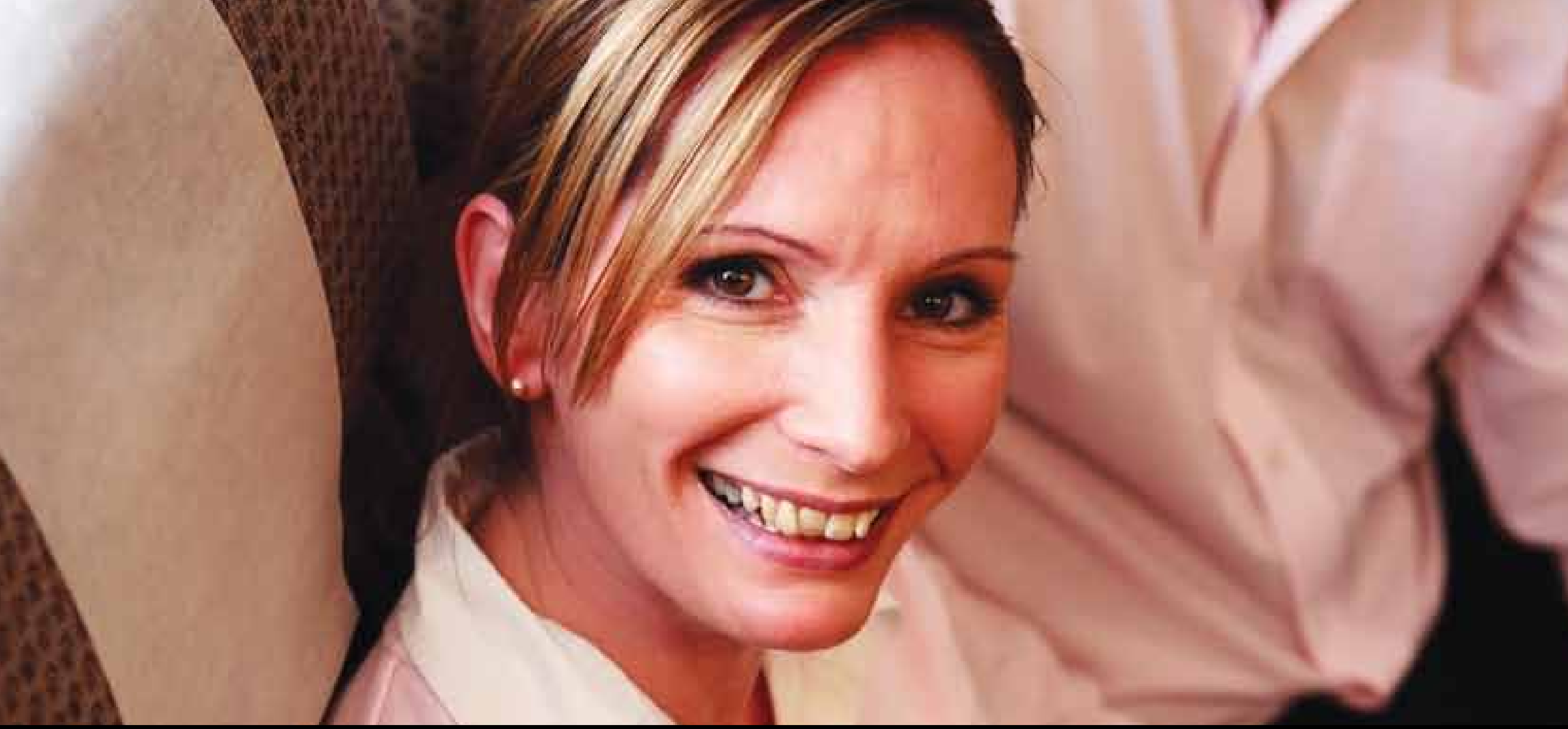
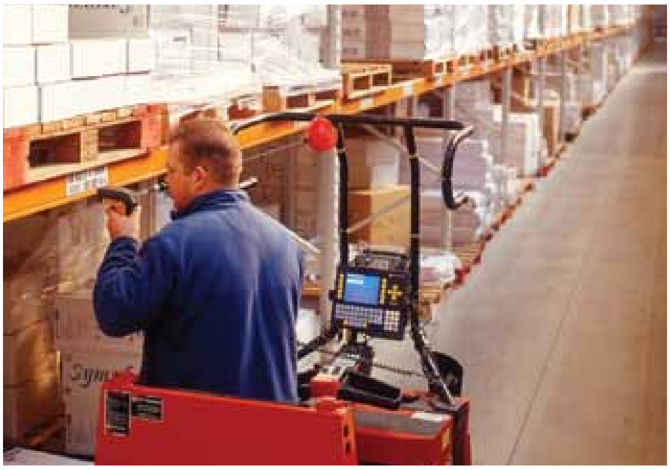


Belgravium Technologies plc

Annual Report and Accounts
for the year ended 31 December 2010

A mobile solution for every environment

Welcome to
Belgravium Technologies plc



We are a market leader in enterprise mobile computing solutions. We help capture, move and manage critical information, providing businesses the means to access real-time information anytime and anywhere.

In a difficult market Belgravium has:

- ✔ Continued to generate cash
- ✔ Opened new accounts
- ✔ Produced new products and services
- ✔ Controlled costs
- ✔ Made progress with strategic objectives

Belgravium Technologies plc

Our Applications

✔ **Warehouse and Logistics**
Barcode readers, RFID readers, voice recognition systems, labelling and line marking, pick-by-light

✔ **Point of Delivery**
Electronic proof of delivery and airline point of sale

✔ **Vehicle Telematics**
Vehicle tracking and vehicle condition telematics, routing & scheduling systems

✔ **IT Solutions**
Mobile computers, application software, after sales IT support, bespoke development

Our clients include: Tata Steel, Lakeland, BP, TotalGaz, GSK, Palletline, EDF Energy, Wincanton, SHV Group, Coca Cola Enterprises, Port of Tyne, Air-Berlin, Ceva Logistics, Gulf Oil, The Royal Mint, Thomas Cook

Contents

Case Study

TotalGaz

Fuel distribution

Total is the fourth largest publicly-traded integrated international oil and gas company in the world, with 96,400 employees and operations in more than 130 countries. Total engages in all aspects of the petroleum industry, including Upstream operations (oil and gas exploration, development and production, LNG) and Downstream operations (refining, marketing and the trading and shipping of crude oil and petroleum products).

Requirement

TotalGaz identified the need for a greater level of automation of key business processes associated with the LPG distribution vehicles. The main decision to implement a mobile computing solution was to improve efficiency in operations, specifically to eliminate paperwork, reduce billing cycles and to automate stock reconciliation.

TotalGaz were particularly interested in obtaining data directly from the on-board meters and were impressed by the range of different meter types with which TouchStar could offer full compatibility. TouchStar's equipment is also ATEX certified, an important consideration for any company operating in explosive environments. TouchStar also has in-house bespoke software development capability and were able to offer TotalGaz a highly intuitive front-end fuel delivery application, designed to meet their specific operational criteria.

"TotalGaz is now fitting its entire articulated fleet with the 'TouchPC Raven"

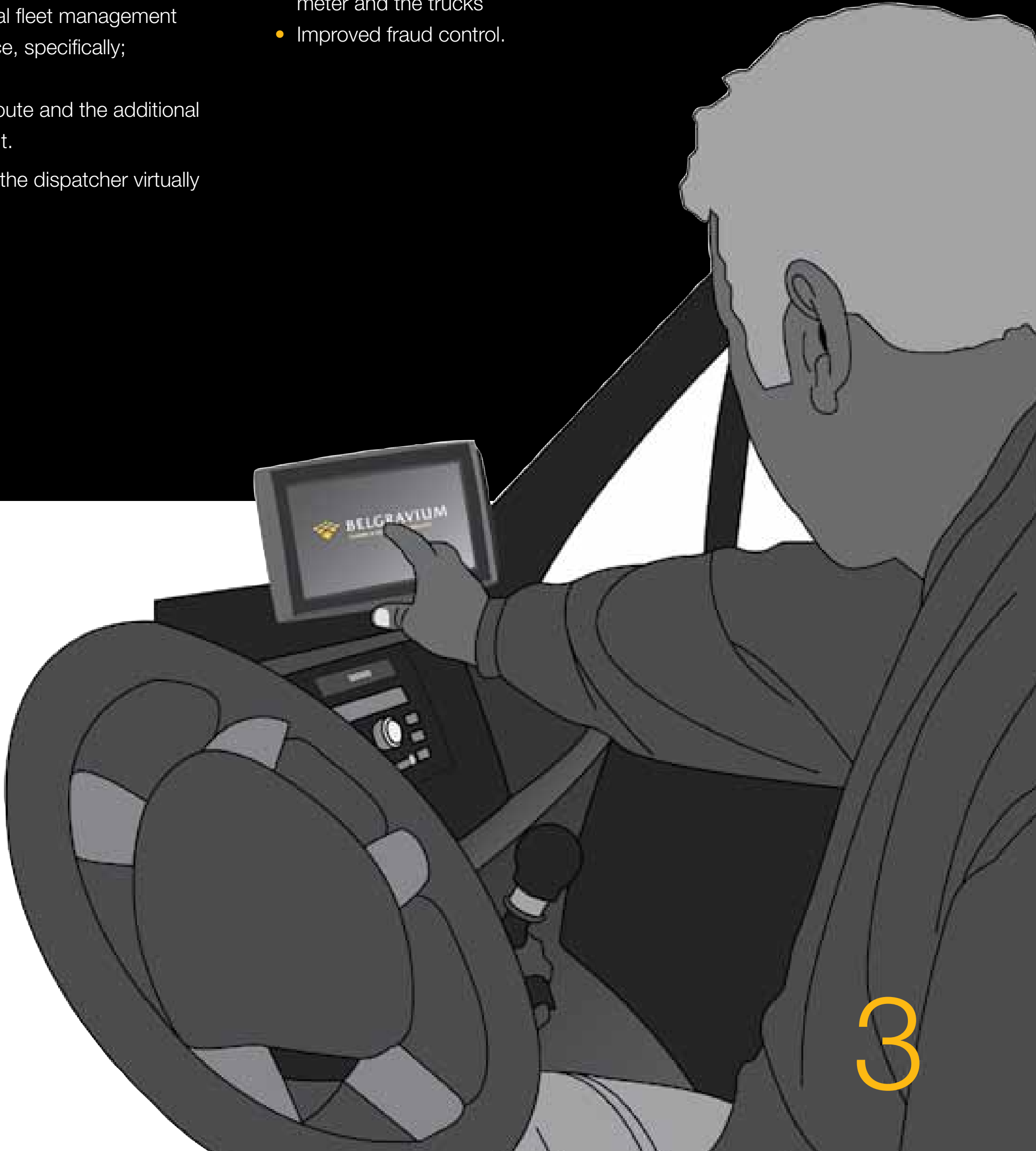
Outcome

TotalGaz is now fitting its entire articulated fleet with the 'TouchPC Raven', that has allowed TotalGaz to further refine it's delivery application.

Having GPS, GPRS and Bluetooth on-board a device with a small footprint and having dedicated truck connectivity on the cradle has meant that the new system configuration is a very 'neat' solution.

The TouchStar devices have provided a critical fleet management data flow between the driver, vehicle and office, specifically;

- The driver received details of his pending route and the additional associated logistical information related to it.
- 'Quantity delivered' data was sent back to the dispatcher virtually in 'real time'.
- Location of the truck was available in real time by means of GPS, which brought safety and security advantages
- Accurate location of TotalGaz customers by means of GPS navigation
- Assistance in navigation by means of GPS. This was particularly useful as the majority of the seasonal drivers were not overly familiar with the geographical areas within which they were operating
- Printing of unified documentation, whatever the make of the meter and the trucks
- Improved fraud control.



Chairman's Statement

Results

Despite difficult market conditions throughout most of 2010, I am pleased to report that Belgravium remained cash generative and improved its profitability before taxation. The Group finished the year in a strong position to take advantage of steadily improving conditions.

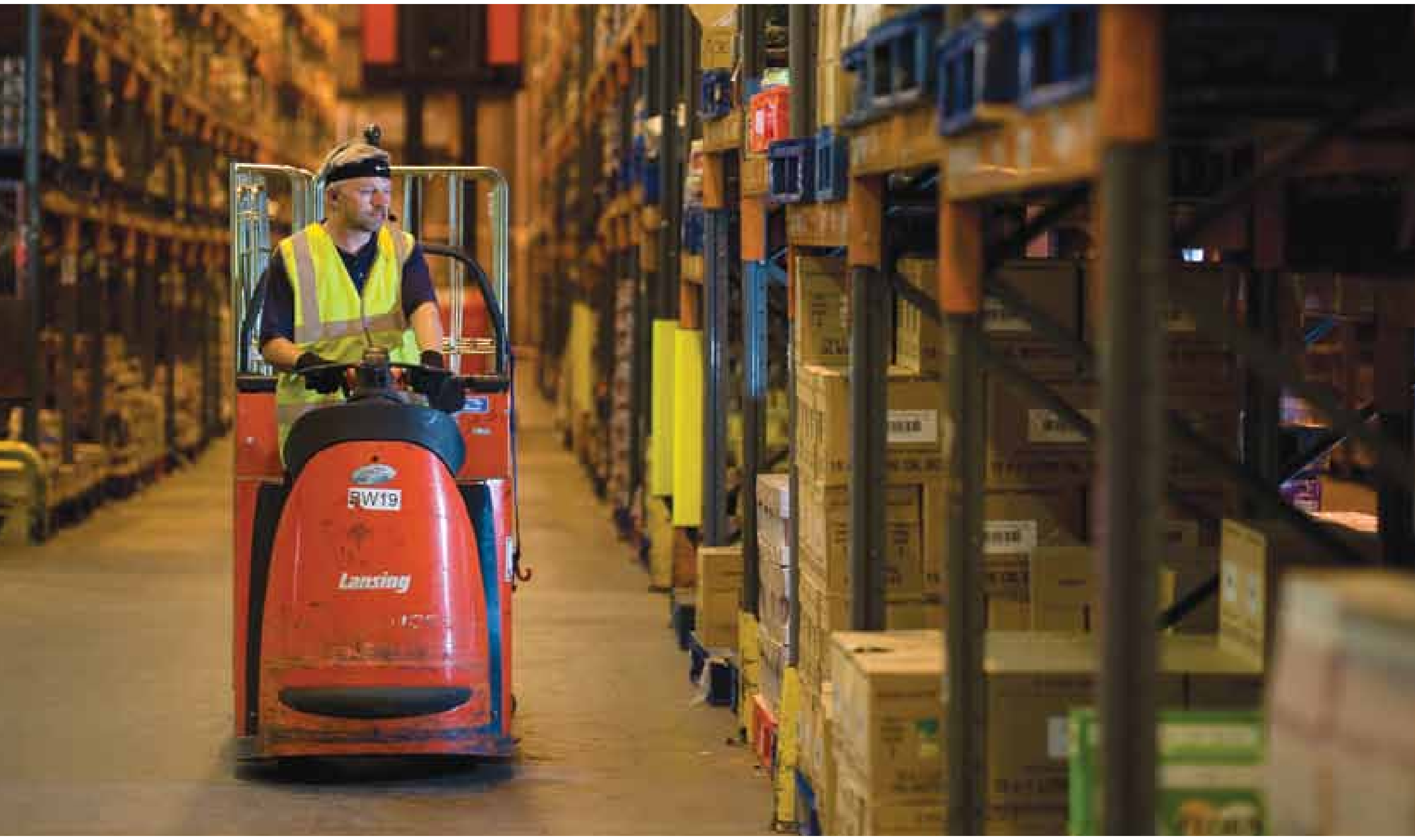
With a marginal fall in revenues from £8,286,000 in 2009 to £8,200,000 in 2010, the Group made a pre-tax profit of £432,000 in the 12 months ended 31 December 2010, an improvement of 7% on the £405,000 achieved in the previous year. Sales were stronger in the final quarter and whilst this seasonality is quite normal, increased activity levels have continued into 2011, giving rise to prospects of a year of further improvement.

In 2009 we benefited from a tax credit of £32,000 but in 2010 have suffered a tax charge of £50,000. So despite the improved profit before tax, basic earnings per ordinary share reduced from 0.43p per share in 2009 to 0.38p per share in 2010.

Cash flow continued to be positive. Between 31 December 2009 and 31 December 2010, the Group reduced net debt by £1,160,000 including continued repayment of the term loan.

The Market

The Group manufactures and installs complete systems incorporating both hardware and software for real-time data capture in the logistics, petrochemical and mobile retailing markets. We seldom have to convince operating management of the improved efficiency and cost benefits of such systems but financial constraints have led to a marked reluctance to commit to capital projects. This has caused frustrating delays and re-appraisals and Belgravium's increasing international business has shown little difference between home and overseas markets. Over the past few years we have developed a five point strategy for dealing with such an unresponsive market and on every count we have achieved real progress in 2010.



Chairman's Statement continued

The strategy

1. Persistent and determined sales force

The only secure route to improve Belgravium's profitability is to increase revenues and in such a hesitant market this needs sheer dogged persistence. For example, an existing customer operating in France had an excellent but ageing system, which could not be supported after 2010, but this still led to protracted and time consuming negotiations with a wide range of issues raised, and eventually resolved. The new contract, worth €4 million, will be concluded in 2012, and is the result of tenacious and determined efforts by the whole team.

Sales to the UK logistics market have been noticeably quiet. Here, service personnel have received additional sales-oriented product training and we are starting to see a small but significant flow of orders being generated by those people. We have successfully entered the specialised market of RF Tagging, labelling and line marking, which not only generates revenue but also opens opportunities for other sales.

In Belgravium everyone is a salesman; no more so that at Novo IVC where persistent hard work has eventually gained orders in the long-suffering airline retailing market. In December we won major contracts with both Thomas Cook and Monarch and there are several more significant orders pending.

2. Making sure that all products fit the customer's needs

With a much greater general understanding of IT, customers now expect more flexibility and functionality in a system. Where practically and economically possible our policy is to make sure they receive it and that the resulting product is completely fit for purpose.

In 2009 we introduced a major new product, the "Boston" handheld terminal. Since then we have decided to improve and develop this and other products to better satisfy the customer's changing needs. End-user consultation sessions are now an established part of research and development project management. We go to considerable lengths to identify technology trends and keep ahead of requirements

3. Supply the complete solution with increasing elements of repeat revenue

Historically, Belgravium has been thought of as a hardware supplier but increasingly the contracts we gain tend to centre around software and the other elements of a complete system. Licences, upgrades and maintenance are all essential in a system and all differentiate the overall product and provide repeat revenues. In addition the Group has been successful in offering web hosted services attracting healthy and recurring revenues. In particular, we have added vehicle tracking and telematics capability to our core fuel distribution system. The company also seeks to gain repeat revenue from GPRS data contracts and software licencing. We have successfully added accredited "chip and pin", Wi-Fi on-board and GPRS data transfer technology to our portfolio providing wider recurring revenue, as well as being able to offer "virtual" on-board products to the airline passenger such as tickets to theme parks and other major city attractions.

4. Controlling costs and managing cash.

The Group is tightly run and in an effort to improve earnings, we have continued to take costs out of the business. The fact that profits for 2010 were higher than 2009 on a slightly reduced turnover is largely due to a fall in administration costs and demonstrates the success of our cost cutting programme. We will continue with this policy and as confidence in our market increases, we will recruit relevant skilled personnel where needed.

5. Where we do not have the expertise in a sector, seek a strategic relationship with a partner who does.

Perhaps the best example of this policy is with "chip and pin" technology which has long been perceived as essential by the airlines. The hardware for such uses is relatively straight forward but specific expertise and authorisation is needed when dealing with Banks and financial authorities. We wanted to retain our lead in this market and therefore developed a "preferred supplier" relationship with Ingenico, Europe's leading "chip and pin" provider. This relationship was vital in our gaining the Thomas Cook and Monarch contracts.

Another example of strategic partnership is with Accutest (part of the Trimble Group), a UK organisation, specialising in engine management monitoring. By taking their system hardware, we have integrated individual driver performance reports into our live web hosted tracking system.

Chairman's Statement continued

"The Group finished the year in a strong position to take advantage of steadily improving conditions."

J P Kembery, Executive Chairman

Balance Sheet

In times of financial restraint cash management is critical and Belgravium has also sought to improve its independence by repaying the term loan. At the end of 2009, net debt stood at £1,424,000 but strong cash generation has meant that Belgravium had a net debt position of £264,000 at the year end.

It is the Board's strategy to continue to repay the term loan as quickly as possible. In addition, it is likely that our working capital requirement will increase in the near term in order to finance the expected growth in sales. The Board, therefore, does not recommend a dividend for 2010, although it is our intention to restore dividend payments as soon as possible.

Employees

Cost controls and the policy of widening sales activity has meant that many employees have had to learn new skills and work more flexibly. This combined with the frustration of a very hesitant market has not made for an easy working environment. Overall the response has been tremendous and I am confident that the team is in great shape to meet the challenges of 2011.

Outlook

Belgravium has entered the new year with a better order book than for the past three years and has made real progress against its key strategic objectives. There is undoubtedly increased financial confidence amongst our customers and the need for our products has been accentuated by three years of restraint in capital expenditure. Provided these conditions are maintained, we expect Belgravium to return to growth in 2011.

J P Kembery
Executive Chairman
March 2011

Directors' Report
for the year ended 31 December 2010

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2010.

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 £432,000 (2009: £405,000) on sales of £8,200,000 (2009: £8,286,000). The Group generated cash from operations of £1,407,000 (2009: £649,000) which resulted in a reduction in net debt of £1,160,000 (2009: £244,000).

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. Operating reviews by individual market sector are not prepared or reviewed by the Board.

Air travel is increasingly competitive due to the current economic climate. 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 and the directors will continue to consider acquisitions in new market sectors and geographies which will enhance earnings.

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 European expansion. Strategies are in place to extend 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.

Directors' Report continued
for the year ended 31 December 2010

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 competencies. The Group 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's 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.

The Group has an established policy of encouraging the employment of disabled persons wherever this is practicable and endeavours to ensure that disabled employees benefit from training and career development programmes in common with all other employees. The Group's policy includes, where practicable, the continued employment of those who may become disabled during their employment.

Future outlook
Across all markets serviced by the Group there is a sustained drive 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. With investment in product offering however, a robust commercial approach to the market place and above all a strong desire to succeed, we are confident about our prospects.

Environmental
The Group recognises the importance of managing consumption of the world's natural resources as well as providing a safe and healthy working environment for its employees. The Group consumes non-replacement raw materials and energy and clearly the successful growth of the Group will lead to an increased consumption of raw materials on an absolute basis. We therefore seek to reduce the amount of resources consumed on a unit by unit basis to limit the size of our environmental footprint.

Principal risks and uncertainties
The directors recognise that within the business there are a number of risks which may significantly impact the performance of the business. These risks are subjected to regular review and where appropriate processes are established to minimise the level of exposure. These are summarised below:

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 ensures 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 fluctuations but that the overall contribution from such markets more than compensates for the level of risk.

Key commercial relationships

The Group has a diverse range of customers and suppliers, and whilst these relationships are of significant importance to the Group's development, no one customer or supplier is of critical importance to the ongoing success of the Group.

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 services, 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 to the financial statements.

Key performance indicators

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

Group sales reduced from £8,286,000 in 2009 to £8,200,000 in 2010, a 1% reduction.

The gross margin has been held over the past three years at about 50%. While there is continued pressure both on selling prices and on the costs of incoming components, the Group has continued to use its manufacturing capability and its Group purchasing power to mitigate these pressures.

Dividends

The directors do not recommend payment of a final dividend (2009: £nil).

Going concern

After making all due enquiries, including a review of the budget for the next 12 months and the banking facilities available to the Group, 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 and to the date of this report, are given below:

J P Kembery
R D McDougall
S J Day (resigned 26 May 2010)
M W Hardy
C F Phillips
M P Unwin *(appointed 1 January 2010)*

Non-executive director

R D McDougall, BA, 68, 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 Boards of three listed public companies in the last 16 years.

Directors' Report continued

for the year ended 31 December 2010

Purchase of own shares

The Company did not purchase any of its own shares in 2010.

At the Annual General Meeting held on 26 May 2010, members renewed the Company's authority under Companies Act 2006 to make market purchases of up to 10% of the Company's shares in issue as at 31 December 2009.

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 26 May 2011. 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 £600 (2009: £100). No political donations have been made in the year (2009: £nil).

Research and development

The Group is continually developing its products and services to meet the increasing demands of the markets in which the Group operates. During the year, the Group incurred total research and development costs of £484,000 (2009: £558,000).

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 (2009: £nil).

Statutory records

The Company is registered in Scotland and its registered number is 5543.

Substantial shareholdings

As at 25 February 2011, 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
J P Kembery	**9,211,269**	9.13%
R D McDougall	**5,747,735**	5.69%
Barclays Stockbrokers Limited	**5,158,254**	5.11%
Chelverton Growth Trust	**5,000,000**	4.95%
Rensberg Sheppards Investment Management Limited	**4,018,030**	3.98%

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.

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 auditors in connection with preparing their report) of which the 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 auditors are aware of that information.

This statement is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

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

C F Phillips
Company Secretary
1 March 2011

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 financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the Parent Company ("Company") financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company 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 accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Company financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

C F Phillips
Company Secretary
1 March 2011

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 2010 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. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2010 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the Parent Company financial statements of Belgravium Technologies plc for the year ended 31 December 2010.

Matin Heath

Martin Heath (Senior Statutory auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory auditors
Manchester
1 March 2011

Consolidated Income Statement
for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Revenue	5	**8,200**	8,286
Cost of sales		**(4,183)**	(4,084)
Gross profit		**4,017**	4,202
Distribution costs		**(91)**	(94)
Administrative expenses		**(3,440)**	(3,623)
Operating profit	6	**486**	485
Finance income	10	**–**	4
Finance expense	11	**(54)**	(84)
Profit before income tax		**432**	405
Income tax (charge)/credit	12	**(50)**	32
Profit for the year attributable to the owners of the parent		**382**	437
Earnings per ordinary share (pence) attributable to equity holders of the parent during the year			
Basic	14	**0.38p**	0.43p
Diluted	14	**0.38p**	0.43p

All items dealt with in arriving at operating profit relate to continuing activities.

There is no other income or expenditure other than the profit for the year above and therefore a separate statement of comprehensive income is not presented.

The notes on pages 18 to 37 are an integral part of these Group financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2010

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2009	5,047	2,932	2,100	(878)	9,201
Comprehensive income					
Profit for the year	–	–	–	437	437
Balance at 31 December 2009	5,047	2,932	2,100	(441)	9,638
Comprehensive income					
Profit for the year	–	–	–	382	382
Balance at 31 December 2010	**5,047**	**2,932**	**2,100**	**(59)**	**10,020**

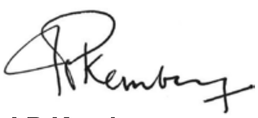
The notes on pages 18 to 37 are an integral part of these Group financial statements.

Consolidated Balance Sheet
as at 31 December 2010

	Note	2010 £'000	2009 £'000
Non-current assets			
Intangible assets	15		
Goodwill		**9,124**	9,124
Development expenditure		**278**	298
		9,402	9,422
Property, plant and equipment	16	**257**	316
		9,659	9,738
Current assets			
Inventories	19	**1,152**	1,223
Trade and other receivables	20	**3,466**	2,527
Current tax assets		**12**	50
Cash and cash equivalents	21	**346**	2
		4,976	3,802
Total assets		**14,635**	13,540
Current liabilities			
Trade and other payables	22	**3,927**	2,420
Deferred income tax liabilities	18	**61**	39
Financial liabilities: Borrowings	23	**523**	815
Short-term provisions	24	**17**	17
		4,528	3,291
Non-current liabilities			
Financial liabilities: Borrowings	23	**87**	611
Total liabilities		**4,615**	3,902
Capital and reserves attributable to equity holders of the Company			
Ordinary shares	25	**5,047**	5,047
Share premium		**2,932**	2,932
Capital redemption reserve		**2,100**	2,100
Profit and loss account		**(59)**	(441)
Total equity		**10,020**	9,638
Total equity and liabilities		**14,635**	13,540

The notes on pages 18 to 37 are an integral part of these Group financial statements.

The Group financial statements on pages 14 to 37 were approved by the Board of directors on 1 March 2011 and were signed on its behalf by:



J P Kembery
Director

Consolidated Cash Flow Statement

for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Cash flows from operating activities			
Operating profit		**486**	485
Depreciation		**140**	177
Amortisation		**142**	139
Movement in:			
Provisions		**–**	(9)
Inventories		**71**	135
Trade and other receivables		**(939)**	120
Trade and other payables		**1,507**	(398)
Cash generated from operations		**1,407**	649
Interest received		**–**	4
Interest paid		**(54)**	(84)
Corporation tax received		**10**	–
Corporation tax paid		**–**	(34)
Net cash generated from operating activities		**1,363**	535
Cash flows from investing activities			
Capitalised development costs		**(122)**	(152)
Purchase of property, plant and equipment		**(81)**	(139)
Net cash used in investing activities		**(203)**	(291)
Cash flows from financing activities			
Repayment of bank borrowings		**(457)**	(141)
Net cash used in financing activities		**(457)**	(141)
Net increase in cash, cash equivalents and bank overdrafts		**703**	103
Cash, cash equivalents and bank overdrafts at start of the year	21	**(357)**	(460)
Cash, cash equivalents and bank overdrafts at end of the year	21	**346**	(357)

Reconciliation of net financial liabilities

	Note	2010 £'000	2009 £'000
Net increase in cash, cash equivalents and bank overdrafts		**703**	103
Net change in bank loans and finance leases		**457**	141
Movement in net financial liabilities in the year		**1,160**	244
Net financial liabilities at beginning of year		**(1,424)**	(1,668)
Net financial liabilities at end of year	27	**(264)**	(1,424)

The notes on pages 18 to 37 are an integral part of these Group financial statements.

Notes to the Group Financial Statements
for the year ended 31 December 2010

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 Company has its listing on the Alternative Investment Market. The address of its registered office is 1 George Square, Glasgow, G2 1AL.

These Group or consolidated financial statements were authorised for issue by the Board of Directors on 1 March 2011.

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 consolidated financial statements of Belgravium Technologies plc have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRSs. The consolidated financial statements have been prepared under the historical cost convention, except as modified for derivative financial instruments which are stated at fair value through profit or loss.

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, amendments and interpretations effective in 2010

The Group has adopted the following new and amended IFRSs as of 1 January 2010:

— IFRS 3 (revised), 'Business combinations' – The standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill and non-controlling (minority) interests may be calculated on a gross or net basis. All transaction costs are expensed.

— IAS 27 (revised), 'Consolidated and separate financial statements' – IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss.

Annual improvements to IFRSs (2009). This is a collection of amendments to 12 standards as part of the IASB program of annual improvements. The standards impacted are:

— IFRS 2, 'Share-based payment'.
— IFRS 5, 'Non-current assets held for sale and discontinued operations'.
— IFRS 8, 'Operating segments'.
— IAS 1, 'Presentation of financial statements'.
— IAS 7, 'Statement of cash flows'.
— IAS 17, 'Leases'.
— IAS 18, 'Revenue'.
— IAS 36, 'Impairment of assets'.
— IAS 38, 'Intangible assets'.
— IAS 39, 'Financial instruments: Recognition and measurement'.
— IFRIC 9, 'Reassessment of embedded derivatives'.
— IFRIC 16, 'Hedges of a net investment in foreign operation'.

2 Summary of significant accounting policies (continued)

The adoption of these new standards and amendments did not have a material impact on the Group's profit or equity.

(b) Standards, amendments and interpretations early adopted by the Group

No standards have been early adopted by the Group.

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

— Amendment to IAS 32, 'Financial instruments: Presentation', – classification of rights issues
— Amendment to IFRS 1, 'First time adoption' – financial instrument disclosures
— Amendment to IAS 24, 'Related party disclosures'
— Annual improvements 2010
— Amendments to IFRS 7, 'Financial instruments: Disclosures' on derecognition
— Amendment to IFRS 1, 'First time adoption', on fixed dates and hyperinflation
— Amendment to IAS 12, 'Income taxes', on deferred tax
— IFRS 9, 'Financial instruments' – classification and measurement'
— IFRIC 19, 'Extinguishing financial liabilities with equity instruments'
— Amendment to IFRIC 14, 'Prepayments of a minimum funding requirement'

The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's profits, net assets or equity. The adoptions may affect the disclosures in the Group's financial statements.

2.2 Consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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. 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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker ('CODM'), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board. The Executive Board consider that the Group comprises of one segment being the supply and maintenance of real time electronic data systems, and this is how results are reported to the Executive Board.

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

2 Summary of significant accounting policies (continued)

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 Sterling, which is the Group's 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 the asset's 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

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.

2.6 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.

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.

2 Summary of significant accounting policies (continued)

(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 does not meet the criteria is 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

The cost of work in progress and finished goods excludes direct labour and related production overheads as the directors consider that this element is not material.

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.

2.9 Trade receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non current assets.

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.

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

2 Summary of significant accounting policies (continued)

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 obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities.

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 substantively 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.

2.15 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.

2 Summary of significant accounting policies (continued)

(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 Operating 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.

2.18 Dividend distribution

Any 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.

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

3 Financial risk management

3.1 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 and cash flow interest rate 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 and the US Dollar. 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 2010, no forward foreign exchange contracts were outstanding (2009: £nil).

At 31 December 2010, 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 £128,000 (2009: £71,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated trade receivables.

(ii) 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 a variable rate expose the Group to cash flow interest rate risk. During 2010 and 2009, the Group's borrowings at a variable rate were denominated in Sterling.

At 31 December 2010, 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 £5,000 (2009: £7,000) 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 2010 there were no significant concentrations of credit risk (2009: £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.

(c) Liquidity risk

The Group maintains short term cash deposits and unutilised banking facilities to mitigate any liquidity risk it may face. Management monitor rolling forecasts of the Group's liquidity reserves on the basis of forecast cashflow.

3 Financial risk management (continued)

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.

At 31 December 2010	Less than one year £'000	Between one and two years £'000
Borrowings	523	87
Trade and other payables	3,927	–
At 31 December 2009		
Borrowings	815	611
Trade and other payables	2,420	–

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 2010 and 2009 were as follows:

	2010 £'000	2009 £'000
Total borrowings (note 23)	**610**	1,426
Less cash and cash equivalents (note 21)	**(346)**	(2)
Net debt	**264**	1,424
Total equity	**10,020**	9,638
Total capital	**10,284**	11,062
Gearing ratio	**3%**	13%

The Group has committed banking facilities through to February 2012 subject to normal commercial covenants.

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 to their fair value due to their short term maturity.

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

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 tests annually 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. These calculations have been carried out using the assumptions in note 15.

(b) Development expenditure

The Group recognises costs incurred on development projects as an intangible asset which satisfy the requirements of IAS 38. The calculation of the costs incurred includes the percentage of time spent by certain employees on the development project. The decision whether to capitalise and how to determine the period of economic benefit of a development project requires an assessment of the commercial viability of the project and the prospect of selling the project to new or existing customers.

5 Segmental information

The Group has two trading subsidiaries, Belgravium Limited and Touchstar Technologies Limited, however the CODM considers that both companies are engaged in the same market and have similar risks and rewards and therefore the CODM reviews the results of the Group as a whole.

Consequently the CODM regards the Group as operating in one 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.

6 Operating profit

	2010 £'000	2009 £'000
Operating profit is stated after charging/(crediting):		
Depreciation:		
Owned assets	**140**	177
Development expenditure amortisation	**142**	139
Operating lease rentals:		
Plant and machinery	**119**	112
Land and buildings	**154**	152
Net research and development expenditure	**362**	406

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

	2010 £'000	2009 £'000
Audit services:		
Fees payable to the Company auditors for the audit of the Parent Company and consolidated financial statements	**14**	11
Fees payable to the Company auditors for other services:		
Audit of Company's subsidiaries pursuant to legislation	**22**	28
Taxation services	**14**	14
	50	53

The Group audit fees and expenses paid to the Group's auditors includes £1,000 (2009: £1,000) 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:

	2010 Number	2009 Number
Administrative, management and sales	**50**	53
Manufacturing	**28**	28
	78	81

	2010 £'000	2009 £'000
Staff costs for the above persons were:		
Wages and salaries	**2,605**	2,696
Social security costs	**283**	295
Pension costs – defined contribution plans	**145**	154
	3,033	3,145

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

8 Directors' emoluments

	2010 £'000	2009 £'000
Aggregate emoluments	413	365
Pension costs – defined contribution plans	19	21
	432	386

The emoluments of the individual directors were as follows:

	2010 £'000	2009 £'000
Salaries, fees and bonuses:		
Executive directors:		
J P Kembery	80	80
M W Hardy	187	185
M Unwin (appointed 1 January 2010)	83	–
C F Phillips	37	64
Non-executive directors:		
R D McDougall	20	20
S Day (resigned 26 May 2010)	6	16
	413	365

Salaries and fees are inclusive of car allowances for M Hardy of £23,000 (2009: £23,000) and for M Unwin of £8,000.
M Hardy is also accruing benefits under the Group's defined contribution pension scheme. The Company made contributions of £19,000 (2009: £21,000) into the scheme. No other directors are accruing benefits under the Group pension schemes.

Directors share options and warrants

No options were granted or cancelled during the year (2009: nil). No options lapsed during the year (2009: £nil). During the year no share options were exercised (2009: nil).

9 Key management compensation

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

	2010 £'000	2009 £'000
Wages and salaries	565	597
Social security costs	72	76
Pension costs – defined contribution plans	37	41
	674	714

Share options and warrants

No options were granted or cancelled during the year (2009: nil). No options lapsed during the year (2009: £nil).

10 Finance income

	2010 £'000	2009 £'000
Other	–	4

11 Finance expense

	2010 £'000	2009 £'000
Interest on bank loans and overdrafts	54	84

12 Income tax

	2010 £'000	2009 £'000
Corporation tax:		
Current tax	42	16
Adjustments in respect of prior years	(14)	(66)
Total current tax	28	(50)
Deferred taxation:		
Origination and reversal of timing differences	22	18
Total deferred tax (Note 18)	22	18
Tax on profit on ordinary activities	50	(32)

Factors affecting the tax charge/(credit) for the year

The tax charge/(credit) for the year is different from the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2010 £'000	2009 £'000
Profit before tax	432	405
Multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	121	113
Effects of:		
Items not deductible for tax purposes	12	9
Enhanced research and development deduction	(92)	(97)
Prior year corporation tax	(14)	(66)
Prior year deferred tax	23	9
Tax charge/(credit) for the year	50	(32)

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

12 Income tax (continued)

Factors affecting the future tax charge

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011 the relevant deferred tax balances have been re-measured.

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

The effective tax charge in future years is expected to be lower than the main corporation tax rate due to the availability of enhanced research and development tax credits.

13 Dividend

	2010 £'000	2009 £'000
Final ordinary dividend paid	**–**	–

No final dividend has been proposed by the directors for the years ended 31 December 2010 or 2009.

14 Earnings per share

	2010	2009
Basic earnings per ordinary share	**0.38p**	0.43p
Diluted earnings per ordinary share	**0.38p**	0.43p

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:

	2010		2009	
	Earnings £'000	**Weighted average number of shares (in thousands)**	Earnings £'000	Weighted average number of shares (in t housands)
Basic EPS				
Earnings attributable to ordinary shareholders	**382**	**100,937**	437	100,937
Effect of dilutive securities				
Options	**–**	**–**	–	–
Diluted EPS				
Adjusted earnings	**382**	**100,937**	437	100,937

15 Intangible fixed assets

	Goodwill £'000	Development expenditure £'000	Total £'000
Cost			
At 1 January 2009	9,204	537	9,741
Additions	–	152	152
At 31 December 2009	9,204	689	9,893
Additions	–	122	122
At 31 December 2010	**9,204**	**811**	**10,015**
Amortisation			
At 1 January 2009	80	252	332
Amortisation charge	–	139	139
At 31 December 2009	80	391	471
Amortisation charge	–	142	142
At 31 December 2010	**80**	**533**	**613**
Net book value			
At 1 January 2009	9,124	285	9,409
At 31 December 2009	9,124	298	9,422
At 31 December 2010	**9,124**	**278**	**9,402**

Impairment tests for goodwill

Goodwill arose entirely in relation to the Group's acquisition of Touchstar Technologies Limited. 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 financial budgets approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using a growth rate of 2.25% (2009: 2.25%) which does not exceed the long term average growth rate for the business. The other key assumptions used in the value in use calculations are the discount rate, which has been determined at 12.5% (2009: 11%) and an annualised sales growth of 5% (2009: 5%), over the five year period. Management determined budgeted sales growth based on historic performance and its expectations of market development. The discount rates are pre-tax and reflect the specific risks relating to the business.

These calculations did not result in an impairment.
The following sensitivity analysis was performed:

— Increase the discount rate by 1%;
— Reduce the growth rate throughout by 20%.

In each of these scenarios no impairment was identified.

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

16 Property, plant and equipment

	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost			
At 1 January 2009	974	884	1,858
Additions	132	7	139
At 31 December 2009	1,106	891	1,997
Additions	65	16	81
Disposals	(13)	(13)	(26)
At 31 December 2010	**1,158**	**894**	**2,052**
Depreciation			
At 1 January 2009	682	822	1,504
Charge for the year	137	40	177
At 31 December 2009	819	862	1,681
Charge for the year	119	21	140
Disposals	(13)	(13)	(26)
At 31 December 2010	**925**	**870**	**1,795**
Net book value			
At 1 January 2009	292	62	354
At 31 December 2009	287	29	316
At 31 December 2010	**233**	**24**	**257**

17(a) Financial instruments by category

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

	2010 £'000	2009 £'000
Loans and receivables		
Trade and other receivables	**3,466**	2,527
Cash and cash equivalents	**346**	2
Total	**3,812**	2,529

	2010 £'000	2009 £'000
Other financial liabilities		
Trade and other payables	**3,927**	2,420
Borrowings	**610**	1,426
Total	**4,537**	3,846

17(b) Credit quality of financial assets

Credit risk is managed on a Group basis and arises from cash and cash equivalents and credit exposures to customers. For banks, only independently rated parties with a minimum rating of 'A' are acceptable. For customers 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 nor impaired is good. In addition the level of bad debt write offs over the last six years was £10,000 in aggregate.

None of the financial assets that are fully performing have been renegotiated in the last twelve months.

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 liability during the year was:

	2010 £'000	2009 £'000
At 1 January	**(39)**	(21)
Charged to income statement during the year	**(22)**	(18)
At 31 December	**(61)**	(39)

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:

Deferred tax asset/(liability)	Short term timing differences & accelerated capital allowances £'000	Pensions £'000
At 1 January 2009	(23)	2
Charged to income statement	(18)	–
At 31 December 2009	(41)	2
Charged to income statement	(22)	–
At 31 December 2010	**(63)**	**2**

19 Inventories

	2010 £'000	2009 £'000
Raw materials and consumables	**693**	655
Work in progress	**168**	211
Finished goods and goods for resale	**291**	357
	1,152	1,223

The cost of inventories recognised as an expense amounted to £2,735,000 (2009: £2,591,000). There were no reversals of previous inventory write-downs in either year. No finished goods are held at fair value less cost to sell (2009: £nil).

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

20 Trade and other receivables

	2010 £'000	2009 £'000
Trade receivables	3,252	2,272
Less: provision for doubtful debts	–	–
Trade debtors – net	3,252	2,272
Other debtors	22	11
Prepayments and accrued income	192	244
	3,466	2,527

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 2010, trade receivables of £3,000 (2009: £88,000) 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:

	2010 £'000	2009 £'000
Up to 3 months past due	3	31
Over 3 months past due	–	57

As of 31 December 2010, no trade receivables (2009: £nil) were impaired and provided for (see also note 17 (b)). The carrying amount of the Group's trade and other receivables denominated in the following currencies is:

	2010 £'000	2009 £'000
Sterling	3,352	2,290
Euros	114	237
	3,466	2,527

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

	2010 £'000	2009 £'000
Cash at bank and on hand	346	2
Cash and cash equivalents (for the purpose of the balance sheet)	346	2
Bank overdraft (see note 23)	–	(359)
Cash and cash equivalents (for the purpose of the cash flow statement)	346	(357)

22 Trade and other payables – current

	2010 £'000	2009 £'000
Trade payables	971	773
Other taxes and social security payable	264	119
Other creditors	14	28
Deferred income – maintenance contracts	1,471	1,068
Accruals	1,207	432
	3,927	2,420

23 Financial liabilities – borrowings

	2010 £'000	2009 £'000
Non-current		
Bank loans	87	611
	87	611
Current		
Bank overdrafts	–	359
Bank loans	523	456
	523	815
Total borrowings	610	1,426
Less cash and cash equivalents	(346)	(2)
Net debt	264	1,424

The carrying amounts of borrowings approximate to 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.

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 to February 2012 at an interest rate of 5.0% above LIBOR. At 31 December 2010 the Group had total undrawn facilities of £980,000 (2009: £621,000).

The maturity analysis of the bank loans is as follows:

	2010 £'000	2009 £'000
In one year or less	523	456
Between one and two years	87	524
Between two and five years	–	87
	610	1,067

Notes to the Group Financial Statements continued
for the year ended 31 December 2010

24 Short-term provisions

	Warranty £'000
At 1 January 2010	17
Charged to the income statement	17
Utilised in the year	(17)
At 31 December 2010	**17**

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

25 Share capital

	2010 £'000	2009 £'000
Authorised		
150,000,000 (2009: 150,000,000) ordinary shares of 5p each	**7,500**	7,500
Allotted, issued and fully paid		
100,936,547 (2009: 100,936,547) ordinary shares of 5p each	**5,047**	5,047

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 75,000 ordinary shares of 5p each at a price of 6.5p 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. No options were exercised, granted, cancelled or lapsed 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 (2009: none).

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	**2010 numbers**	2009 numbers
1992 executive share option scheme	2001	6.50	2004-2011	**75,000**	75,000
Enterprise management incentive scheme	2001	12.30	2004-2011	**790,000**	790,000
	2002	13.10	2005-2012	**450,000**	450,000
				1,315,000	1,315,000

26 Operating lease commitments – minimum lease payments

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

	2010		2009	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases expiring within one year	**50**	**35**	–	5
Leases expiring later than one year but no later than five years	**–**	**120**	105	155
Leases expiring later than five years	**720**	**–**	810	–
	770	**155**	915	160

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

27 Cash flow statement

Analysis of changes in net financial liabilities

	At 1 January 2010 £'000	Net cash flows £'000	**At 31 December 2010 £'000**
Cash and cash equivalents	2	344	**346**
Bank overdrafts	(359)	359	**–**
	(357)	703	**346**
Loans due after one year	(611)	524	**(87)**
Loans due within one year	(456)	(67)	**(523)**
Total	**(1,424)**	**1,160**	**(264)**

28 Capital commitments

At the year end, the Group had no capital commitments (2009: £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 £38,000 (excluding VAT) (2009: £38,000) in respect of payroll and certain administration costs incurred on behalf of Eadie Industries Limited. As at 31 December 2010, the debt owed by Eadie Industries Limited was £22,000 (2009: £11,000).

Independent Auditors' Report
to the members of Belgravium Technologies plc

We have audited the Parent Company ('Company') financial statements of Belgravium Technologies plc for the year ended 31 December 2010 which comprise the Parent Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors are responsible for the preparation of the Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the Company financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2010;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the Company financial statements are prepared is consistent with the Company financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter
We have reported separately on the Group financial statements of Belgravium Technologies plc for the year ended 31 December 2010.

Martin Heath

Martin Heath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
1 March 2011

Parent Company Balance Sheet under UK GAAP

as at 31 December 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	d)	**1**	–
Investments	e)	**15,055**	19,055
Current assets		**15,056**	19,055
Debtors	f)	**44**	46
		44	46
Creditors - amounts falling due within one year	g)	**(4,049)**	(6,676)
Net current liabilities		**(4,005)**	(6,630)
Total assets less current liabilities		**11,051**	12,425
Creditors - amounts falling due after more than one year	h)	**(87)**	(611)
Net assets		**10,964**	11,814
Capital and reserves			
Called up share capital	j)	**5,047**	5,047
Share premium account	k)	**2,932**	2,932
Capital redemption reserve	k)	**2,100**	2,100
Profit and loss account	k)	**885**	1,735
Total shareholders' funds	l)	**10,964**	11,814

The Parent Company has elected to take the exemption under Section 408 of the Companies Act 2006 to not present the Parent Company profit and loss amount.

The notes on pages 40 to 45 form an integral part of these financial statements.

The Parent Company financial statements on pages 39 to 45 were approved by the Board of directors on 1 March 2011 and were signed on its behalf by:

J P Kembery
Director

Notes to the Parent Company Financial Statements
for the year ended 31 December 2010

a) Accounting policies

The Parent Company financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and 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.

Tangible fixed assets

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

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 1996) 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

Any annual final dividend paid is not provided for until approved at the Annual General Meeting whilst interim dividends are charged in the period they are paid. Dividend income received is recognised in the period in which the income is received.

Related party transactions

The Parent Company has taken advantage of the exemption in FRS 8 ‘Related Party Transactions’ from disclosing transactions with Group companies.

b) **Profit and loss account**

As permitted by Section 408 Companies Act 2006, the Parent Company has not presented its own profit and loss account. The loss for the financial year of the Parent Company was £850,000 (2009: profit £121,000).

c) **Employees and directors' emoluments**

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

	2010 Number	2009 Number
By activity		
Office, management and sales	6	7

	2010 £'000	2009 £'000
Staff costs (for the above persons)		
Wages and salaries	408	441
Social security costs	46	49
Other pension costs	20	24
	474	514

Directors' emoluments

	2010 £'000	2009 £'000
Aggregate emoluments (including pension contributions of £19,000 (2009: £21,000) and benefits in kind)	432	386

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

	2010 £'000	2009 £'000
Aggregate emoluments and benefits	187	185
Pension contributions	19	21
	206	206

During the year pension benefits were accruing to 1 director (2009: 1 director) under the Parent Company's defined contribution pension schemes.

Notes to the Parent Company Financial Statements
for the year ended 31 December 2010 (continued)

d) Tangible fixed assets

	Fixtures, fittings and computer equipment £'000
Cost	
At 1 January 2010	411
Additions	1
At 31 December 2010	**412**
Depreciation	
At 1 January 2010	411
Charge in year	–
At 31 December 2010	**411**
Net book value	
At 31 December 2010	**1**
At 31 December 2009	–

e) Investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2010 and **31 December 2010**	**19,055**
Provision	
At 1 January 2010	–
Impairment charge	4,000
At 31 December 2010	**4,000**
Net book value	
31 December 2010	**15,055**
31 December 2009	**19,055**

e) Investments (continued)

The Parent 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

The Company has impaired its investment in Belgravium Limited by £4,000,000 to £2,000,000 based on an assessment of the discounted future cashflows which are expected to be derived from this Company.

The discounted cashflows were based on Board approved forecasts covering a 5 year period. Cashflows beyond the five year period were extrapolated using a growth rate of 2.25%. The discount rate has been calculated at 12.5%.

f) Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year		
Other debtors	22	11
Prepayments and accrued income	18	28
Deferred tax asset (note i)	4	7
	44	46

g) Creditors – Amounts falling due within one year

	2010 £'000	2009 £'000
Bank loans and overdraft	3,856	3,585
Amounts owed to subsidiary undertakings	49	2,955
Corporation tax payable	25	22
Other taxes and social security	61	53
Other creditors	–	2
Accruals	58	59
	4,049	6,676

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 instalments to February 2012 at an interest rate of 5.0% above LIBOR.

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

Notes to the Parent Company Financial Statements

for the year ended 31 December 2010 (continued)

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

	2010 £'000	2009 £'000
Bank loans	**87**	611

The maturity analysis of the bank loan and overdraft is as follows:

	2010 £'000	2009 £'000
In one year or less	**3,856**	3,585
Between one and two years	**87**	524
Between two and five years	**–**	87
	3,943	4,196

i) Deferred taxation

Deferred tax is fully provided in the accounts as follows:

	2010 £'000	2009 £'000
Accelerated capital allowances	**(4)**	(6)
Short term timing differences	**–**	(1)
	(4)	(7)
Asset at start of year	**(6)**	(8)
Deferred tax charge in profit and loss account	**2**	1
Asset at end of year (note f)	**(4)**	(7)

j) Share capital

	2010 £'000	2009 £'000
Authorised		
150,000,000 (2009: 150,000,000) ordinary shares of 5p each	**7,500**	7,500
Allotted, issued and fully paid		
100,936,547 (2009: 100,936,547) ordinary shares of 5p each	**5,047**	5,047

k) Reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 January 2010	2,932	2,100	1,735
Loss for the year	–	–	(850)
At 31 December 2010	**2,932**	**2,100**	**885**

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 movements in total shareholders' funds

	2010 £'000	2009 £'000
(Loss)/profit for the financial year	**(850)**	121
(Decrease)/increase in shareholders' funds	**(850)**	121
Opening shareholders' funds	**11,814**	11,693
Closing shareholders' funds	**10,964**	11,814

m) Commitments under operating leases

At 31 December 2010 the Parent Company was committed to annual payments in respect of non-ancellable operating leases as follows:

	2010 £'000	2009 £'000
Leases which expire:		
between one year	**10**	–
between two and five years	**4**	23
	14	23

n) Financial instruments

The Parent Company's financial instruments in both years comprised share capital, borrowings, borrowing facilities and working capital arising directly from the Parent Company's activities. The Parent Company did not trade in financial instruments or 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 £38,000 (excluding VAT) (2009: £38,000) in respect of payroll and certain administration costs incurred on behalf of Eadie Industries Limited. As at 31 December 2010, the debt owed by Eadie Industries Limited was £22,000 (2009: £11,000).

Notice of Annual General Meeting

Notice is hereby given that the one hundred and seventh Annual General Meeting of the Company will be held at the offices of PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, M2 3PW, on 26 May 2011 at 11.00 am for the following purposes:

To consider and, if thought fit, pass the following resolutions of which resolutions 1, 2, 3, 4 and 5 will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions:

Ordinary business

1. To receive, consider and adopt the annual accounts for the year ended 31 December 2010 together with the last directors' report and the auditors' report on those accounts.
2. 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.
3. To reappoint Roderick Dugald McDougall as a director of the Company.
4. 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

5. That the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ('Act') to allot Relevant Securities (as defined in the notes to this resolution) 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 30 June 2012, or, if earlier, 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.

   This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

6. That subject to the passing of resolution 5 the directors be generally empowered to allot equity securities (as defined by section 560 of the Act) for cash pursuant to the authority conferred by resolution 5 as if section 561 (1) of the Act did not apply to the allotment. This power shall be limited to:

   6.1 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

      6.1.1 holders of ordinary shares; and

      6.1.2 holders of 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);

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

   6.3 the allotment (otherwise than pursuant to sub paragraphs 6.1 and 6.2 above) of equity securities up to an aggregate nominal value of £252,341,

   provided that the power hereby conferred shall expire on 30 June 2012, or, if earlier, 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.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

7. That in accordance with article 43 of the articles of association of the Company and Part 18 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 693(4) of the Act) of its ordinary shares of 5p each in the capital of the Company subject to the following conditions:

   7.1 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 2010;

   7.2 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

   7.3 unless previously renewed, varied or revoked, this authority hereby conferred will expire on 30 June 2012, or, if earlier, the conclusion of the Company's next Annual General Meeting, 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.

C F Phillips
Company Secretary
1 March 2011

Registered office
1 George Square
Glasgow
G2 1AL

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 6.00 pm on 24 May 2011 or, if this Meeting is adjourned, at 6.00 pm 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, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Tel No. 0871 664 0300 (calls cost 10p per minute plus network charges, lines are open 8.30 am to 5.30 pm Mon-Fri.) 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 at Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and received by Capita Registrars no later than 11.00 am on 24 May 2011. 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.

8. Note to Resolution 6

   8.1 Relevant Securities means:

   8.1.1 Shares in the Company other than shares allotted pursuant to:
   (a) an employee share scheme (as defined by section 1166 of the Act);
   (b) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
   (c) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.

   8.1.2 Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to allotment of Relevant Securities in the resolution include the grant of such rights.

Group Information

Registered Number in Scoltland 5543

Secretary and Registered Office
C F Phillips
1 George Square
Glasgow
G2 1AL

Auditors
PricewaterhouseCoopers LLP
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Solicitors
Harrison Clark
5 Deansway
Worcester
WR1 2JG

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

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

Stockbroker
WH Ireland Limited
3rd Floor
Royal House
28 Sovereign Street
Leeds
LS1 4BJ

Bankers
Barclays Corporate Bank
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

Belgravium Technologies plc
2 Campus Road
Listerhills Science Park
Bradford
West Yorkshire
BD7 1HR

T: +44 (0) 1274 718800
F: +44 (0) 1274 718801
E: investor@belgravium.com

www.belgravium-ir.com