

02844385 (England and Wales)

DYNAMICAL SYSTEMS RESEARCH LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

FINLAY PONTIKIS & ASSOCIATES

(in association with G Finlay FCA)

CHARTERED ACCOUNTANT



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COMPANIES HOUSE

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02/07/03

DYNAMICAL SYSTEMS RESEARCH LTD

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FOR THE YEAR ENDED 31ST DECEMBER 2001

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DYNAMICAL SYSTEMS RESEARCH LTD

Company Information

Directors	Dr Janko Mrsic-Flogel Mr Lee M J McLoughlin(Appointed 02.10.02)
Secretary	Dr Janko Mrsic-Flogel
Company Number	02844385 (England and Wales)
Registered Office	325 Bowes Road London N11 1BA
Accountants	Finlay Pontikis & Associates 325 Bowes Road London N11 1BA
Business Address	The Glass Mill 1 Buttersea Bridge Road London, SW11 3BZ
Bankers	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 year ended 31st December 2001.

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

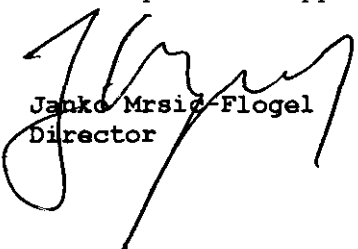
The directors who served during the period and their interests in the shares of the company were as stated below:

Class of Share		Number of Shares	
		31.12 2001	31.12 2000
Digital Mobility Ltd		3,222,000	3,222,000
Dr Janko Mrsic-Flogel	Ordinary shares of 1p each	--	--
Mr Mungo Amyatt-Leir	Ordinary shares of 1p each	--	--

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

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	31 st Dec. 2001 £	31 st Dec. 2000 £
Turnover		30,544	54,327
Cost of Sales		--	(2,403)
		-----	-----
Gross Profit		30,544	51,924
Administrative Expenses		(52,832)	(55,750)
		-----	-----
Operating Profit/(Loss)	2	(22,288)	(3,826)
Investment Income and Interest Receivable		--	754
		-----	-----
Profit (Loss) on ordinary Activities			
Before Taxation		(22,288)	(3,072)
Taxation		--	--
		-----	-----
Profit on Ordinary Activities after Taxation		(22,288)	(3,072)
Dividends	3	--	--
		-----	-----
Retained Profit/(Loss) For The Year		(22,288)	(3,072)
		=====	=====

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 31ST DECEMBER 2001

	Notes	31 st Dec. 2001 £	31 st Dec. 2000 £
Fixed Assets			
Tangible Assets	4	12,971	15,260
Current Assets			
Debtors		--	4,173
Cash at bank		7,652	24,324
Other Debtors		19,491	21,437
		<u>27,143</u>	<u>49,934</u>
Creditors:			
Amounts falling due within one year	5	(10,996)	(13,788)
Net Current Assets/(Liabilities)		<u>16,147</u>	<u>36,146</u>
Total Assets less Current Liabilities		<u>£ 29,118</u>	<u>£ 51,406</u>
Capital and Reserves			
Called Up Share Capital	6	32,220	32,220
Profit and Loss Account	7	(3,102)	19,186
Shareholders Funds	8	<u>£ 29,118</u>	<u>£ 51,406</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:

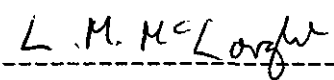
- (i) The Company keeps accounting records, which comply with section 221 of the Companies Act 1985.
- (ii) The financial statements give a true and fair view of the state of affairs of the company as at 31st December 2000 and of its profit or loss for the period then ended in accordance with the requirements 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 Masic-Flogel
Director



Mr Lee M J McLoughlin
Director

DYNAMICAL SYSTEMS RESEARCH LTD

NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER 2001

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 st Dec. 2001 £	31 st Dec. 2000 £
Operating loss stated after charging:		
Depreciation of tangible assets	2,289 =====	2,693 =====
3. Dividends		
Interim/Final Paid	--	--
Stock Dividend	--	--
	-----	-----
	--	--
	-----	-----

DYNAMICAL SYSTEMS RESEARCH LTD

**NOTES TO THE FINANCIAL STATEMENTS
AT 31ST DECEMBER 2001 - CONT'D**

4. Tangible Assets

**Plant and
Machinery etc.**

Cost	25,392
Additions at Cost	--

At 31 st December 2001	25,392
	=====
Depreciation	
Balance Brought Forward	10,132
Charges for the Period	2,289

At 31 st December 2001	12,421
	=====
Net Book Value	
At 31 st December 2001	12,971
	=====
At 31 st December 2000	15,260
	=====

**5. Creditors: Amounts Falling Due
Within One Year**

**31st Dec. 31st Dec.
2001 2000**

Trade Creditor	--	--
Bank Balanc	--	--
Directors loan Account	3,366	1,315
Other creditors	6,220	11,063
Corporation Tax	1,410	1,410
Proposed Dividends	--	--
	-----	-----
£	10,996	£ 13,788
	=====	=====

6. Share Capital

**31st Dec. 31st Dec.
2001 2000**

Authorised

3300000 Ordinary Shares of 1P Each	3300000	3300000
	-----	-----
	3300000	3300000
	=====	=====

Allotted, called up and Fully Paid

3220000 Ordinary Shares of 1P Each	3222000	3222000
	-----	-----
	3222000	3222000
	=====	=====

DYNAMICAL SYSTEMS RESEARCH LTD
NOTES TO THE FINANCIAL STATEMENTS
AT 31st DECEMBER 2001

7. Profit and Loss Account	31 st Dec. 2001 £	31 st Dec. 2000 £
Retained Profit/(loss) for the year	(22,288)	22,258
Retained profit/(Loss) B/Fwd	19,186	(3,072)
	-----	-----
Accumulated Profit (losses) at 31 st Dec. 2001	(3,102)	19,186
	=====	=====

8. Reconciliation of Movements in Shareholders' Funds	31 st Dec. 2001 £	31 st Dec. 2000 £
Profit (Loss) for the financial year	(22,288)	(3,072)
Dividends	--	--
	-----	-----
Shareholders' funds brought forward	(22,288)	(3,072)
Issued Share Capital	51,406	54,478
	--	--
	=====	=====
Closing shareholders' funds	29,118	51,406
	=====	=====

9. Contingent Liabilities

As at 31st December 2001 there were no contingent liabilities.