

GIROVEND LIMITED

(formerly G2 Integrated Solutions Limited)

Report and Financial Statements

31 December 2003

Deloitte & Touche LLP
Cardiff



GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

REPORT AND FINANCIAL STATEMENTS DECEMBER 2003

CONTENTS	Page
Directors' report	1
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 9 months ended 31 December 2003.

ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS, RESULTS AND DIVIDENDS

The principal activity of the company was the development, sale, distribution and support of computer-controlled electronic purse, payment and permissioning systems.

On 31 December 2003 the net assets and trade were sold to G2 Integrated Solutions Limited (formerly Airtime Interactive Marketing Limited) at the book value of the net assets.

The results for the period are shown in the profit and loss account on page 4. The profit has been transferred to reserves. The directors do not recommend the payment of a dividend for the 9 months ended 31 December 2003 (31 March 2003 - £nil). Following the transfer to G2 Integrated Solutions, the company is not expected to trade.

CHANGE OF NAME

On 17 December 2003 the company changed its name from G2 Integrated Solutions Limited.

RESEARCH AND DEVELOPMENT

Internal expenditure is expensed as incurred and amounted to £279,727 (31 March 2003 - £337,915).

DIRECTORS AND THEIR INTERESTS

The present membership of the board is:

A Neubauer
I McNair
N J C Govett

C W L Sargent, S Campbell and N P Nwosu-Hope resigned on 22 December 2003, all other directors served throughout the entire period.

A Neubauer was also a director of the parent company, G2 Limited, and his interests in the shares of that company are shown in its financial statements. I McNair holds 570 ordinary shares in G2 Limited. None of the directors had any interests in the shares of the company nor any other UK group company other than G2 Limited.

POST BALANCE SHEET EVENT

On 18 March 2004, Moneybox Plc acquired the entire share capital of the company's parent, G2 Limited, and listed on the Alternative Investment Market (AIM).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

REPORT AND FINANCIAL STATEMENTS 2003

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue as auditors. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P Katz

Secretary

Date.....6.1.05.....

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

We have audited the financial statements of Girovend Limited (formerly G2 Integrated Solutions Limited) for the 9 months ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above period and consider the implications for our report if we become aware of any apparent misstatements.

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 December 2003 and of its profit for the 9 months then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cardiff

Date ... *7 January 2005*

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

PROFIT AND LOSS ACCOUNT 9 months ended 31 December 2003

	Note	9 months ended 31 December 2003 £	Year ended 31 March 2003 £
TURNOVER	2	6,362,987	8,095,681
Cost of sales		<u>(3,472,958)</u>	<u>(4,751,343)</u>
Gross profit		2,890,029	3,344,338
Distribution costs		(360,018)	(463,496)
Administrative expenses		<u>(1,886,826)</u>	<u>(2,591,862)</u>
OPERATING PROFIT	4	643,185	288,980
Interest receivable and similar income		11,642	2,214
Interest payable and similar charges	5	<u>(1,245)</u>	<u>(1,412)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		653,582	289,782
Tax on profit on ordinary activities	6	<u>(2,212)</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL PERIOD	15	<u>651,370</u>	<u>289,782</u>

All activities derive from discontinued operations.

There were no recognised gains and losses other than the profit reported above and, accordingly, no statement of total recognised gains and losses is presented.

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

BALANCE SHEET

31 December 2003

	Note	£	31 December 2003 £	£	31 March 2003 £
FIXED ASSETS					
Intangible assets	8		-		610,605
Tangible assets	9		-		367,887
Investments	10		-		25,947
			<u>-</u>		<u>1,004,439</u>
CURRENT ASSETS					
Stocks	11	-		604,603	
Debtors	12	784,919		2,926,031	
Cash at bank and in hand		-		584,791	
			<u>784,919</u>	<u>4,115,425</u>	
CREDITORS: amounts falling due within one year	13	-		<u>(4,986,315)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>784,919</u>		<u>(870,890)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>784,919</u></u>		<u><u>133,549</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Profit and loss account	15		<u>784,819</u>		<u>133,449</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)	16		<u><u>784,919</u></u>		<u><u>133,549</u></u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

6.01.05


J Govett - Director

NOTES TO THE FINANCIAL STATEMENTS

9 months ended 31 December 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted which have been applied consistently in the current and prior period are described below.

Accounting convention

The financial statements are prepared under the historical cost convention. Revenue is recognised on despatch of goods.

Turnover

Turnover comprises the value of goods and services supplied, excluding VAT.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost and are written off over their estimated useful lives (subject to periodic impairment reviews) using the straight-line method of depreciation at the following annual rates:

Leasehold property	- period of the lease
Fixtures, fittings, plant and machinery	- 10 - 33%

Stocks and work-in-progress

Stocks are stated at the lower of cost and net realisable value. Work-in-progress is valued at the direct cost of materials and labour, including factory overheads, or net realisable value, whichever is the lower.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

Contributions under defined contribution pension schemes are charged to the profit and loss account as incurred.

Research and development

Research and development expenditure is charged to the profit and loss account as incurred.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange gains or losses arising are taken to the profit and loss account.

Investments

Investments in subsidiary undertakings are stated in the balance sheet at cost less provision for impairment.

Leasing and hire purchase

Assets obtained under lease and hire purchase contracts are capitalised as tangible fixed assets as if they had been purchased outright and the corresponding liability is included as an obligation under finance leases. Depreciation on leased assets is charged to the profit and loss account on the same basis as for owned assets.

Operating lease rentals are charged to the profit and loss account as incurred.

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

NOTES TO THE FINANCIAL STATEMENTS

9 months ended 31 December 2003

1. ACCOUNTING POLICIES (continued)

Cash flow statement

Under Financial Reporting Standard 1, the company is not required to prepare a cash flow statement as a group cash flow statement has been included in the financial statements of G2 Limited, the parent company.

Group accounts

Group financial statements have not been prepared as the company's interests are dealt with in the financial statements of G2 Limited. These financial statements therefore include information in respect of the company only.

2. SEGMENTAL INFORMATION

	9 months ended 31 December 2003 £	Year ended 31 March 2003 £
The geographical analysis of turnover was:		
United Kingdom	6,359,169	8,054,847
Continental Europe	3,818	40,834
	<u>6,362,987</u>	<u>8,095,681</u>

All turnover is derived from the company's principal activity.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	9 months ended 31 December 2003 £	Year ended 31 March 2003 £
The remuneration of the directors in respect of their services to the company was		
Emoluments	<u>223,485</u>	<u>182,572</u>

The remuneration of the highest paid director was £73,400.

The average number of persons employed by the company during the period was

	No.	No.
Production and development	28	22
Administration	73	75
	<u>101</u>	<u>97</u>

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

NOTES TO THE FINANCIAL STATEMENTS

9 months ended 31 December 2003

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	9 months ended 31 December 2003 £	Year ended 31 March 2003 £
Employment costs (including directors)		
Wages and salaries	1,713,059	2,438,302
Social security costs	186,778	231,312
Other pension costs	25,822	36,218
	<u>1,925,659</u>	<u>2,705,832</u>

4. OPERATING PROFIT

	9 months ended 31 December 2003 £	Year ended 31 March 2003 £
Operating profit is stated after charging/(crediting)		
Depreciation		
- owned assets	138,139	191,566
- assets held under finance leases	-	13,490
Amortisation of goodwill	35,227	55,703
Operating lease rentals		
- plant and machinery	161,643	213,614
- other operating leases	61,670	183,484
Foreign exchange gains	-	(100,888)
Research and development	279,727	337,915
Auditors' remuneration for audit services	18,000	-
Management charges	89,000	-
	<u>1,925,659</u>	<u>2,705,832</u>

Auditors' remuneration was borne by the parent company in the period.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	9 months ended 31 December 2003 £	Year ended 31 March 2003 £
Interest on loans and overdrafts repayable within five years	-	850
Finance charges payable under finance leases terminating within five years	1,245	562
	<u>1,245</u>	<u>1,412</u>

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

NOTES TO THE FINANCIAL STATEMENTS

9 months ended 31 December 2003

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	9 months ended 31 December 2003 £	Year ended 31 March 2003 £
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the period at 30%	2,212	-
	<u>2,212</u>	<u>-</u>
The difference between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:		
	£	£
Profit on ordinary activities before tax	653,582	289,782
	<u>653,582</u>	<u>289,782</u>
Tax on profit on ordinary activities before tax at 30%	196,075	86,935
	<u>196,075</u>	<u>86,935</u>
Factors affecting charge for the period		
Expenses not deductible for tax purposes	21,167	28,212
Capital allowances in excess of depreciation	(8,424)	9,890
Short-term timing differences	(2,000)	2,163
Utilisation of tax losses	(161,366)	(76,512)
Additional 50% deduction for R&D	(41,959)	(50,688)
Marginal rate relief	(1,281)	-
	<u>(1,281)</u>	<u>-</u>
Current tax charge for period	2,212	-
	<u>2,212</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances and trading losses as there is insufficient evidence that the asset will be recovered.

7. TRANSFER OF ASSETS

On 31 December 2003 the assets and trade of the company were transferred to G2 Integrated Solutions Limited (formerly Airtime Interactive Marketing Limited). The transfer was undertaken at book value and was settled by intercompany debt. The assets transferred were as follows:

	£
Intangible fixed assets	604,679
Tangible fixed assets	398,014
Stock	840,160
Debtors	3,537,367
Creditors	(5,380,222)
	<u>784,919</u>

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

NOTES TO THE FINANCIAL STATEMENTS

9 months ended 31 December 2003

8. INTANGIBLE FIXED ASSETS

	Trademark £	Goodwill £	Total £
Cost			
At 1 April 2003	-	705,277	705,277
Additions	3,354	25,947	25,947
Transfer to group company	(3,354)	(731,224)	(731,224)
	<hr/>	<hr/>	<hr/>
At 31 December 2003	-	-	-
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 April 2003	-	94,672	94,672
Charge for the period	-	35,227	35,227
Transfer to group company	-	(129,899)	(129,899)
	<hr/>	<hr/>	<hr/>
At 31 December 2003	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2003	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2003	-	610,605	610,605
	<hr/>	<hr/>	<hr/>

9. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures, fittings, plant and machinery £	Total £
Cost			
At 1 April 2003	145,567	923,836	1,069,403
Additions	23,125	145,141	168,266
Transfer to group company	(168,692)	(1,068,977)	(1,237,669)
	<hr/>	<hr/>	<hr/>
At 31 December 2003	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2003	70,908	630,608	701,516
Charge for the period	11,468	126,671	138,139
Transfer to group company	(82,376)	(757,279)	(839,655)
	<hr/>	<hr/>	<hr/>
At 31 December 2003	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2003	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2003	74,659	293,228	367,887
	<hr/>	<hr/>	<hr/>

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

NOTES TO THE FINANCIAL STATEMENTS

9 months ended 31 December 2003

10. INVESTMENTS

	Shares in subsidiary undertakings £
Cost and net book value	
At 1 April 2003	25,947
Transfer to group company	(25,947)
	<u> </u>
At 31 December 2003	<u> </u> -

11. STOCKS

	31 December 2003 £	31 March 2003 £
Raw materials	-	580,966
Work-in-progress	-	5,510
Finished goods held for resale	-	18,127
	<u> </u>	<u> </u>
	-	604,603
	<u> </u>	<u> </u>

12. DEBTORS

	31 December 2003 £	31 March 2003 £
Trade debtors	-	1,515,270
Amounts owed by fellow subsidiary undertakings	784,919	458,987
Amounts owed by subsidiary undertakings	-	501,944
Other debtors	-	182,876
Prepayments and accrued income	-	266,954
	<u> </u>	<u> </u>
	784,919	2,926,031
	<u> </u>	<u> </u>

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

NOTES TO THE FINANCIAL STATEMENTS

9 months ended 31 December 2003

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2003 £	31 March 2003 £
Trade creditors	-	555,805
Amounts owed to parent company	-	3,038,299
Amounts owed to subsidiary undertaking	-	78,402
Other creditors	-	501,669
Finance leases	-	18,300
Accruals and deferred income	-	793,840
	<u>-</u>	<u>4,986,315</u>

14. SHARE CAPITAL

	31 December 2003 £	31 March 2003 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

15. PROFIT AND LOSS ACCOUNT

	£
At 1 April 2003	133,449
Profit for the financial period	<u>651,370</u>
At 31 December 2003	<u>784,819</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2003 £	31 March 2003 £
Profit for the financial period	651,370	289,782
Shareholders' funds/(deficit) at beginning of period	<u>133,549</u>	<u>(156,233)</u>
Shareholders' funds at end of period	<u>784,919</u>	<u>133,549</u>

GIROVEND LIMITED (formerly G2 Integrated Solutions Limited)

NOTES TO THE FINANCIAL STATEMENTS **9 months ended 31 December 2003**

17. FINANCIAL COMMITMENTS

Operating leases

At 31 December 2003 and 31 March 2003, the company had annual commitments under non-cancellable operating leases as follows:

	31 December 2003 Other £	31 March 2003 Other £
Expiry date		
Within one year	-	38,074
Between two and five years	-	116,843
	<u>-</u>	<u>154,917</u>

Capital commitments

There were no capital commitments contracted for but not provided (31 March 2003 £nil).

18. RELATED PARTY TRANSACTIONS

During the period, charges were received from Transacsys Plc of £104,000 and charges were made to Gironet International Limited of £15,000.

19. POST BALANCE SHEET EVENTS

On 18 March 2004, Moneybox Plc acquired the entire share capital of the company's parent, G2 Limited, and listed on the Alternative Investment Market (AIM).

20. PARENT COMPANY

At 31 December 2003, the ultimate parent company was G2 Limited, incorporated in England and Wales. G2 Limited was the parent of the smallest and largest group of which the company is a member and for which group financial statements are prepared. Subsequent to the period-end, Moneybox Plc has become the ultimate parent company.

Copies of the group financial statements may be obtained from the registered office:

The Company Secretary
Caxton House
2 Farringdon Road
London
EC1M 3HN