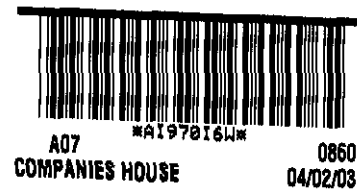


02844385 (England and Wales)

DYNAMICAL SYSTEMS RESEARCH LTD

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2000



FINLAY PONTIKIS & ASSOCIATES

(in association with G Finlay FCA)

CHARTERED ACCOUNTANT

DYNAMICAL SYSTEMS RESEARCH LTD  
INDEX TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2000

	Page No.
Company Information	1
Directors' Report	2
Accountant's Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	6-8

The following pages do not form part of the statutory financial statements.

Detailed Profit and Loss Account	9
Administrative Expenses	10

DYNAMICAL SYSTEMS RESEARCH LTD

Company Information

<b>Directors</b>	Dr Janko Masic-Flogel Mr Lee M J McLoughlin( Appointed 02.10.02)
<b>Secretary</b>	Dr Janko Masic-Flogel
<b>Company Number</b>	02844385 (England and Wales)
<b>Registered Office</b>	325 Bowes Road London N11 1BA
<b>Accountants</b>	Finlay Pontikis & Associates 325 Bowes Road London N11 1BA
<b>Business Address</b>	The Glass Mill 1 Buttersea Bridge Road London, SW11 3BZ
<b>Bankers</b>	HSBC Bank Plc 88 The Broadway Muswell Hill London N10 3RX

**DYNAMICAL SYSTEMS RESEARCH LTD**

**REPORT OF THE DIRECTORS**

The directors present their Report and the Financial Statements for the period ended 31<sup>st</sup> December 2000.

**Principal Activities**

The principal activity of the company is that of Research and Development of Software and Software Consultancy and Mobile Communication Services.

**Dividends**

The directors do not recommend the payment of a dividend.

**Directors and their Interests**

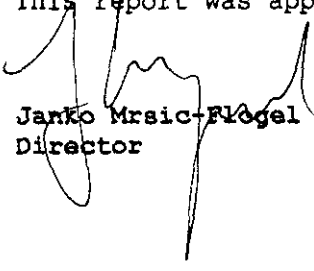
The directors who served during the period and their interests in the shares of the company were as stated below:

		Number of Shares	
		31.12 2000	06.04 2000
Digital Mobility Ltd		3,222,000	--
Dr Janko Mrsic-Flogel	Ordinary shares of 1p each	--	1,525,100
Mr Mungo Amyatt-Leir	Ordinary shares of 1p each	--	100

**Small Company Exemptions**

In preparing this report, the directors have taken advantage of the special provisions of Section 246 of the Companies Act 1985 relating to small companies.

This report was approved by the Board on.....

  
**Janko Mrsic-Flogel**  
Director

DYNAMICAL SYSTEMS RESEARCH LTD

ACCOUNTANTS' REPORT TO THE DIRECTORS

As described on the balance sheet you are responsible for the preparation of the Accounts for the period ended 31<sup>st</sup> December 2000 set out on pages and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited Accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

FINLAY PONTIKIS & ASSOCIATES  
325 BOWES ROAD  
LONDON  
N11 1BA

Date: -----

**DYNAMICAL SYSTEMS RESEARCH LTD**

**PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2000**

	Notes	31 <sup>st</sup> Dec. 2000 £	6 <sup>th</sup> April 2000 £
Turnover		54,327	413,004
Cost of Sales		2,403	(23,276)
<b>Gross Profit</b>		<b>51,924</b>	<b>389,728</b>
Administrative Expenses		( 55,750)	(417,797)
<b>Operating Profit/(Loss)</b>	<b>2</b>	<b>( 3,826)</b>	<b>(28,069)</b>
Investment Income and Interest Receivable		754	2,155
<b>Profit (Loss) on ordinary Activities Before Taxation</b>		<b>( 3,072)</b>	<b>(25,914)</b>
Taxation		--	--
<b>Profit on Ordinary Activities after Taxation</b>		<b>( 3,072)</b>	<b>(25,914)</b>
Dividends	<b>3</b>	--	(66,900)
<b>Retained Profit/(Loss) For The Year</b>		<b>( 3,072)</b>	<b>(92,814)</b>

**Total recognised gains and losses**

The Company has no recognised gains and losses other than the Profit for the above two financial periods.

**DYNAMICAL SYSTEMS RESEARCH LTD**

**BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2000**

	Notes	31 <sup>st</sup> Dec. 2000 £	6 <sup>th</sup> April 2000 £
<b>Fixed Assets</b>			
Tangible Assets	4	15,260	17,953
<b>Current Assets</b>			
Debtors		4,173	71,839
Cash at bank		24,324	155,464
Other Debtors		21,437	6,212
		<u>49,934</u>	<u>233,515</u>
<b>Creditors:</b>			
Amounts falling due within one year	5	( 13,788)	(196,990)
<b>Net Current Assets/(Liabilities)</b>		<u>36,146</u>	<u>36,525</u>
<b>Total Assets less Current Liabilities</b>		<u><b>£ 51,406</b></u>	<u><b>£ 54,478</b></u>
<b>Capital and Reserves</b>			
Called Up Share Capital	6	32,220	32,220
Profit and Loss Account	7	19,186	22,258
<b>Shareholders Funds</b>	8	<u><b>£ 51,406</b></u>	<u><b>£ 54,478</b></u>

Directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985. The directors acknowledge their responsibilities for ensuring that:

- (i) The Company keeps accounting records, which comply with section 221 of the Companies Act 1985.
- (ii) The financial statements give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> December 2000 and of its profit or loss for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on ----- and signed on its behalf by:

-----  
Dr Janko Mrsic-Flogel  
Director

-----  
L. M. M<sup>c</sup>Loughlin  
Mr Lee M J McLoughlin  
Director

DYNAMICAL SYSTEMS RESEARCH LTD  
 NOTES TO THE FINANCIAL STATEMENTS  
 AT 31<sup>ST</sup> DECEMBER 2000

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings  
 and Equipment - 15% Straight line

1.4 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2. Operating Loss	31 <sup>st</sup> Dec. 2000 £	6 <sup>th</sup> April 2000 £
Operating loss stated after charging:		
Depreciation of tangible assets	2,693 =====	1,701 =====
3. Dividends		
Interim/Final Paid	--	35,000
Stock Dividend	--	31,900
	-----	-----
	--	66,900
	-----	-----



DYNAMICAL SYSTEMS RESEARCH LTD  
 NOTES TO THE FINANCIAL STATEMENTS  
 AT 31<sup>ST</sup> DECEMBER 2000 - CONT'D

4. Tangible Assets

	Plant and Machinery etc.
Cost	25,392
Additions at Cost	--
	-----
At 31 <sup>st</sup> December 2000	25,392
	=====
Depreciation	
Balance Brought Forward	7,439
Charges for the Period	2,693
	-----
At 31 <sup>st</sup> December 2000	10,132
	=====
Net Book Value	
At 31 <sup>st</sup> December 2000	15,260
	=====
At 6 <sup>th</sup> April 2000	17,953
	=====

5. Creditors: Amounts Falling Due  
 Within One Year

	31 <sup>st</sup> Dec. 2000	6 <sup>th</sup> April 2000
Trade Creditor	--	29,792
Bank Balanc	--	68,529
Directors loan Account	1,315	1,315
Other creditors	11,063	36,692
Corporation Tax	1,410	60,662
Proposed Dividends	--	--
	-----	-----
	£ 13,788	£ 196,990
	=====	=====

6. Share Capital

	31 <sup>st</sup> Dec. 2000	6 <sup>th</sup> April 2000
Authorised		
3300000 Ordinary Shares of 1P Each	3300000	3299900
100 "A" Ordinary Shares of 1P Each	--	100
	-----	-----
	3300000	3300000
	=====	=====
Allotted, called up and Fully Paid		
3220000 Ordinary Shares of 1P Each	3222000	3221900
100 "A" Ordinary Shares of 1P Each	--	100
	-----	-----
	3222000	3222000
	=====	=====

DYNAMICAL SYSTEMS RESEARCH LTD  
NOTES TO THE FINANCIAL STATEMENTS  
AT 31<sup>st</sup> DECEMBER 2000

7. Profit and Loss Account	31 <sup>st</sup> Dec. 2000 £	6 <sup>th</sup> April 2000 £
Retained Profit (loss) for the year	22,258	(92,814)
Retained profit B/Fwd	( 3,072)	115,072
	-----	-----
Accumulated Profit (losses) at 31 <sup>st</sup> Dec. 2000	19,186	22,258
	=====	=====

8. Reconciliation of Movements in Shareholders' Funds	31 <sup>st</sup> Dec. 2000 £	6 <sup>th</sup> April 2000 £
Profit (Loss) for the financial year	( 3,072)	(25,914)
Dividends	--	(66,900)
	-----	-----
	( 3,072)	(92,814)
Shareholders' funds brought forward	54,478	115,392
Issued Share Capital	--	31,900
	=====	=====
Closing shareholders' funds	51,406	54,478
	=====	=====

9. Contingent Liabilities

As at 31<sup>st</sup> December 2000 there were no contingent liabilities.