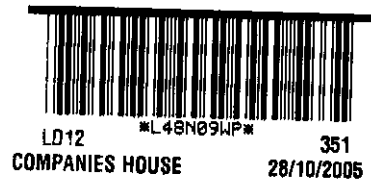




Mids & Horsey Limited
Annual Report &
Financial Statements

For the year ended 31 March 2005



Company Number 116571

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Directors' Report

The directors present their report on Mids & Horsey Limited ("the Company") together with the audited Financial Statements and Auditors' Report for the year ended 31 March 2005.

Principal Activity

The Company did not trade and was dormant throughout the year.

Directors and their Interests

The Directors who held office during the year were as follows:

| | |
|-----------------------|-----------------------------|
| Peter John Cox | |
| Michael David Stewart | (Resigned 8 August 2005) |
| John Stephen Mitchell | (Appointed 7 February 2005) |
| Martin Coles | (Resigned 13 July 2005) |

The Directors did not have any interests in the shares of the Company. Their interests in the shares of ID Data Plc are set out in the Directors' Report contained in the financial statements of that company.

On behalf of the Board



John Stephen Mitchell

Director

30 September 2005

Statement of Directors' Responsibilities

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and the profit and loss of the Company for that period. In preparing those Financial Statements, the Directors are required to:-

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Directors are responsible for ensuring that the Director's Report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

Independent Auditors' Report

Independent Auditors' Report to the members of Mids & Horsey Limited

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

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and have been properly prepared in accordance with the Companies Act 1985.

PKF (UK) LLP

PKF (UK) LLP
Registered Auditors

London, UK
30 September 2005

Profit and Loss Account

For the year ended 31 March 2005

| | Notes | 2005 £ | 2004 £ |
|--|-------|-----------|-------------|
| Turnover | 2 | - | 4,650,536 |
| Cost of sales | | - | (3,780,898) |
| Gross Profit | | - | 869,638 |
| Sales and distribution costs | | - | (259,286) |
| Administrative expenses | | - | (877,360) |
| Operating loss | 3 | - | (267,008) |
| Exceptional item | 5 | - | (2,675,796) |
| Loss before interest and taxation | | - | (2,942,804) |
| Interest payable and similar charges | 6 | - | (93,194) |
| Loss before taxation | | - | (3,035,998) |
| Taxation | 7 | - | 15,567 |
| Retained loss for the year | 9 | - | (3,020,431) |

All amounts relate to discontinued activities.
There were no gains or losses other than the above reported loss.

The accompanying notes are an integral part of this profit and loss account.

Balance Sheet

As at 31 March 2005

| | Notes | 2005 £ | 2004 £ |
|-----------------------------------|-------|-------------|-------------|
| Net assets | | - | - |
| Capital and reserves | | | |
| Called up share capital | 8 | 20,839 | 20,839 |
| Share premium | 9 | 1,773,965 | 1,773,965 |
| Profit and loss account | 9 | (1,794,804) | (1,794,804) |
| Equity shareholders' funds | | - | - |

These Financial Statements were approved by the Board of Directors on 30 September 2005



John Stephen Mitchell
Director

The accompanying notes are an integral part of this balance sheet.

Notes to the Financial Statements

1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

As permitted by Financial Reporting Standard 1 "Cashflow statements" these financial statements do not include a cashflow statement on the grounds that 90% or more of the voting rights are controlled within the group and that the financial statements are included within the financial statements of the Group which are publicly available.

(b) Turnover

Turnover represents the total amount receivable for goods and services provided in the ordinary course of business during the period excluding value added tax.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|------------------------|--------------|
| Leasehold improvements | 5 - 10 years |
| Computer equipment | 3 - 5 years |
| Fixtures and fittings | 5 - 10 years |
| Plant and machinery | 5 - 10 years |
| Motor vehicles | 3 - 4 years |

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

(d) Research and Development

Expenditure on research and development is charged to the profit and loss account as incurred.

(e) Finance and operating leases

Assets acquired under finance leases or hire purchase contracts are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease so as to produce a constant periodic rate of charge on the outstanding balance of the obligation for each accounting period.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(f) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in purchasing or manufacturing stocks together with, where appropriate, attributable overheads.

Notes to the Financial Statements

Continued

(g) Foreign currencies

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

(h) Deferred taxation

As required by FRS 19 "Deferred tax", full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised.

Deferred tax assets are only recognised when they arising from timing differences where their recoverability in the short term is regarded as more likely than not.

(i) Pensions

Contributions payable to the group personal pension scheme are charged to the profit and loss account as incurred.

2. TURNOVER

All of the Company's turnover and profit arose from its main activities which are principally based in the United Kingdom and relate to a single class of business.

Turnover by geographical market can be analysed as follows:

| | 2005 | 2004 |
|-------------------|-------|-----------|
| | £ | £ |
| United Kingdom | - | 4,243,443 |
| Rest of the World | - | 407,093 |
| | <hr/> | <hr/> |
| | - | 4,650,536 |

3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

| | 2005 | 2004 |
|--|-------|---------|
| | £ | £ |
| Depreciation of tangible fixed assets | | |
| - owned | - | 144,794 |
| - held under finance lease or hire purchase contract | - | 244,551 |
| Auditor's remuneration | | |
| - audit services | - | 7,000 |
| - other professional services | - | 1,500 |
| Operating lease rentals | | |
| - equipment | - | 16,939 |
| - vehicles | - | 34,126 |
| Profit on sale of fixed assets | - | (1,549) |
| | <hr/> | <hr/> |

Notes to the Financial Statements

Continued

4. STAFF COSTS

Staff costs, including directors' emoluments, for the year were as follows:

| | 2005 £ | 2004 £ |
|-----------------------|-----------|------------------|
| Wages and salaries | - | 1,784,985 |
| Social security costs | - | 175,509 |
| Pension costs | - | 79,757 |
| | - | 2,040,251 |

The average number of persons employed by the Company, including Directors, during the year was:

| | 2005 Number | 2004 Number |
|--------------------------|----------------|----------------|
| Production | - | 79 |
| Sales and administration | - | 13 |
| | - | 92 |

Directors' Remuneration

The aggregate Directors' emoluments, excluding pension contributions, in the year were £nil (2004: £244,221). The highest paid director was paid £nil (2004: £77,201). The number of directors accruing benefits under defined contribution pension schemes was nil (2004: 3).

5. EXCEPTIONAL ITEM

The exceptional item in 2004 relates to the provision against a loan from the company's parent undertaking, ID Data Plc.

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2005 £ | 2004 £ |
|---|-----------|---------------|
| Bank Loans and overdrafts | - | 58,602 |
| Finance lease and hire purchase contracts | - | 34,592 |
| | - | 93,194 |

Notes to the Financial Statements

Continued

7. TAXATION

(a) Taxation charge for the year

| | 2005 £ | 2004 £ |
|--|-----------|-----------------|
| Current Tax | | |
| UK Corporation tax | | |
| - on loss for the year | - | - |
| - adjustment in respect of previous period | - | (15,567) |
| | <u>-</u> | <u>(15,567)</u> |

(b) Factors affecting the taxation charge for the year

The tax assessed is less than the standard rate of corporation tax in the United Kingdom of 30%. The differences are explained below:

| | 2005 £ | 2004 £ |
|--|-----------|-----------------|
| Loss on ordinary activities before taxation | - | (360,202) |
| Loss on ordinary activities multiplied by the standard rate of corporation tax (30%) | - | (108,061) |
| Expenses not deductible for taxation purposes | - | 2,671 |
| Capital allowances (in excess of)/less than depreciation | - | 17,120 |
| Tax losses arising not utilised in the period | - | 88,270 |
| Adjustment in respect of previous period | - | (15,567) |
| Current tax charge for the period (note 7(a)) | <u>-</u> | <u>(15,567)</u> |

(c) Factors that may affect future taxation charges

The company's trade and assets were transferred to ID Data Systems Limited on 31 March 2005 and therefore the tax losses and unutilised capital allowances were also transferred to that company. No future tax charges are anticipated in Mids & Horsey Limited.

8. SHARE CAPITAL

| | 2005 £ | 2004 £ |
|--|---------------|---------------|
| Authorised | | |
| 20,839 ordinary shares of £1 each (2004: 20,839) | 20,839 | 20,839 |
| 12,000 preference shares of £1 each (2004: 12,000) | <u>12,000</u> | <u>12,000</u> |
| Allotted, issued and fully paid | | |
| 20,839 ordinary shares of £1 each (2004: 20,839) | <u>20,839</u> | <u>20,839</u> |

Notes to the Financial Statements

Continued

9. RESERVES

| | Share premium account £ | Profit and loss account £ | Total reserves £ |
|---------------------------|----------------------------------|------------------------------------|------------------------|
| Beginning and end of year | <u>1,773,965</u> | <u>(1,794,804)</u> | <u>(20,839)</u> |

10. SHAREHOLDERS' FUNDS

| | 2005 £ | 2004 £ |
|--------------------|-----------|--------------------|
| At 1 April 2004 | - | 1,233,627 |
| Increase in shares | - | 1,786,804 |
| Loss for the year | <u>-</u> | <u>(3,020,431)</u> |
| At 31 March 2005 | <u>-</u> | <u>-</u> |

11. RELATED PARTY TRANSACTIONS

As permitted by Financial Reporting Standard 8 "Related Party Transactions" the financial statements do not disclose transactions with fellow group undertakings on the grounds that the financial statements are included within the consolidated financial statements of the Group, which are publicly available.

12. CONTROLLING PARTY

The Company is controlled by its parent undertaking ID Data Plc. In the opinion of the directors there is no ultimate controlling party. Consolidated accounts for ID Data Plc are available from: The Company Secretary, ID Data Plc, 1-3 Wansell Road, Weldon North, Corby, Northamptonshire, NN17 5LX.