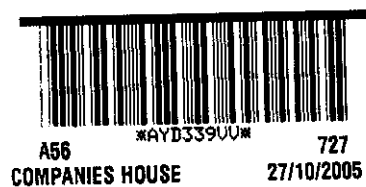


CHILTERN TELECOM LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005



REGISTRATION NO.4695708

CHILTERN TELECOM LIMITED
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FOR THE YEAR ENDED 31 MARCH 2005

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CHILTERN TELECOM LIMITED
 DIRECTOR'S REPORT
 FOR THE YEAR ENDED 31 MARCH 2005

DIRECTOR: K Taylor

SECRETARY: L Taylor

REGISTERED OFFICE: 59 Union Street, Dunstable, Beds LU6 1EX

The director presents his report and financial statements for the year ended 31 March 2005.

RESULTS AND DIVIDENDS

The director proposes that the profit after taxation and dividends of £0 (2004 : profit £0) be transferred to reserves. The director recommends the payment of a dividend for the year ended 31 March 2005 amounting to £95072 (2004 : £57196).

REVIEW OF BUSINESS

The company's principal activity during the period was the installation of tele-communications equipment. The director considers the development of the business of the company and the state of affairs at the balance sheet date to be satisfactory.

FUTURE DEVELOPMENTS

The company intends to continue its present management policies for the foreseeable future.

FIXED ASSETS

Details of changes in fixed assets are given in note 7 to the financial statements.

DIRECTOR AND HIS INTERESTS

The director and his interests (including beneficial and family interests) in the ordinary shares of the company were as follows:-

	2005	2004
K Taylor	2	2

CHILTERN TELECOM LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2005

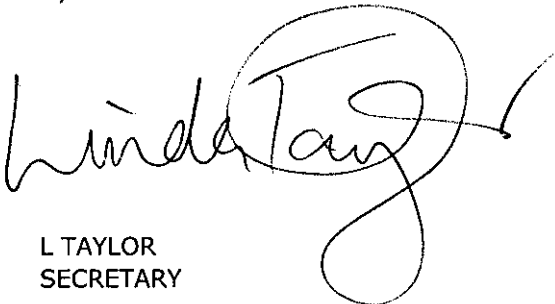
DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS:-

Company Law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:-

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Linda Taylor', with a large circular flourish at the end.

L TAYLOR
SECRETARY

CHILTERN TELECOM LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 MARCH 2005

	NOTE	2005 £	2004 £
Turnover	2	361559	277722
Cost of Sales		179701	167150
GROSS PROFIT		181858	110572
Administrative Expenses		59475	39387
OPERATING PROFIT	3	122383	71185
Interest Receivable		14	11
Interest Payable and Similar Charges	4	1651	1100
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		120746	70096
Taxation	6	25674	12900
PROFIT FOR THE YEAR/PERIOD		95072	57196
Dividends		95072	57196
PROFIT RETAINED FOR THE FINANCIAL YEAR/PERIOD		-	-
Retained profit brought forward		-	-
Retained profit carried forward		£ -	£ -

There are no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding period.

CHILTERN TELECOM LIMITED
BALANCE SHEET AT 31 MARCH 2005

		2005	2004
		£	£
	NOTES		
FIXED ASSETS			
Tangible Assets	7	15584	18494
CURRENT ASSETS			
Stock		720	720
Debtors	8	61147	22158
Cash at Bank and in Hand		13280	-
		<u>75147</u>	<u>22878</u>
CREDITORS - Amounts Falling Due Within One Year	9	86364	31857
NET CURRENT LIABILITIES		(11217)	(8979)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4367</u>	<u>9515</u>
CREDITORS - Amounts Falling Due After More Than One Year	11	4227	9095
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Tax	10	138	418
		<u>£ 2</u>	<u>£ 2</u>
CAPITAL AND RESERVES		£	£
Called Up Share Capital	13	2	2
Profit and Loss Account		-	-
SHAREHOLDERS' FUNDS	14	<u>£ 2</u>	<u>£ 2</u>

AUDIT EXEMPTION STATEMENT

For the year ended 31 March 2005 the company was entitled to exemption from the requirement to have an audit under the provision of section 249A(1) of the Companies Act 1985;
No notice has been deposited with the company under section 249B(2) of that Act requiring an audit to be carried out.

The director acknowledges his responsibility for:

- (a) ensuring the company keeps accounting records in accordance with section 221 of the Companies Act 1985; and
- (b) preparing statements which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its profit for that financial period in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to accounts so far as they are applicable to the company.

Approved by the board on17.10.05..... and signed on its behalf by

..... K TAYLOR

CHILTERN TELECOM LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2005

1. STATEMENT OF ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off cost or valuation, less estimated residual value of each asset over its expected useful life, as follows:-

Motor Vehicles	25% reducing balance
Office Equipment	25% reducing balance

(c) Stocks

Stocks are valued at the lower of cost or net realisable value.

(d) Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

(e) Leasing and Hire Purchase Commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account on a straight line basis over the period of the lease. Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. TURNOVER

Turnover represents the invoiced amount of goods and services supplied by the company, stated net of value added tax.

The turnover, which all arises within the United Kingdom, and pre-tax result is attributable to one activity, that of the installation of tele-communications equipment.

3. OPERATING PROFIT	2005	2004
	£	£
This is stated after charging:		
Depreciation of owned assets	2445	2500
Depreciation of assets held under finance leases and hire purchase contracts	2748	3655
	<u> </u>	<u> </u>

CHILTERN TELECOM LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2005

4. INTEREST PAYABLE AND SIMILAR CHARGES	2005 £	2004 £
Bank Overdraft	400	775
Hire Purchase	1251	325
	<u> </u>	<u> </u>
	£1651	£1100
	<u> </u>	<u> </u>

5. STAFF COSTS	£	£
Wages and salaries	61088	50478
Social security costs	3864	3091
	<u> </u>	<u> </u>
	£64952	£53569
	<u> </u>	<u> </u>

The average number of employees during the year was as follows:-

	Number	Number
Director	1	1
Production and Sales	11	6
	<u> </u>	<u> </u>
	12	7
	<u> </u>	<u> </u>

6. TAXATION	£	£
Corporation Tax @ 19% (2004 : 19%)	22937	12900
Underprovision in Previous Year	3017	-
Movement in Deferred Tax	(280)	-
	<u> </u>	<u> </u>
	£25674	£12900
	<u> </u>	<u> </u>

CHILTERN TELECOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

7. TANGIBLE FIXED ASSETS

	MOTOR VEHICLES £	OFFICE EQUIPMENT £	TOTAL £
Cost			
At 1 April 2004	22159	2500	24659
Additions	-	2283	2283
Disposals	-	-	-
At 31 March 2005	<u>22159</u>	<u>4783</u>	<u>26942</u>
Depreciation			
At 1 April 2004	5540	625	6165
Charge for the year	4154	1039	5193
Disposals	-	-	-
At 31 March 2005	<u>9694</u>	<u>1664</u>	<u>11358</u>
Net Book Values			
At 31 March 2005	<u>£12465</u>	<u>£3119</u>	<u>£15584</u>
At 31 March 2004	<u>£16619</u>	<u>£1875</u>	<u>£18494</u>
8. DEBTORS		2005 £	2004 £
Trade debtors		58292	22158
Other debtors		2855	-
		<u>£61147</u>	<u>£22158</u>
9. CREDITORS - Amounts Falling Due Within One Year		£	£
Bank Overdraft		-	9070
Trade Creditors		36509	12246
Director's current account		(13150)	(22068)
Current corporation tax		22937	12900
Corporation tax - previous year		15917	-
Other taxes and social security costs		17513	11645
Accruals		1250	950
Obligations under hire purchase agreements and finance leases		5388	7114
		<u>£86364</u>	<u>£31857</u>

CHILTERN TELECOM LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2005

10. PROVISIONS FOR LIABILITIES AND CHARGES

The movements in deferred taxation during the current period are as follows:-

	2005 £	2004 £
Charge for Period	138	418
At 31 March 2005	<u>£138</u>	<u>£418</u>

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	Provided		Not Provided	
	2005 £	2004 £	2005 £	2004 £
<i>Capital allowances in advance of depreciation</i>	<u>£138</u>	<u>£418</u>	<u>£ -</u>	<u>£ -</u>

11. CREDITORS - Amounts Falling Due After More Than One Year

	2005 £	2004 £
Obligations under hire purchase agreements and finance leases	<u>£4227</u>	<u>£9095</u>

12. OBLIGATIONS UNDER HIRE PURCHASE AND FINANCE LEASES

	2005 £	2004 £
Amount Payable:		
Within one year	6483	7954
In the second to fifth years inclusive	5123	10953
	<u>11606</u>	<u>18907</u>
Less: Finance charges allocated to future periods	<u>(1991)</u>	<u>(2698)</u>
	<u>£9615</u>	<u>£16209</u>
Analysed as follows:		
Current obligations	5388	7114
Non-current obligations	4227	9095
	<u>£9615</u>	<u>£16209</u>

CHILTERN TELECOM LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2005

13. SHARE CAPITAL	Authorised		Allotted, called up and fully paid	
	2005 No	2004 No	2005 £	2004 £
Ordinary shares of £1 each	100	100	£ 2	£ 2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS				
			2005 £	2004 £
At 1 April 2004			2	-
Share Capital Issued			-	2
Profit for the Year/Period			95072	57196
Dividends			(95072)	(57196)
			<u> </u>	<u> </u>
At 31 March 2005			£ 2	£ 2
			<u> </u>	<u> </u>