuant to sub-paragraphs (a) and (b) above, up to an aggregate nominal amount of £184,953;

provided that this authority shall expire on the conclusion of the next annual general meeting of the Company or 15 months from the date of this resolution, whichever is earlier and save that the Company may before such expiry make an offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities pursuant to any such offer, agreement or other arrangement as if the authority hereby conferred had not so expired.

By Order of the Board
Richard James
Company Secretary

7 June 2010

Registered office:
Central House
Beckwith Knowle
Otley Road
Harrogate HG3 1UG

Notes:

Appointment of proxies

1 As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

2 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.

3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

4 If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote or abstain from voting as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

5 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by Capita Registrars by no later than 10.00 a.m. on 28 June 2010.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by CREST

6 If you are a CREST member and wish to appoint a proxy or proxies through the CREST electronic proxy appointment service you may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Capita Registrars (ID: RA10) by the latest time for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

If you are a CREST member or, where applicable, a CREST sponsor, or voting service provider, you should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, you and, where applicable, your CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

7 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9 In order to revoke a proxy instruction you will need to inform Capita Registrars by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Capita Registrars by no later than 10.00 a.m. on 28 June 2010.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

The return of a completed proxy form, other such instrument or any CREST Proxy Instruction will not prevent you from attending the Meeting and voting in person if you wish to do so. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Communication

10 Except as provided above, members who wish to communicate with the Company in relation to the Meeting should write to the Company Secretary, Mobile Tornado Group plc, Central House, Beckwith Knowle, Otley Road, Harrogate HG3 1UG.

No other methods of communication will be accepted.

Uncertificated Securities Regulations

11 Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755), the Company has specified that only those members registered on the register of members of the Company at 10.00 a.m. on 28 June 2010 (or if the Meeting is adjourned 6.00 p.m. on the day two days prior to the date of the adjourned Meeting) shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after that date shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

Corporate information

Company Registration Number:	5136300
Registered Office:	Central House Otley Road Harrogate HG3 1UG
Directors:	P R Wilkinson (Non-Executive Chairman) J M Fenn (Managing Director) J P Swingewood (Non-Executive Director) R M James (Director & Company Secretary)
Nominated Advisor and Broker:	Astaire Securities Plc 30 Old Broad Street London EC2N 1HT
Bankers:	Barclays Bank Plc Hanover Square 50 Pall Mall London SW1Y 5AX
Solicitors:	Hammonds 2 Park Lane Leeds LS3 1ES
Registrars:	Capita Registrars Ltd The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Auditors:	Grant Thornton UK LLP No 1 Whitehall Riverside Leeds LS1 4BN
Internet address:	www.mobiletornado.com

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