

COMPANY REGISTRATION NUMBER 4579521

**TALKBACK COMMUNICATIONS (SOUTH WALES)
LIMITED**

FINANCIAL STATEMENTS

FOR

31 DECEMBER 2005



PARKER & CO

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

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2005

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £35,864. Particulars of dividends paid are detailed in note 4 to the financial statements.

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 were as follows:

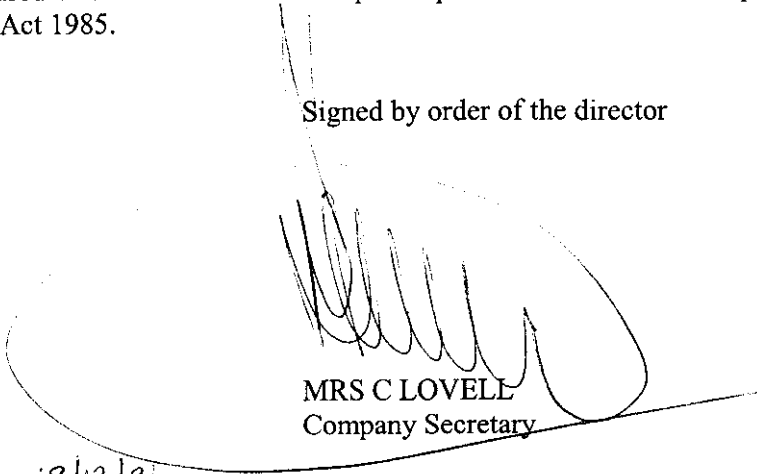
	Ordinary Shares of £1 each	
	At 31 December 2005	At 1 January 2005
Mr T Lovell	<u>2</u>	<u>2</u>

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 order of the director


MRS C LOVELL
Company Secretary

Approved by the director on 18/12/06

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
TURNOVER		172,948	202,606
Cost of sales		<u>75,146</u>	<u>67,885</u>
GROSS PROFIT		97,802	134,721
Administrative expenses		54,156	51,591
Other operating income	2	<u>(250)</u>	<u>—</u>
OPERATING PROFIT	3	43,896	83,130
Interest receivable		2,240	348
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,136	83,478
Tax on profit on ordinary activities		<u>10,272</u>	<u>15,500</u>
PROFIT FOR THE FINANCIAL YEAR		<u>35,864</u>	<u>67,978</u>

The notes on pages 4 to 7 form part of these financial statements.

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

BALANCE SHEET

31 DECEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Intangible assets	5	8,400	9,600
Tangible assets	6	5,495	5,636
		<u>13,895</u>	<u>15,236</u>
CURRENT ASSETS			
Stocks		2,075	5,950
Debtors	7	6,028	13,482
Cash at bank		32,486	32,079
		<u>40,589</u>	<u>51,511</u>
CREDITORS: Amounts falling due within one year	8	<u>24,709</u>	<u>27,836</u>
NET CURRENT ASSETS		<u>15,880</u>	<u>23,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>29,775</u>	<u>38,911</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	2	2
Profit and loss account		29,773	38,909
SHAREHOLDERS' FUNDS		<u>29,775</u>	<u>38,911</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 January 2005).

These financial statements were approved and signed by the director on 18/12/06

MR T LOVELL
Director

The notes on pages 4 to 7 form part of these financial statements.

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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 January 2005).

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-Financial Reporting Standard for Smaller Entities (effective January 2005);

-FRS 21 'Events after the Balance Sheet date (IAS 10)'; and

-FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'.

Financial Reporting Standard for Smaller Entities (effective January 2005)

The company has adopted FRSSE 2005 in the current reporting period. Adoption of this standard has had no material effect on this or the previous period.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The company has adopted FRS 21 in the current reporting period. Adoption of this standard has had no material effect on this or the previous period.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)' and FRS 26 'Financial Instruments: Measurement (IAS 39)'

The company has adopted FRS 25 Presentation Only in the current reporting period. Adoption of this standard has had no material effect on this or the previous period.

Turnover

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

Disclosure of long term contracts is not applicable.

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.

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

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.

2. OTHER OPERATING INCOME

	2005	2004
	£	£
Other operating income	<u>250</u>	<u>—</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2005	2004
	£	£
Director's emoluments	9,120	9,120
Amortisation	1,200	1,200
Depreciation of owned fixed assets	<u>970</u>	<u>995</u>

4. DIVIDENDS

Dividends on equity shares

	2005	2004
	£	£
Paid		
Equity dividends on ordinary shares	<u>45,000</u>	<u>50,000</u>

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

5. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2005 and 31 December 2005	<u>12,000</u>
AMORTISATION	
At 1 January 2005	2,400
Charge for the year	<u>1,200</u>
At 31 December 2005	<u>3,600</u>
NET BOOK VALUE	
At 31 December 2005	<u>8,400</u>
At 31 December 2004	<u>9,600</u>

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
COST			
At 1 January 2005	4,688	3,113	7,801
Additions	—	<u>829</u>	<u>829</u>
At 31 December 2005	<u>4,688</u>	<u>3,942</u>	<u>8,630</u>
DEPRECIATION			
At 1 January 2005	1,301	864	2,165
Charge for the year	<u>508</u>	<u>462</u>	<u>970</u>
At 31 December 2005	<u>1,809</u>	<u>1,326</u>	<u>3,135</u>
NET BOOK VALUE			
At 31 December 2005	<u>2,879</u>	<u>2,616</u>	<u>5,495</u>
At 31 December 2004	<u>3,387</u>	<u>2,249</u>	<u>5,636</u>

7. DEBTORS

	2005 £	2004 £
Trade debtors	5,703	13,067
Other debtors	<u>325</u>	<u>415</u>
	<u>6,028</u>	<u>13,482</u>

TALKBACK COMMUNICATIONS (SOUTH WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

8. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Trade creditors	4,291	3,362
Other creditors including taxation and social security:		
Corporation tax	9,662	15,500
PAYE and social security	1,278	1,297
VAT	2,057	1,360
Directors current accounts	1,578	4,749
Other creditors	4,843	568
Accruals and deferred income	1,000	1,000
	<u>20,418</u>	<u>24,474</u>
	<u>24,709</u>	<u>27,836</u>

9. 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 for Smaller Entities.

10. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

11. PROFIT AND LOSS ACCOUNT

	2005	2004
	£	£
Balance brought forward	38,909	20,932
Profit for the financial year	35,864	67,978
Equity dividends paid (FRS 25)	(45,000)	(50,001)
Balance carried forward	<u>29,773</u>	<u>38,909</u>