BELGRAVIUM TECHNOLOGIES plc

a mobile solution for every environment

Report and Accounts

07

Business thrives on information – but only the latest and most relevant will do. We provide business with effective, robust mobile computing solutions that share information between decision makers, customers and employees.

a mobile solution for every environment

Our customers include

- Air Lingus
- British Airways
- Calor
- Coca Cola
- Ford
- Glaxo Smith Kline
- Jet 2
- KLM
- Lufthansa
- Morrisons
- Mr Kipling
- Marks & Spencer
- Quantas
- Total
- Thomas Cook
- TNT
- Rank
- Hovis
- McDougal
- Wincanton

40% of the world's airlines use our equipment.

Other applications include

- pharmacy
- warehousing
- field sales
- meter reading
- service management
- rail retail

and many other applications

Contents

Financial Highlights

- **A successful year for the Group**
- **Pre tax profits up 11% – £2,053,000** (2006: £1,844,000)
- **Increased final dividend – 0.38p** (2006: 0.36p)
- **Earnings per ordinary share up 11% – 1.41p** (2006: 1.27p)
- **Development of International Sales Pipeline**
- **Commercial emphasis on 'total solution' technology**
- **Further synergies through rationalised operations creating margin improvement**

a mobile solution for every environment

Chairman's Statement

Results

I am pleased to report a successful year for Belgravium in 2007.

We have achieved a profit before tax of £2,053,000, an increase of 11% on the 2006 figure of £1,844,000, on turnover of £10,637,000 (2006: £10,922,000) as synergistic efficiencies from the acquisitions of Novo IVC and Touchstar were realised. Earnings per ordinary share also grew by 11% to 1.41p per share, (2006: 1.27p per share), the second consecutive year of double digit growth, following the 31% uplift reported in 2006.

Operational Review

2007 was a year in which Belgravium succeeded in improving profits whilst consolidating its position as a world leader in certain specialised mobile computer markets.

When Touchstar was acquired at the end of 2005, it was recognised that the Company had a unique combination of skills and products to supply the international petrochemical distribution market. Further, this market offered plenty of scope for development and growth. The petrochemical market is worldwide and customer service is vital. Accordingly, sales are best served through a combination of business partners and agents. Whilst Touchstar services smaller contracts closer to home, the larger projects have required the building of an overseas network. Development of Touchstar's international sales is a continuous process and much has been achieved in 2007 which will bring benefits in the future.

The other major attraction of the Touchstar acquisition was the opportunity to rationalise technical and production operations. This brings greater efficiency and cost benefits from more co-ordinated activity and less reliance on outsourcing. This process has continued with great success during 2007.

At the same time, we have focused commercial emphasis on the sale of software and support services. The resulting costs and operating margin improvements have enabled the Group to increase profits at the same time as developing our international sales pipeline.

Novo IVC, acquired in early 2006, was quickly integrated as a sales division of Touchstar. As market leader in developing software for mobile retail systems, for example, for aircraft and trains, Novo already had a strong forward sales position. In 2007 we were able to build on that position, gaining some good contracts from this sector.

Belgravium Limited supplies real time data capture systems to the warehousing and logistics market, largely within the British Isles. From a technical and operational viewpoint, activities have been substantially integrated with Touchstar, again with significant cost savings. Sales, in this sector tend to be more specialised, but we are pleased to report that, in 2007, we have been highly successful in gaining solid progress in this more mature market. Once again, we have concentrated on the highest quality of products and services and on providing a comprehensive and conclusive solution to customer needs.

In summary, across all three divisions, 2007 has been a good year, in which Belgravium has strengthened its position in its specialised market sectors whilst materially increasing profits.

Chairman's Statement

Product Development

We have now integrated our product development capabilities across the entire Group, focused through two main activities:

1. Solutions to short term operational customer queries for existing hardware and software.
2. Development of new products, refining both hardware and software designs to address ever-changing consumer demand. Smaller, lighter hardware and software extending the existing scope of activities is in constant demand.

In 2007 we have made advances in both these areas, bringing improved products to all divisions, in addition to an entirely new design concept which will launch in 2008. We recognise the consistent level of work required to ensure our range of software is world class.

It remains management's objective to produce steady growth in profits and dividends, optimising the return to shareholders. Our products must address many demands in what can be challenging industrial and retail applications, meeting stringent approvals in each of the sectors we serve. Our aim is to produce total solutions for our client base, providing not just hardware and software but also the associated maintenance and support. This provides a greater degree of recurring income and therefore visibility in our earnings stream.

Balance Sheet

Belgravium's balance sheet has consistently shown a steadily strengthening position. Net debt reduced from £2,589,000 in 2006 to £1,962,000 in 2007. It is usual for Belgravium's sales to be weighted towards the final quarter of the financial year although in 2007 this was particularly pronounced. As a result, trade debtors as at 31 December were higher than usual, a position that has started to reverse post year end. The Group remains cash generative despite retiring the bank loan partially used to purchase Touchstar at a rate of £1 million per year.

Dividend

Consistent with our policy of paying the highest dividend that the Company can afford and what we deem the most effective use of funds for Shareholders, the Board is pleased to recommend an increased final dividend of 0.38p per ordinary share (2006: 0.36p). This will be paid on 11 June 2008, subject to approval at the AGM, to shareholders on the register on 9 May 2008.

Employees

When the acquisitions were made we said that we were delighted both by the quality of the staff concerned but also by their willingness to co-operate in the difficult task of integrating the companies. This continues to be the case and the integration of the Group has been a tribute to co-operation by both staff and management.

Outlook

2007 has been a year in which Belgravium Group has made progress both through our sales network and a widening of our technical capability. We have again delivered an improvement in profit as some of the benefits we foresaw at the time of the Novo IVC and Touchstar acquisitions have been realised. Looking ahead, there are some attractive projects in the pipeline and we look forward to delivering organic growth in 2008 and beyond.

J P Kembery
Executive Chairman
5 March 2008

Directors' Report

for the year ended 31 December 2007

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2007.

Business review and principal activities

Belgravium Technologies plc ('the Group') designs and builds rugged mobile computing devices and develops software solutions used in a wide variety of field based delivery, logistics and service applications.

The results for the Group show a pre-tax profit of £2,053,000 (2006: £1,844,000) for 2007 on sales of £10,637,000 (2006: £10,922,000). The reduction in financial liabilities for 2007 was £627,000 (2006: increase of £1,388,000).

Business environment

The Group's operations are focused on three separate market sectors; warehousing and logistics, fuel distribution and mobile point of sale with specific emphasis on aircraft applications. Although servicing different customers, the nature of the product and services and channels to market are comparable and hence the directors regard the Group as operating in one primary segment, where the risks and returns are similar.

Air travel continues to expand and is increasingly competitive, influenced particularly by low cost carriers. All carriers, on a worldwide basis, are acutely aware that profit improvement is achievable through high margin inflight sales. The Group's offering of approved hardware with back office and application software allows sophisticated sales and marketing strategies to be used to maximise revenue and minimise waste.

Warehousing and logistics has undergone a radical change over the past few years with warehouses operating on a 24 hour basis providing contract facilities for a wide variety of products and companies. The Group provides mobile computing solutions for warehouse operations for both truck mounted and hand held applications. These solutions communicate using wireless technology and provide real time data. This technology improves supply chain management and significantly reduces warehouse operating costs.

The Group supports a large number of fuel distributors on a world wide basis, through direct sales in Europe and through well established business partners in North America and SE Asia. The Group offers both sophisticated software and hardware approved for use in controlled atmospheres designed to optimise the cost of delivery and customer service. This sector continues to grow both in the number of users and in the requirements for upgrade as newer and more capable technologies become available.

Strategy

The Group's overriding strategy is to achieve attractive and sustainable rates of growth and returns through a combination of organic growth and acquisition.

Acquisition

The Group has a clearly defined acquisition strategy. It is actively seeking businesses which complement the current customer offerings, which move the business into new market sectors and which are earnings enhancing.

Organic growth

The Group has significant business in retail systems on board aircraft. It will continue to grow this sector by enhanced software offerings and targeted selling to a worldwide industry. In addition by using business partners across the world the Group is able to offer local customer support, a key issue for all international carriers.

The Group, although well established in several of the major European market places, sees a clear opportunity for further geographical expansion. Strategies are in place to complete the Group's coverage of this very significant region.

The technologies available within the Group have applications outside the three principal market sectors currently being exploited. In all field based applications there is an ever present demand to improve customer service and to lower the costs of providing that service. The Group is pursuing a number of opportunities which will broaden the current sector coverage.

Product range

The different market sectors serviced by the Group necessitate products with technical features and attributes specific to that market. Nonetheless, in all the hardware manufactured by the Group there are a number of core technologies and competences. The Group is, and will continue to invest in these core technologies to reduce product costs and to provide bespoke software offerings for key market sectors and customers. In-house hardware manufacture combined with application software gives the business the opportunity to create bespoke solutions, a significant differentiating factor over much of the competition.

Employees

The Group recognises that the contribution made by its skilled and committed work force is the business' most valuable asset. The Group will continue to provide its people with a challenging environment and to provide rewards which recognise their achievements. The Group recognises that the needs of the business will continue to change. As such, training is and will continue to be offered such that employees are able to enhance their skill base to assist the business in meeting future challenges.

Future outlook

Across all markets serviced by the Group there is a sustained demand to reduce costs and to improve customer service. This can only be achieved by investment in the most modern technologies providing instantaneous information between back office applications and field based functions. The Group recognises that competition will continue to impose challenges on margins. However, with investment in product offering, a robust commercial approach to the market place and above all a strong desire to succeed then the business will prosper.

Principal risks and uncertainties

The directors recognise that within the business there are a number of risks which may affect the performance of the business. These risks are subjected to regular review and where appropriate processes are established to minimise the level of exposure.

People

The principal asset of the Group is the commitment and skill of its people. The retention of these people is therefore key to the success of the business. The Group monitors closely the satisfaction of its employees and that remuneration packages match both contribution and the wider employment market. In addition the Group has in place schemes which are related to Group results and which allow key employees to participate in the success of the Group as a whole.

Technology changes

Changes in technology occur at an ever increasing rate. Through its technical functions the business monitors emerging technologies and seeks to understand how these technologies will impact current business and how they may be incorporated in designs of future product offerings.

Competition

The Group recognises that it operates on a global basis and as such is subject to competitive global pricing as well as service and performance criteria in local markets. Margins are monitored on a contract by contract basis and commercial decisions are adjusted accordingly. The Group recognises that a global strategy will create issues of foreign exchange variations but that the overall contribution from such markets more than compensates for the level of risk.

Business partners

The Group operates through business partners in certain parts of the world. The retention of their loyalty to the Group's product offering is important. The business is in frequent contact with these companies and regular visits are made. The business supports these partners both commercially and in terms of market information and lead generation. The Group also encourages these partners to supply local service, and hence earn a revenue stream, for contracts that the Group may have secured on a world wide basis.

The financial risks faced by the Group are detailed in note 3.

Key performance indicators

The directors monitor the business based on revenue and gross margin levels.

Group sales reduced from £10,922,000 in 2006 to £10,637,000 in 2007, a 3% reduction.

The gross margin has held constant over the past three years at 58%. There is some pressure both on selling prices and on the costs of incoming components. The now expanded Group has used its increased purchasing power and manufacturing capability to mitigate these pressures.

Dividends

The directors recommend a final dividend of 0.38p per ordinary share (2006: 0.36p).

Going concern

After making all due enquiries, including a review of the budget for the next twelve months, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who held office during the year, are given below:

J P Kembery
R D McDougall
S J Day
M W Hardy
C F Phillips (appointed 6 March 2007)

Non-executive directors

R D McDougall, BA, 65, joined the Board of Belgravium Technologies plc on 26 March 1997. He is a director of a number of private companies in the industrial and commercial sectors. He has served on the board of three listed public companies in the last 16 years.

S J Day, 62, joined the Board of Belgravium Technologies plc on 25 January 2001. He was previously chief executive of Kode International plc, the electronics and computer group between 1989 and 1999. He was a senior non-executive director of Radstone Technology plc from 1998 until 5 December 2006. Stephen is currently the senior non-executive director of Raymarine plc.

R D McDougall, having served for more than ten years, is subject to annual re-election and will therefore be retiring at the Annual General Meeting and will offer himself for re-election.

Purchase of own shares

The Company did not purchase any of its own shares in 2007.

At the Annual General Meeting held on 23 May 2007, members renewed the Company's authority under Section 166 of the Companies Act 1985 to make market purchases of up to 10% of the Company's shares in issue as at 31 December 2006.

The renewed authority given by members at the last Annual General Meeting for the Company to purchase its own shares expires at the Annual General Meeting on 21 May 2008. The directors believe that it is in the best interests of the Company for the authority to be renewed at the forthcoming Annual General Meeting.

Charitable contributions

The contributions made by the Group during the year for charitable purposes to support local charities amounted to £1,070 (2006: £1,150). No political donations have been made in the year (2006: £nil).

Research and development

Details of the research and development being undertaken by the Group is disclosed in the Chairman's Statement under the heading Product Development.

Supplier payment policy

It is the Group's payment policy to ensure settlement of suppliers' invoices in accordance with the stated terms. In certain circumstances, specific settlement terms are agreed, prior to any business taking place. It is our policy to abide by those terms. As the Company is a holding company it has no trade creditors and, accordingly, no disclosure can be made of the year end creditor days.

Substantial shareholdings

As at 29 February 2008, the Company had been notified of the following interests representing 3% or more of the issued ordinary share capital:

	Ordinary shares	Percentage of ordinary share capital
Liontrust Investment Services Limited	6,886,942	6.82%
J P Kembery	5,942,262	5.89%
Chelverton Growth Trust PLC	5,000,000	4.95%
Rensberg Sheppards Investment Management Limited	3,957,030	3.92%

Save as disclosed above, the directors are not aware of any shareholding which represents 3% or more of the present issued ordinary share capital of the Company.

Directors' Report

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 prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and UK Generally Accepted Accounting Practice respectively. The financial statements are required by law to give a true and fair view of the state of affairs of the Parent Company and the Group 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and Parent Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

This statement covers both the Parent Company and the Group as a whole.

The directors confirm that they have complied with the above requirements in preparing the Group and Parent Company financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985 and, as regards the Group financial statements, article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Parent Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Belgravium Technologies plc website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information (that is, information needed by the Parent Company's auditors in connection with preparing their report) of which the Parent Company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Parent Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

By order of the Board

M P Unwin
Company Secretary

5 March 2008

Independent Auditors' Report

to the members of Belgravium Technologies plc

We have audited the Group financial statements of Belgravium Technologies plc for the year ended 31 December 2007 which comprise the Consolidated Income Statement, the Consolidated Statement of Changes in Equity, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Parent Company financial statements of Belgravium Technologies plc for the year ended 31 December 2007.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the Group financial statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Group financial statements.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group'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 Group 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 Group financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2007 and of its profit and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the Group financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester

5 March 2008

Consolidated Income Statement

for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Revenue	5	**10,637**	10,922
Cost of sales		**4,407**	4,552
Gross profit		**6,230**	6,370
Distribution costs		**(98)**	(112)
Administrative expenses		**(3,931)**	(4,265)
Operating profit	6	**2,201**	1,993
Finance income	10	**28**	32
Finance expense	11	**(176)**	(181)
Profit before tax		**2,053**	1,844
Taxation	12	**(634)**	(569)
Profit for the year attributable to equity shareholders		**1,419**	1,275
Earnings per share for profit attributable to equity shareholders			
Basic	14	**1.41p**	1.27p
Diluted	14	**1.41p**	1.26p

The notes on pages 15 to 38 are an integral part of these Group financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2007

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2006	5,021	2,915	2,100	(2,630)	7,406
Profit for the year	–	–	–	1,275	1,275
Dividends (note 13)	–	–	–	(452)	(452)
Balance at 31 December 2006	5,021	2,915	2,100	(1,807)	8,229
New shares issued	26	17	–	–	43
Profit for the year	–	–	–	1,419	1,419
Dividends (note 13)	–	–	–	(504)	(504)
Balance at 31 December 2007	**5,047**	**2,932**	**2,100**	**(892)**	**9,187**

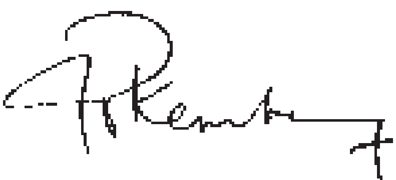
The notes on pages 15 to 38 are an integral part of these Group financial statements.

Consolidated Balance Sheet

as at 31 December 2007

	Notes	2007 £'000	2006 £'000
Non-current assets			
Intangible assets	15		
Goodwill		**9,124**	9,124
Other intangible assets		**267**	201
Property, plant and equipment	16	**251**	361
Deferred income tax assets	18	**7**	27
		9,649	9,713
Current assets			
Inventories	19	**1,262**	1,157
Trade and other receivables	20	**3,901**	3,298
Cash and cash equivalents	21	**2**	171
		5,165	4,626
Current liabilities			
Trade and other payables	22	**3,145**	2,975
Current income tax liabilities		**472**	324
Financial liabilities: Borrowings	23	**1,214**	1,005
Short term provisions	24	**46**	51
		4,877	4,355
Net current assets		**288**	271
Non-current liabilities			
Financial liabilities:			
Borrowings	23	**750**	1,755
Net assets		**9,187**	8,229
Capital and reserves			
Ordinary shares	25	**5,047**	5,021
Share premium		**2,932**	2,915
Capital redemption reserve		**2,100**	2,100
Profit and loss account		**(892)**	(1,807)
Equity shareholders' funds		**9,187**	8,229

The notes on pages 15 to 38 are an integral part of these Group financial statements. The Group financial statements were approved by the board of directors on 5 March 2008 and were signed on its behalf by:



J P Kembery
Director

Consolidated Cash Flow Statement

for the year ended 31 December 2007

	Notes	**2007** **£'000**	2006 £'000
Cash flows from operating activities			
Operating profit		**2,201**	1,993
Depreciation		**179**	199
Amortisation		**80**	56
Loss on sale of tangible fixed assets		**2**	–
Movement in:			
Provisions		**(5)**	(122)
Inventories		**(105)**	91
Trade and other receivables		**(603)**	(576)
Trade and other payables		**172**	118
Cash generated from operations		**1,921**	1,759
Interest received		**28**	37
Interest paid		**(178)**	(183)
Corporation tax paid		**(466)**	(1,382)
Corporation tax received		**–**	180
Net cash generated from operating activities		**1,305**	411
Cash flows from investing activities			
Acquisition of subsidiary undertakings (net of cash acquired)		**–**	(700)
Acquisition expenses		**–**	(356)
Expenditure on intangible assets		**(146)**	(108)
Purchase of property, plant and equipment		**(71)**	(169)
Net cash used in investing activities		**(217)**	(1,333)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**43**	–
Proceeds from bank borrowings		–	2,580
Repayment of bank borrowings		**(1,000)**	(250)
Repayment of loan notes		**–**	(2,580)
Dividends paid to company's ordinary shareholders		**(504)**	(452)
Repayment of capital on finance leases		**(10)**	(4)
Net cash used in financing activities		**(1,471)**	(706)
Net decrease in cash, cash equivalents and bank overdrafts		**(383)**	(1,628)
Cash, cash equivalents and bank overdrafts at start of the year	21	**171**	1,799
Cash, cash equivalents and bank overdrafts at end of the year	21	**(212)**	171

Consolidated Cash Flow Statement

for the year ended 31 December 2007

	Notes	**2007**	2006
		£'000	£'000
Reconciliation of net financial liabilities			
Net decrease in cash, cash equivalents and bank overdrafts		**(383)**	(1,628)
Net change in bank loans and finance leases		**1,010**	254
Non-cash changes:			
New finance leases and hire purchase agreements		–	(14)
Movement in net financial liabilities in the year		**627**	(1,388)
Net financial liabilities at beginning of year		**(2,589)**	(1,201)
Net financial liabilities at end of year	27	**(1,962)**	(2,589)

The notes on pages 15 to 38 are an integral part of these Group financial statements.

1 General information

Belgravium Technologies plc ('the Parent Company' or 'Company') and its subsidiaries (together 'the Group') designs and builds rugged mobile computing devices and develops software solutions used in a wide variety of field based delivery, logistics and service applications. The Company is a public company limited by share capital incorporated and domiciled in the United Kingdom. The address of its registered office is 151 St. Vincent Street, Glasgow, G2 5NJ.

These Group or consolidated, financial statements were authorised for issue by the Board of Directors on 5 March 2008.

2 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.

2.1 Basis of preparation

The Group's consolidated financial statements were prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP) until 31 December 2006. With effect from 1 January 2007, the Group has adopted International Financial Reporting Standards ("IFRSs") as adopted by the European Union (EU) and implemented in the UK. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRSs are given in note 30.

The consolidated financial statements of Belgravium Technologies plc have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRSs), IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRSs. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(a) Standards early adopted by the Group

No standards have been early adopted by the Group.

(b) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group's operations:

- IFRS 4, 'Insurance Contracts'
- IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies'; and
- IFRIC 9, 'Re-assessment of embedded derivatives'.

(c) Interpretations to existing standards that are not yet effective and not early adopted by the Group

- IFRS 8, 'Operating Segments'.

2.2 Consolidation

Subsidiaries are entities that are directly or indirectly controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2 Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pounds Sterling, which is the Parent Company and subsidiaries' functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to reduce their cost to their residual values over their estimated useful lives, as follows:

Plant and machinery	over 2 – 5 years
Fixtures and fittings, tools and equipment	over 4 – 5 years
Computers	over 3 years

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 Summary of significant accounting policies (continued)

2.6 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is "negative goodwill" and is recognised in the income statement immediately.

Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Development expenditure

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditure that do not meet the criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight line basis over its useful life, not exceeding five years.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises actual costs incurred in bringing each product to its present location and condition as follows:

Raw materials and consumables	Purchase cost on a weighted average basis
Work in progress and finished goods	Cost of direct materials, labour and overheads

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made where necessary for obsolete, slow moving and defective inventory.

2 Summary of significant accounting policies (continued)

2.9 Trade receivables

Trade receivables are recognised at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable may be impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the income statement.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Trade payables

Trade payables are recognised at fair value.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profits or losses. Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 Summary of significant accounting policies (continued)

2.15 Employee benefits

(a) Pension obligations

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies. The Group has only defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The Group pays contributions to privately administered pension insurance plans on a contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(b) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Share based payments

In respect of options granted before 7 November 2002 which had not vested at that date no charge is recognised in accordance with IFRS 2 'Share based payments'. No options have been granted since 7 November 2002.

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. In practice this means that revenue is recognised when the service is rendered or goods supplied.

Income from the sale of advance maintenance contracts is shown as deferred income in the balance sheet and released to revenue in equal monthly instalments over the length of the contract.

2.17 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other short-term and other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

The accounting policy adopted for finance leases is also applied to hire purchase agreements.

2.18 Dividend distribution

The annual final dividend is not provided for until approved at the Annual General Meeting whilst interim dividends are charged in the period they are paid.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, principally with respect to the Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Natural hedging occurs through the matching of foreign currency income, expenditure and commitments. When projected foreign currency balances are not anticipated to be covered through this natural matching process, the Group may choose to enter into forward foreign exchange contracts through its bankers and other financial institutions.

At 31 December 2007, no forward foreign exchange contracts were outstanding (2006: £nil).

At 31 December 2007, if Sterling had weakened/strengthened by 6% against the Euro with all other variables held constant, post tax profit for the year would have been £91,000 (2006: £100,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated trade receivables.

(ii) Price risk

The Group is not exposed to equity security or commodity price risk.

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest risk arises from borrowings. Borrowings issued at variable rate expose the Group to cash flow interest rate risk. During 2007 and 2006, the Group's borrowings at variable rate were denominated in Sterling.

At 31 December 2007, if the interest rate on Sterling borrowings had been 0.5% higher/lower with all other variables held constant, post tax profit for the year would have been £10,000 (2006: £12,000) lower/higher as a result of the floating rate.

(b) Credit risk

The Group has a customer credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At 31 December 2007 there were no significant concentrations of credit risk (2006: £nil). The maximum exposure to credit risk is represented by the carrying amount of each financial asset included in the balance sheet. Management does not expect any losses from non-performance by these counterparties. Due to the nature of the Group's business credit risk is assessed on a customer by customer basis prior to entering into contractual arrangements.

3 Financial risk management (continued)

(c) Liquidity risk

The Group maintains short term cash deposits and unutilised banking facilities to mitigate any liquidity risk it may face.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than one year £'000	Between one and two years £'000
At 31 December 2007		
Borrowings	1,214	750
Trade and other payables	3,145	–
At 31 December 2006		
Borrowings	1,000	1,750
Trade and other payables	2,975	–

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The gearing ratios at 31 December 2007 and 2006 were as follows:

	2007 £'000	2006 £'000
Total borrowings (note 23)	**1,964**	2,760
Less cash and cash equivalents (note 21)	**(2)**	(171)
Net debt	**1,962**	2,589
Total equity	**9,187**	8,229
Total capital	**11,149**	10,818
Gearing ratio	**18%**	24%

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate to their fair value. The carrying value of borrowings approximate their fair value due to their short term maturity.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The Group annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, both in arriving at the expected future cash flows and the application of a suitable discount rate in order to calculate the present value of these flows.

(b) Development expenditure

The Group recognises costs incurred on development projects as an intangible asset. The calculation of the costs incurred includes the percentage of time spent by certain employees on the development project.

5 Segmental information

(a) Primary reporting format – business segments

The directors regard the Group as operating in one primary segment, being the supply and maintenance of real time electronic data systems. All of the Group's revenue, expenses, results, assets and liabilities are in respect of the supply and maintenance of real time electronic data systems.

(b) Secondary reporting format – geographical segments

	2007	2006
	£'000	£'000
Sales to external customers:		
United Kingdom	**6,680**	5,973
Rest of Europe	**2,467**	3,226
America	**955**	1,221
Rest of World	**535**	502
	10,637	10,922

6 Operating profit

	2007 £'000	2006 £'000
Operating profit is stated after charging:		
Depreciation:		
– Owned assets	**179**	184
– Hire purchase and leased assets	**–**	15
Development expenditure amortisation	**80**	56
Operating lease rentals:		
– Plant and machinery	**116**	119
– Land and buildings	**144**	145
Research and development expenditure	**249**	373
Loss on disposal of fixed assets	**2**	–

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

	2007 £'000	2006 £'000
Audit services:		
Fees payable to Company auditor for the audit of the Parent Company and consolidated financial statements	**11**	27
Fees payable to Company auditors for other services:		
Audit of Company's subsidiaries	**21**	35
Tax – compliance services	**15**	18

Included in the Group audit fees and expenses paid to the Group's auditor, £nil (2006: £nil) was paid in respect of the Parent Company.

7 Employee benefit expense

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

	2007 Number	2006 Number
Office, management and sales	**57**	58
Manufacturing	**28**	28
	85	86

	2007 £'000	2006 £'000
Staff costs for the above persons were:		
Wages and salaries	**2,890**	2,747
Social security costs	**307**	304
Pension costs – defined contribution plans	**144**	114
	3,341	3,165

8 Directors' emoluments

	2007 £'000	2006 £'000
Aggregate emoluments	**382**	283
Pension costs – defined contribution plans	**18**	11
	400	294

The number of directors who were accruing benefits under Group pension schemes was as follows:

	2007 Number	2006 Number
Defined contribution plans	**1**	1

Emoluments in respect of highest paid director

	2007 £'000	2006 £'000
Aggregate emoluments	**187**	166
Pension costs – defined contribution plans	**18**	11
	205	177

Directors share options and warrants

No options were granted or cancelled during the year (2006: nil). Warrants totalling 120,000 lapsed during the year (2006: nil). During the year 430,788 share options were exercised. The aggregate of the gains made on these exercises was £26,000 of which £5,000 related to the gain attributable to the highest paid director.

9 Key management compensation

Key management consists of the directors and three key departmental managers.

	2007 £'000	2006 £'000
Wages and salaries	**626**	494
Social security costs	**75**	59
Pension costs – defined contribution plans	**38**	29
	739	582

Share options and warrants

No options were granted or cancelled during the year (2006: nil). Warrants totalling 120,000 lapsed during the year (2006: nil). During the year 510,788 share options were exercised. The aggregate of the gains made on these exercises was £30,000.

10 Finance income

	2007 £'000	2006 £'000
Bank interest receivable	**21**	16
Other	**7**	16
	28	32

11 Finance expense

	2007 £'000	2006 £'000
On bank loans and overdrafts	**168**	170
Other interest	**8**	11
	176	181

12 Income tax expense

	2007 £'000	2006 £'000
Corporation tax:		
Current tax	**614**	588
Adjustments in respect of prior years	**–**	1
Total current tax	**614**	589
Deferred taxation:		
Origination and reversal of timing differences	**20**	(20)
Total deferred tax	**20**	(20)
Tax on profit on ordinary activities	**634**	569

Factors affecting the tax charge for the year

The tax charge for the year is different from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2007 £'000	2006 £'000
Profit before tax	**2,053**	1,844
Multiplied by the standard rate of corporation tax in the UK of 30% (2006: 30%)	**616**	553
Effects of:		
Items not deductible for tax purposes	**17**	22
Small companies rate	**(10)**	(6)
Prior year corporation tax	**–**	1
Prior year deferred tax	**7**	(1)
Deferred tax rate change	**4**	–
Tax charge for the year	**634**	569

The effective tax charge in future years is not expected to be significantly different from the standard rate.

During the year, as a result of the change in UK corporation tax rates from 1 April 2008, deferred tax balances have been remeasured. Deferred tax relating to temporary differences which are expected to reverse prior to 1 April 2008 is measured at 30% and deferred tax relating to temporary differences expected to reverse after 1 April 2008 is measured at the tax rate of 28% as these are the tax rates that will apply on reversal.

13 Dividends

	2007 £'000	2006 £'000
Interim ordinary dividend paid of £0.14 per share (2006: £0.13 per share)	**141**	131
Final ordinary dividend paid of £0.36 per share (2006: £0.32 per share)	**363**	321
	504	452

In addition, the directors are proposing a final dividend in respect of the financial year ended 31 December 2007 of 0.38p per share which will absorb an estimated £384,000 of shareholders' funds. It will be paid on 11 June 2008 to shareholders who are on the register of members at 9 May 2008.

14 Earnings per share

	2007	2006
Basic earnings per ordinary share	**1.41p**	1.27p
Diluted earnings per ordinary share	**1.41p**	1.26p

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive ordinary shares. The dilutive ordinary shares represent the share options and warrants granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year.

Reconciliations of the earnings and weighted average number of shares used in the calculation are set out below:

	2007		2006	
	Earnings £'000	**Weighted average number of shares (in thousands)**	Earnings £'000	Weighted average number of shares (in thousands)
Basic EPS				
Earnings attributable to ordinary shareholders	**1,419**	**100,665**	1,275	100,426
Effect of dilutive securities				
Options	**–**	**166**	–	500
Diluted EPS				
Adjusted earnings	**1,419**	**100,831**	1,275	100,926

15 **Intangible fixed assets**

	Goodwill £'000	Development expenditure £'000	Total £'000
Cost			
At 1 January 2006	8,220	97	8,317
Additions	–	108	108
Acquisition of subsidiary	984	57	1,041
At 31 December 2006	9,204	262	9,466
Additions	–	146	146
At 31 December 2007	**9,204**	**408**	**9,612**
Amortisation			
At 1 January 2006	80	5	85
Amortisation charge	–	56	56
At 31 December 2006	80	61	141
Amortisation charge	–	80	80
At 31 December 2007	**80**	**141**	**221**
Net book value			
At 1 January 2006	8,140	92	8,232
At 31 December 2006	9,124	201	9,325
At 31 December 2007	**9,124**	**267**	**9,391**

The goodwill brought forward at 1 January 2006 relates to the acquisition of Touchstar Technologies Limited. IFRS 3 'Business Combinations' has not been applied retrospectively to these acquisitions as they arose prior to the date of transition to IFRS.

Acquisition of Novo IVC Limited

The Group acquired Novo IVC Limited on 13 January 2006.

Following adoption of IFRS, the Group has reconsidered the fair values attributed to Novo IVC Limited at 13 January 2006 in accordance with IFRS 3 'Business Combinations' and concluded that no changes to the fair values of the separately identified assets and liabilities are required to be made. Consequently the fair value of net assets acquired disclosed in the financial statements for the year ended 31 December 2006 amounting to £688,000 and goodwill of £984,000 remain unchanged.

Impairment tests for goodwill

An impairment test has been performed on the carrying value of goodwill based on value-in-use calculations.

The value-in-use calculations have used pre-tax cash flow projections based on the budget for the year ending 31 December 2008. Subsequent cash flows are extrapolated using an estimated growth rate of 5%. The cash flows have then been discounted using a pre-tax risk adjusted discount rate of 7%.

The value-in-use calculations did not indicate an impairment.

16 Property, plant and equipment

	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost			
At 1 January 2006	596	759	1,355
Acquisitions	–	66	66
Additions	123	46	169
At 31 December 2006	719	871	1,590
Additions	47	24	71
Disposals	–	(16)	(16)
At 31 December 2007	**766**	**879**	**1,645**
Depreciation			
At 1 January 2006	417	613	1,030
Charge for the year	104	95	199
At 31 December 2006	521	708	1,229
Charge for the year	91	88	179
On disposals	–	(14)	(14)
At 31 December 2007	**612**	**782**	**1,394**
Net book value			
At 1 January 2006	179	146	325
At 31 December 2006	198	163	361
At 31 December 2007	**154**	**97**	**251**

Hire purchase agreements

Included within the net book value of £251,000 is £nil (2006: £27,000) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £nil (2006: £15,000).

17(a) Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2007	2006
	£'000	£'000
Loans and receivables		
Trade and other receivables	**3,901**	3,298
Cash and cash equivalents	**2**	171
Total	**3,903**	3,469

	2007	2006
	£'000	£'000
Other financial liabilities		
Borrowings	**1,964**	2,760

17(b) Credit quality of financial assets

The directors consider that based on the historical information about default rates and the current strength of customer relationships, a number of which are recurring long term customers, the credit quality of financial assets that are neither past due or impaired is good. In addition the level of bad debt write offs over the last four years was £10,000.

18 Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement in net deferred tax assets during the year was:

	2007	2006
	£'000	£'000
At 1 January	**27**	7
(Charge)/credit to income statement during the year	**(20)**	20
At 31 December	**7**	27

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Short term timing differences	Accelerated tax depreciation
Deferred tax assets	£'000	£'000
At 1 January 2006	5	2
(Charged)/credited to income statement	(3)	23
At 31 January 2006	2	25
Charged to income statement	–	(20)
At 31 December 2007	**2**	**5**

19 Inventories

	2007 £'000	2006 £'000
Raw materials and consumables	**749**	706
Work in progress	**127**	156
Finished goods and goods for resale	**386**	295
	1,262	1,157

The cost of inventories recognised as an expense amounted to £nil (2006: £nil). There were no reversals of previous inventory write-downs in either year. No finished goods are held at fair value less cost to sell (2006: £nil).

20 Trade and other receivables

	2007 £'000	2006 £'000
Trade receivables	**3,488**	2,729
Less: provision for doubtful debts	**–**	–
Trade debtors – net	**3,488**	2,729
Other debtors	**14**	56
VAT	**40**	214
Prepayments and accrued income	**359**	299
	3,901	3,298

The fair value of trade and other receivables is the same as the book value.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2007, trade receivables of £81,000 (2006: £57,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2007 £'000	2006 £'000
Up to 3 months	**51**	39
Over 3 months	**30**	18

As of 31 December 2007, trade receivables of £nil (2006: £nil) were impaired and provided for (see also note 17(b)).

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	2007 £'000	2006 £'000
Sterling	**3,123**	2,407
Euros	**778**	891
	3,901	3,298

The other classes within trade and other receivables do not contain impaired assets.

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.

21 Cash and cash equivalents

	2007 £'000	2006 £'000
Cash at bank and in hand	**2**	171
Cash and cash equivalents (for the purpose of the balance sheet)	**2**	171
Bank overdraft (see note 23)	**(214)**	–
Cash and cash equivalents (for the purpose of the cash flow statement)	**(212)**	171

22 Trade and other payables – current

	2007 £'000	2006 £'000
Trade payables	**984**	898
Other taxes and social security payable	**255**	215
Other creditors	**14**	8
Accruals and deferred income	**1,892**	1,854
	3,145	2,975

23 Financial liabilities – Borrowings

	2007 £'000	2006 £'000
Non-current		
Bank loans	**750**	1,750
Obligations under hire purchase agreements	**–**	5
	750	1,755
Current		
Bank overdrafts	**214**	–
Bank loans	**1,000**	1,000
Obligations under hire purchase agreements	**–**	5
	1,214	1,005
Total borrowings	**1,964**	2,760
Less cash and cash equivalents	**(2)**	(171)
Net debt	**1,962**	2,589

The carrying amounts of borrowings approximate their fair value due to their short term maturity meaning that the impact of discounting is not significant. The carrying amounts of the Group's borrowings are denominated solely in Sterling.

23 Financial liabilities – Borrowings (continued)

The Group bank overdraft facility and bank loan are secured by a bond and floating charge over the entire assets of the Group. The bank loan is repayable by instalments by 24 October 2009 and carries interest at a rate of 1.5% above LIBOR.

The Group has given a rent bond of £90,000 secured by its bankers. This expires on 24 December 2018.

Included in the Group's borrowings set out above is £nil (2006: £10,000) which is repayable under finance lease instalments as shown below:

	2007	2006
	£'000	£'000
Principal		
In one year or less	–	5
Between one and five years	–	5
Total	–	10

The maturity analysis of the bank loans is as follows:

	2007	2006
	£'000	£'000
In one year or less	**1,000**	1,000
Between one and two years	**750**	1,750
	1,750	2,750

24 Short term provisions

	Warranty
	£'000
At 1 January 2006	51
Charged to the income statement	46
Utilised in the year	(51)
At 31 December 2007	**46**

The warranty provision comprises provision for general customer repairs with 12 monthly warranty guarantees. The provision is expected to be utilised within 12 months.

25 Share capital

	2007 £'000	2006 £'000
Authorised		
150,000,000 (2006: 150,000,000) ordinary shares of 5p each	**7,500**	7,500
Allotted, issued and fully paid		
100,936,547 (2006: 100,425,759) ordinary shares of 5p each	**5,047**	5,021

Share options and warrants

In accordance with IFRS 2 options granted before 7 November 2002 are not required to be accounted for in accordance with IFRS 2. The disclosures required by IFRS 2 in these circumstances have been made below:

Options have been granted to certain directors and employees to subscribe for 185,000 ordinary shares of 5p each at a price of between 6.5p and 11.75p per share under the Eadie Holdings plc 1992 Executive Share Option Scheme. These options are exercisable, except as provided in the scheme rules, between three and ten years following the date of grant. Options totalling 510,788 were exercised during the year.

Options have been granted to certain directors and employees to subscribe for 1,240,000 ordinary shares of 5p each at a price of between 12.3p and 13.1p per share under the Belgravium Technologies plc Enterprise Management Incentive Scheme. These options are exercisable except as provided in the scheme rules, between three and ten years following the date of grant. No options were exercised, granted, cancelled or lapsed during the year (2006: 100,000 lapsed).

All warrants lapsed during the year. Warrants had previously been granted to certain directors and employees to subscribe for 310,000 ordinary shares of 5p each at a price of 8.125p. These warrants were exercisable, except as provided in the scheme rules (in particular, when the share price is at 25% premium over exercise price) within six years of the date of grant.

The number of shares subject to options and warrants, the periods in which they were granted and the periods in which they may be exercised are given below:

	Year of grant	Exercise price (pence)	Exercise period	2007 numbers	2006 numbers
1992 executive share option scheme					
	1997	9.50	2000-2007	–	315,788
	1998	11.75	2001-2008	**110,000**	110,000
	2001	6.50	2004-2011	**75,000**	270,000
Enterprise management incentive scheme	2001	12.30	2004-2011	**790,000**	790,000
	2002	13.10	2005-2012	**450,000**	450,000
Warrants	2001	8.125	2001-2007	–	310,000
				1,425,000	2,245,788

26 Operating lease commitments – minimum lease payments

The Group's commitment under non-cancellable operating leases is as follows:

	2007		2006	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Leases expiring within one year	–	**18**	–	9
Leases expiring later than one year but no later than five years	**12**	**130**	18	242
Leases expiring later than five years	**990**	**–**	1,080	–
	1,002	**148**	1,098	251

The Group leases various offices under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases plant and machinery under non-cancellable operating lease agreements.

27 Cash flow statement

Analysis of changes in net financial liabilities

	At 1 January 2007 £'000	Net cash flows £'000	**At 31 December 2007 £'000**
Cash and cash equivalents	171	(169)	**2**
Bank overdrafts	–	(214)	**(214)**
		(383)	
Loans due after one year	(1,750)	1,000	**(750)**
Loans due within one year	(1,000)	–	**(1,000)**
Hire purchase agreements	(10)	10	**–**
Total	(2,589)	627	**(1,962)**

28 Capital commitments

At the year end, the Group had no capital commitments (2006: £nil).

29 Related party transactions

J P Kembery and C F Phillips are both directors of Belgravium Technologies plc and significant shareholders of Heathermoor Limited which wholly owns Eadie Industries Limited.

During the year recharges from Belgravium Technologies plc to Eadie Industries Limited amounted to £49,000 (excluding VAT) (2006: £49,000) in respect of payroll and certain administration costs incurred on behalf of Eadie Industries Limited. As at 31 December 2007, the debt owed by Eadie Industries was £14,000 (2006: £15,000) which was repaid in full in February 2008.

30 Adoption of International Financial Reporting Standards ("IFRS")

Belgravium Technologies plc reported under UK GAAP in its previously published financial statements for the year ended 31 December 2006.

In applying IFRS 1 'First-time adoption of International Financial Reporting Standards' ("IFRS 1"), the Group has taken advantage of the following exemption:

- Business Combinations – the Group has applied the exemption in IFRS 1 and has not applied IFRS 3 'Business Combinations' for business combinations which took place prior to the date of transition to IFRS of 1 January 2006.

The analysis below shows a reconciliation of net assets and profit as reported under UK GAAP as at 31 December 2006 to the revised net assets and profit under IFRS as reported in these financial statements. The transition from UK GAAP to IFRS at the transition date for this Company, being 1 January 2006, does not change the consolidated balance sheet as at that date.

a) Consolidated Income Statement reconciliation for the year ended 31 December 2006

	UK GAAP (IFRS format) £'000	IFRS adjustments £'000	**IFRS £'000**
Revenue	10,922	–	**10,922**
Cost of sales	(4,552)	–	**(4,552)**
Gross profit	6,370	–	**6,370**
Distribution costs	(112)	–	**(112)**
Administrative expenses	(4,729)	464	**(4,265)**
Operating profit	1,529	464	**1,993**
Finance income	32	–	**32**
Finance expense	(181)	–	**(181)**
Profit before income tax	1,380	464	**1,844**
Income tax expense	(569)	–	**(569)**
Profit for the year attributable to equity shareholders	811	464	**1,275**

b) Notes to the adjustments on the Consolidated Income Statement for the year ended 31 December 2006

Administrative expenses:

	£'000
Goodwill amortisation – under IFRS goodwill is no longer amortised but is subject to annual impairment reviews	464

30 Adoption of International Financial Reporting Standards ("IFRS") (continued)

(c) Consolidated Balance Sheet reconciliation at 31 December 2006

	UK GAAP (IFRS format) £'000	IFRS adjustments £'000	**IFRS £'000**
Non-current assets			
Intangible assets			
– Goodwill	8,660	464	**9,124**
– Other tangible assets	201	–	**201**
Property, plant and equipment	361	–	**361**
Deferred income tax assets	27	–	**27**
	9,249	464	**9,713**
Current assets			
Inventories	1,157	–	**1,157**
Trade and other receivables	3,298	–	**3,298**
Cash and cash equivalents	171	–	**171**
	4,626	–	**4,626**
Current liabilities			
Trade and other payables	2,975	–	**2,975**
Current income tax liabilities	324	–	**324**
Financial liabilities: Borrowings	1,005	–	**1,005**
Short term provisions	51	–	**51**
	4,355	–	**4,355**
Net current assets	271	–	**271**
Non-current liabilities			
Borrowings	1,755	–	**1,755**
Net assets	7,765	464	**8,229**
Capital and reserves			
Ordinary shares	5,021	–	**5,021**
Share premium account	2,915	–	**2,915**
Capital redemption reserve	2,100	–	**2,100**
Profit and loss account	(2,271)	464	**(1,807)**
Equity shareholders' funds	7,765	464	**8,229**

30 Adoption of International Financial Reporting Standards ("IFRS") (continued)

d) Notes to the adjustments on the Consolidated Balance Sheet as at 31 December 2006

	£'000
Goodwill	
Amortisation no longer required under IFRS	464
Retained earnings	
Goodwill amortisation no longer required under IFRS	464

e) Consolidated Cash Flow Statement for the year ended 31 December 2006

The transition from UK GAAP to IFRS does not change the reported cash flows of the Group. An IFRS cash flow statement is similar to UK GAAP but presents various cash flows in a different order from UK GAAP. All IFRS adjustments net out within the cash flow generated from operations.

Independent Auditors' Report

to the members of Belgravium Technologies plc

We have audited the Parent Company financial statements of Belgravium Technologies plc for the year ended 31 December 2007 which comprise the Balance Sheet and the related notes. These Parent Company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Belgravium Technologies plc for the year ended 31 December 2007.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the Parent Company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the Parent Company financial statements give a true and fair view and whether the Parent Company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Parent Company financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Parent Company financial statements. The other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Parent Company financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Parent Company financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Parent Company financial statements, and of whether the accounting policies are appropriate to the Parent 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 Parent Company 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 Parent Company financial statements.

Opinion

In our opinion:

- the Parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Parent Company's affairs as at 31 December 2007;
- the Parent Company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Parent Company financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester

5 March 2008

Parent Company Balance Sheet Under UK GAAP

as at 31 December 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	d)	**3**	6
Investments	e)	**19,055**	19,055
Current assets		**19,058**	19,061
Debtors	f)	**35**	32
		35	32
Creditors – amounts falling due within one year	g)	**(6,304)**	(4,927)
Net current liabilities		**(6,269)**	(4,895)
Total assets less current liabilities		**12,789**	14,166
Creditors – amounts falling due after more than one year	h)	**(750)**	(1,750)
Net assets		**12,039**	12,416
Capital and reserves			
Called up share capital	j)	**5,047**	5,021
Share premium account	k)	**2,932**	2,915
Capital redemption reserve	k)	**2,100**	2,100
Profit and loss account	k)	**1,960**	2,380
Equity shareholders' funds	l)	**12,039**	12,416

The Parent Company financial statements were approved by the board of directors on 5 March 2008 and were signed on its behalf by:

J P Kembery
Director

a) Accounting policies

The Parent Company financial statements have been prepared in accordance with the Companies Act 1985 and with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies of the Parent Company, which have been applied consistently is set out below.

Basis of accounting
The financial statements are prepared under the historical cost convention.

Tangible fixed assets
Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Provision for depreciation and diminution in value, including obsolescence and impairment, have been made against fixed assets at rates calculated to reduce the net book amount of each asset to its estimated residual value on a straight line basis over its estimated economic life. The principal annual rates used for this purpose are:

Fixtures, fittings, tools and equipment	over 4 – 5 years
Computers	over 3 years

Fixed asset investments
Investments are shown at historic cost less provision for impairment. Any impairment in the value of investments is charged to the profit and loss account.

Deferred taxation
The charge for taxation is based on the result for the year. Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax in future, 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 laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities recognised have not been discounted.

Cash flow statement
The Parent Company has taken advantage of the exemption under Financial Reporting Standard 1 (revised) from disclosing a cash flow statement.

Derivative financial instruments
The Parent Company did not use derivative financial instruments in either period.

Interest
Interest is recognised on an accruals basis using the effective rate method.

Dividends
The annual final dividend is not provided for until approved at the Annual General Meeting whilst interim dividends are charged in the period they are paid.

b) Profit and loss account

As permitted by Section 230 Companies Act 1985, the Parent Company has not presented its own profit and loss account. The profit for the financial year of the Parent Company was £84,000 (2006: £130,000).

(c) Employees and directors' emoluments

The average monthly number of employees (including directors) during the year was:

	2007 Number	2006 Number
By activity		
Office, management and sales	**6**	6

	2007 £'000	2006 £'000
Staff costs (for the above persons)		
Wages and salaries	**401**	348
Social security costs	**44**	38
Other pension costs	**26**	18
	471	404

Directors' emoluments	2007 £'000	2006 £'000
Aggregate emoluments (including pension contributions of £18,000 (2006: £11,000) and benefits in kind)	**326**	294

Fees and other emoluments include amounts paid to the highest paid director as follows:

	2007 £'000	2006 £'000
Aggregate emoluments and benefits	**187**	166
Pension contributions	**18**	11
	205	177

During the year pension benefits were accruing to 1 director (2006: 1 director) under the Company's defined contribution pension schemes.

d) Tangible fixed assets

	Fixtures, fittings and computer equipment £'000
Cost	
At 1 January 2007	408
Additions	3
At 31 December 2007	**411**
Depreciation	
At 1 January 2007	402
Charge in year	6
At 31 December 2007	**408**
Net book value	
At 31 December 2007	**3**
At 31 December 2006	6

e) Investments

	Shares in subsidiary undertakings £'000
Cost and net book value	
At 1 January 2007 and 31 December 2007	19,055

The Company has the following wholly owned subsidiary undertakings, incorporated and operating in Great Britain which are registered in England and Wales:

Name of company	Nature of business	Description of shares held
Belgravium Limited	Real time electronic data systems	6,000,000 ordinary £1 shares
Touchstar Technologies Limited	Real time electronic data systems	100,000 ordinary £1 shares
Novo IVC Limited	Dormant	600,000 ordinary £1 shares
		1,187,500 preference £1 shares

f) Debtors

	2007 £'000	2006 £'000
Amounts falling due within one year		
Other debtors	**14**	14
Prepayments and accrued income	**14**	6
Deferred tax asset (note i)	**7**	12
	35	32

g) Creditors – Amounts falling due within one year

	2007 £'000	2006 £'000
Bank loans and overdraft	**3,320**	2,285
Amounts owed to subsidiary undertakings	**2,842**	2,500
Corporation tax payable	**7**	5
Other taxes and social security	**49**	53
Other creditors	**3**	2
Accruals	**83**	82
	6,304	4,927

The Group bank overdraft facility and bank loan are secured by unlimited cross-guarantees between the Company and its subsidiary undertakings and by a bond and floating charge over the entire assets of the Group. The bank loan is repayable by instalment by 24 October 2009 and carries interest at a rate of 1.5% above LIBOR.

h) Creditors – Amounts falling due after more than one year

	2007 £'000	2006 £'000
Bank loans	**750**	1,750

The maturity analysis of the bank loans is as follows:

	2007 £'000	2006 £'000
In one year or less	**3,320**	2,285
Between one and two years	**750**	1,750
	4,070	4,035

i) Deferred taxation

Deferred tax is fully provided in the accounts as follows:

	2007 £'000	2006 £'000
Accelerated capital allowances	**(6)**	(11)
Short term timing differences	**(1)**	(1)
	(7)	(12)
Asset at start of year	**(12)**	(16)
Deferred tax charge in profit and loss account	**5**	4
Asset at end of year (note f)	**(7)**	(12)

j) Share capital

	2007 £'000	2006 £'000
Authorised		
150,000,000 (2006: 150,000,000) ordinary shares of 5p each	**7,500**	7,500
Allotted, issued and fully paid		
100,936,547 (2006: 100,425,759) ordinary shares of 5p each	**5,047**	5,021

The increase in allotted, issued and fully paid ordinary shares of 5p each is as a result of 510,788 share options being exercised during the year.

k) Reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 January 2007	2,915	2,100	2,380
Issue of new shares	17	–	–
Retained profit for the year	–	–	84
Dividend	–	–	(504)
At 31 December 2007	**2,932**	**2,100**	**1,960**

The share premium account represents the issue of 6,000,000 ordinary shares of 5p each at a price of 7p, the issue of 33,600,000 ordinary shares of 5p each at a price of 14p, the issue of 195,000 ordinary shares of 5p each at a price of 6.5p and the issue of 315,788 ordinary shares of 5p each at a price of 9.5p.

l) Reconciliation of movement in equity shareholders' funds

	2007 £'000	2006 £'000
Profit for the financial year	**84**	130
Issue of ordinary shares	**43**	–
Dividends paid	**(504)**	(452)
Reduction in equity shareholders' funds	**(377)**	(322)
Opening equity shareholders' funds	**12,416**	12,738
Closing equity shareholders' funds	**12,039**	12,416

m) Commitments under operating leases

At 31 December 2007 the Parent Company was committed to annual payments in respect of non-cancellable operating leases as follows:

	2007	2006
	£'000	£'000
Leases which expire:		
within one year	**13**	–
between two and five years	**–**	8
	13	8

n) Financial instruments

The Parent Company's financial instruments in both years comprised share capital, borrowings, borrowing facilities (unutilised facilities) and working capital arising directly from the Parent Company's activities. The Parent Company did not trade in financial instruments nor undertake any hedging activities in either year.

o) Related party transactions

J P Kembery and C F Phillips are both directors of Belgravium Technologies plc and significant shareholders of Heathermoor Limited which wholly owns Eadie Industries Limited.

During the year recharges from Belgravium Technologies plc to Eadie Industries Limited amounted to £49,000 (excluding VAT) (2006: £49,000) in respect of payroll and certain administration costs incurred on behalf of Eadie Industries Limited. As at 31 December 2007, the debt owed by Eadie Industries was £14,000 (2006: £15,000) which was repaid in full in February 2008.

Notice of Annual General Meeting

Notice is hereby given that the one hundred and fourth annual general meeting of the Company will be held at the offices of Buchanan Communications Limited, 45 Moorfields, London, EC2Y 9AE on 21 May 2008 at 11.00 am for the following purposes:

ORDINARY BUSINESS

1 To receive, consider and adopt the annual accounts for the year ended 31 December 2007 together with the last directors' report and the auditors' report on those accounts.

2 To approve the final dividend of 0.38p for each ordinary share. This dividend is in respect of the year ended 31 December 2007 and is payable to shareholders on the register at the close of business on 9 May 2008.

3 To reappoint Mark William Hardy as a director of the Company who retires by rotation in accordance with the articles of association of the Company.

4 To reappoint Roderick Dugald McDougall as a director of the Company.

5 To reappoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which the accounts are laid before the Company and that their remuneration be fixed by the directors.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions of which resolution 6 will be proposed as an ordinary resolution and resolutions 7 and 8 will be proposed as special resolutions:

6 That the directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (**"Act"**) to exercise all the powers of the Company to allot relevant securities within the meaning of that section up to an aggregate nominal amount of £1,766,390 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the date of the next annual general meeting of the Company after the passing of this resolution, but the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the board may allot relevant securities in pursuance of that offer or agreement.

7 That subject to the passing of resolution 6 the directors be generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred by resolution 6 as if section 89(1) of the Act did not apply to the allotment. This power shall be limited to:

7.1 the allotment of equity securities in connection with an offer for securities open for acceptance for a period fixed by the directors by way of rights to holders of ordinary shares and such other equity securities as the directors may determine on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attaching to them (but subject to such exclusions or other arrangements necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems under the laws of any territory or the requirements of any recognised regulatory body or any stock exchange in any territory or otherwise however);

7.2 the allotment of equity securities pursuant to the terms of any share scheme for directors and employees approved by the Company in general meeting;

7.3 the allotment (otherwise than pursuant to sub paragraphs 7.1 and 7.2 above) of equity securities up to an aggregate nominal value of £252,341, provided that the power hereby conferred shall expire on the date of the next annual general meeting of the Company after the passing of this resolution save that the directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

8 THAT in accordance with article 43 of the articles of association of the Company and Part V of the Act, the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Act to make one or more market purchases (as defined by section 163(3) of the Act) of its ordinary shares of 5p each in the capital of the Company subject to the following conditions:

8.1 the maximum aggregate number of ordinary shares which may be purchased is 10,093,655 being 10% of the Company's shares in issue as at 31 December 2007;

8.2 the price at which an ordinary share may be purchased shall not exceed 105% of the average of the middle market quotations for the ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase and shall not be less than 5p per ordinary share, in both cases exclusive of expenses; and

8.3 unless previously renewed, varied or revoked, this authority hereby conferred will expire at the earlier of the conclusion of the Company's next annual general meeting or the date 12 months from the date of the passing of this resolution, except that the Company may before such authority expires enter into a contract to purchase its own shares which may be completed wholly of partly after the expiry of this authority and may make a purchase of its own shares in pursuance of any such contract.

By order of the board

M P Unwin
Company Secretary
5 March 2008

Registered office
151 St Vincent Street
Glasgow
G2 5NJ

NOTES

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 11 am on 19 May 2008 or, if this Meeting is adjourned, at 11 am on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

2 If you are a member of the Company at the time set out in note 1 above, 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.

3 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.

4 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, (an) additional proxy form(s) may be obtained by contacting Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, HD8 0GA, or you may photocopy the proxy form with this notice. Please indicate in the box provided the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of the multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, 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.

6 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, Proxies Department, P O Box 25, Beckenham, Kent BR3 4BR and received by Capita Registrars no later than 11 am on 19 May 2008. 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.

7 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting 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. Capita Registrars Crest ID is RA10.

Group Information
Registered Number in Scotland 5543

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Glasgow, G2 5NJ

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Corporate Advisors
KPMG Corporate Finance
1 The Embankment
Neville Street
Leeds, LS1 4DW

Stockbroker
WH Ireland Limited
Zurich House
Canal Wharf
Leeds LS11 5DB

Bankers
Barclays Bank plc
Barclays Corporate
PO Box 190
2nd Floor
1 Park Row
Leeds, LS1 5WU

Shareholder Notes

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BELGRAVIUM TECHNOLOGIES plc

Belgravium Technologies is a market leader in enterprise mobile computing solutions with an installed Global product base of over 100,000 terminals. We help capture, move, and manage critical information, providing businesses the means to access real-time information anytime and anywhere.

John Kembery, Chairman

Belgravium Ltd
designs and manufactures mobile computers and real time electronic data capture systems, which are largely applied to the logistics and supply chain sectors.

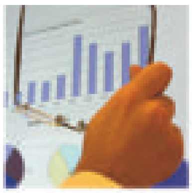
www.belgravium.com

TouchStar Technologies Ltd
designs and manufactures mobile computers and key peripheral accessories, such as card readers and printers, which are largely applied to the mobile point of sale and fuel delivery sectors.

www.touchstar.co.uk

Novo Ivc mobile sales and stock control software systems are used on more than 2000 daily journeys by over 50,000 attendants, handling sales in excess of $460 million. Novo software provides optimum retail control for airlines and railways.

www.novoivc.com



Belgravium Technologies plc Investor Relations Website
This website contains full and interim Report and Accounts in PDF format, as well as information on share price, advisers, broker coverage etc..

www.belgravium-ir.com

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