

COMPANY REGISTRATION NUMBER 4579521

**TALKBACK COMMUNICATIONS (SOUTH WALES)
LIMITED**

FINANCIAL STATEMENTS

FOR

31 DECEMBER 2004

W



PARKER & CO

Accountants
Summit House
5 Gold Tops
Newport
South Wales
NP20 4PG

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2004

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was mobile phone sales and related products.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At	At
	31 December 2004	1 January 2004
Mr T Lovell	<u>2</u>	<u>2</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
444 Corporation Road
Newport
Gwent
NP9 0GN

Signed by

Mr T Lovell
Director

Approved by the director on 19/5/05

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 £
TURNOVER		202,606	172,370
Cost of sales		<u>67,885</u>	<u>72,620</u>
GROSS PROFIT		134,721	99,750
Administrative expenses		<u>51,591</u>	<u>51,883</u>
OPERATING PROFIT	2	83,130	47,867
Interest receivable		348	157
Interest payable and similar charges		—	(139)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>83,478</u>	<u>47,885</u>
Tax on profit on ordinary activities		<u>15,500</u>	<u>8,953</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		67,978	38,932
Equity dividends paid		50,000	18,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>17,978</u>	<u>20,932</u>
Balance brought forward		<u>20,932</u>	—
Balance carried forward		<u><u>38,910</u></u>	<u><u>20,932</u></u>

The notes on pages 5 to 7 form part of these financial statements.

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £	£	2003 £
FIXED ASSETS				
Intangible assets	3		9,600	10,800
Tangible assets	4		<u>5,636</u>	<u>6,631</u>
			15,236	<u>17,431</u>
CURRENT ASSETS				
Stocks		5,950		5,950
Debtors	5	13,482		13,001
Cash at bank		<u>32,079</u>		<u>19,079</u>
		51,511		38,030
CREDITORS: Amounts falling due within one year	6	<u>27,835</u>		<u>34,527</u>
NET CURRENT ASSETS			<u>23,676</u>	<u>3,503</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>38,912</u>	<u>20,934</u>

The Balance sheet continues on the following page.
The notes on pages 5 to 7 form part of these financial statements.

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

BALANCE SHEET *(continued)*

31 DECEMBER 2004

	Note	2004 £	2003 £
CAPITAL AND RESERVES			
Called-up equity share capital	8	2	2
Profit and loss account		<u>38,910</u>	<u>20,932</u>
SHAREHOLDERS' FUNDS		<u>38,912</u>	<u>20,934</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved and signed by the director on 19/5/05


MR T LOVELL

The notes on pages 5 to 7 form part of these financial statements.

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - Over 10 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 15% reducing balance

Equipment - 15% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004 £	2003 £
Director's emoluments	9,120	10,466
Amortisation	1,200	1,200
Depreciation of owned fixed assets	995	1,170
Net loss on foreign currency translation	<u>-</u>	<u>55</u>

3. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2004 and 31 December 2004	<u>12,000</u>
AMORTISATION	
At 1 January 2004	1,200
Charge for the year	<u>1,200</u>
At 31 December 2004	<u>2,400</u>
NET BOOK VALUE	
At 31 December 2004	<u>9,600</u>
At 31 December 2003	<u>10,800</u>

4. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
COST			
At 1 January 2004 and 31 December 2004	<u>4,688</u>	<u>3,113</u>	<u>7,801</u>
DEPRECIATION			
At 1 January 2004	703	467	1,170
Charge for the year	<u>598</u>	<u>397</u>	<u>995</u>
At 31 December 2004	<u>1,301</u>	<u>864</u>	<u>2,165</u>
NET BOOK VALUE			
At 31 December 2004	<u>3,387</u>	<u>2,249</u>	<u>5,636</u>
At 31 December 2003	<u>3,985</u>	<u>2,646</u>	<u>6,631</u>

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

5. DEBTORS

	2004	2003
	£	£
Trade debtors	13,067	12,516
Other debtors	415	485
	<u>13,482</u>	<u>13,001</u>

6. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	3,361	11,083
Other creditors including taxation and social security:		
Corporation tax	15,500	8,953
PAYE and social security	1,297	835
VAT	1,360	2,099
Directors current accounts	4,749	9,706
Other creditors	568	851
Accruals and deferred income	1,000	1,000
	<u>24,474</u>	<u>23,444</u>
	<u>27,835</u>	<u>34,527</u>

7. RELATED PARTY TRANSACTIONS

The company was under the control of Mr T Lovell throughout the current and previous year. Mr T Lovell is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

8. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>