

**C PLAN TELECOMMUNICATIONS
LIMITED**

Report and Financial Statements

31 July 2001

**Deloitte & Touche
Edinburgh**



REPORT AND FINANCIAL STATEMENTS 2001

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C PLAN TELECOMMUNICATIONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H Ferguson
A Spicer
G Bowers
D Boyle
J J Boyle
K Boyle
J G Boyle

SECRETARY

J G Boyle

REGISTERED OFFICE

Caledonia House
Quarrywood Court
Livingston Village
Livingston EH54 6AX

BANKERS

Bank of Scotland
55 Bath Street
Glasgow
G2 2DJ

SOLICITORS

Campbell Smith WS

AUDITORS

Deloitte & Touche
Chartered Accountants
Edinburgh

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 16 January 2001 (date of incorporation) to 31 July 2001.

ACTIVITIES

The company's principal activity is to provide turnkey solutions to telecommunications operators including design, project management and information systems. The company commenced trading on 16 January 2001.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company made a loss of £22,624 for the period ended 31 July 2001. The directors remain optimistic for the future.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

At 31 July 2001, no director had any interests in the shares of the company. The interests of J J Boyle, K Boyle, G Bowers, J Boyle and D Boyle, who are directors of the parent company, J J Boyle (Holdings) Limited, are disclosed in the accounts of that company.

J J Boyle, J G Boyle, K Boyle, D Boyle and G Bowers were appointed directors on incorporation. H Ferguson and A Spicer were appointed directors on 25 January 2001.

AUDITORS

Deloitte & Touche were appointed auditors on 4 September 2001. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

C PLAN TELECOMMUNICATIONS LIMITED**DIRECTORS' REPORT (continued)****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year 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 the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

Approved by the Board of Directors
and signed on behalf of the Board



J G Boyle

Secretary

20 December 2002

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C PLAN
TELECOMMUNICATIONS LIMITED**

We have audited the financial statements of C Plan Telecommunications Limited for the period ended 31 July 2001, which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C PLAN
TELECOMMUNICATIONS LIMITED (continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and
Registered Auditors

20 December 2002

PROFIT AND LOSS ACCOUNT
Period ended 31 July 2001

	Note	£	Period ended 31 July 2001 £
TURNOVER: continuing operations	2		195,679
Cost of sales			161,319
Gross profit			34,360
Distribution costs		26,533	
Administrative expenses		30,308	
			56,841
OPERATING LOSS: continuing operations	4		(22,481)
Interest payable and similar charges	5		(143)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(22,624)
Tax on loss on ordinary activities	6		-
LOSS FOR THE FINANCIAL PERIOD			(22,624)

There are no recognised gains or losses for the current financial period other than as stated in the profit and loss account.

Ĉ PLAN TELECOMMUNICATIONS LIMITED

**Deloitte
& Touche**

BALANCE SHEET **31 July 2001**

	Note	31 July 2001 £
FIXED ASSETS		
Tangible assets	7	45,020
CURRENT ASSETS		
Stocks	8	6,711
Debtors	9	45,824
		52,535
CREDITORS: amounts falling due within one year	10	119,379
NET CURRENT LIABILITIES		(66,844)
TOTAL ASSETS LESS CURRENT LIABILITIES		(21,824)
CAPITAL AND RESERVES		
Called up share capital	13	800
Profit and loss account		(22,624)
TOTAL EQUITY SHAREHOLDERS' FUNDS		(21,824)

These financial statements were approved by the Board of Directors on December 2002

Signed on behalf of the Board of Directors



J Boyle

Director

NOTES TO THE ACCOUNTS
Period ended 31 July 2001

1 ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	25% per annum
Office equipment	25% per annum
Furniture and fittings	10% per annum

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Leases

Operating lease rentals are charged to income in equal amounts over the lease term.

2 TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

The turnover, which arises in the United Kingdom, is attributable to the company's principal activity.

NOTES TO THE ACCOUNTS
Period ended 31 July 2001

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Period ended 31 July 2001 £
Directors' remuneration	
Emoluments (excluding pension contributions)	54,300
Company contributions to money purchase and similar pension schemes in respect of directors' services	3,150
	Period ended 31 July 2001 No
The number of directors who:	
■ are members of a money purchase pension scheme	2
	Period ended 31 July 2001 No
Average number of persons employed	
Production	5
	Period ended 31 July 2001 £
Staff costs during the period (including directors)	
Wages and salaries	137,871
Social security costs	12,747
Pension costs	7,769
	158,387

NOTES TO THE ACCOUNTS
Period ended 31 July 2001

4 OPERATING LOSS

	Period ended 31 July 2001 £
Operating loss is after charging:	
Depreciation	
Owned assets	5,983
Rentals under operating leases	
Other operating leases	17,412
Auditors' remuneration	1,000

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 31 July 2001 £
Bank loans and overdrafts	143

6 TAX ON LOSS ON ORDINARY ACTIVITIES

No corporation tax is payable due to the losses made in the period. Taxation losses of approximately £16,000 are available for offset against future trading profits, subject to Inland Revenue agreement.

NOTES TO THE ACCOUNTS
Period ended 31 July 2001

7 TANGIBLE FIXED ASSETS

	Plant and machinery £	Office equipment £	Furniture and fittings £	Total £
Cost				
Additions in period	8,295	37,471	5,237	51,003
At 31 July 2001	8,295	37,471	5,237	51,003
Accumulated depreciation				
Charge in period	1,037	4,684	262	5,983
At 31 July 2001	1,037	4,684	262	5,983
Net book value				
At 31 July 2001	7,258	32,787	4,975	45,020

8 STOCKS

	31 July 2001 £
Short term work in progress	6,711

NOTES TO THE ACCOUNTS
Period ended 31 July 2001

9 DEBTORS

	31 July 2001 £
Trade debtors	40,579
Amounts due from group undertakings	800
Other debtors	1,255
Prepayments and accrued income	3,190
	45,824

All amounts are due within one year.

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2001 £
Bank overdraft	93,426
Trade creditors	4,946
Amounts due to group undertakings	11,360
Directors' current accounts	793
Other taxes and social security	6,530
Accruals and deferred income	2,324
	119,379

The bank overdraft is secured by a floating charge over the company's assets and undertakings.

The directors' current accounts are interest free and have no fixed date for repayment.

C PLAN TELECOMMUNICATIONS LIMITED
NOTES TO THE ACCOUNTS
Period ended 31 July 2001
11 BORROWINGS

	31 July 2001 £
Bank overdraft	93,426
	<u>93,426</u>
The maturity of the above amounts is as follows:	
In one year or less, or on demand	93,426
	<u>93,426</u>

12 PROVISIONS FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are:

	Provided 2001 £	Not Provided 2001 £
Accelerated capital allowances	2,745	-
Trading losses carried forward	(2,745)	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

13 CALLED UP SHARE CAPITAL

	31 July 2001 £
Authorised	
1,000 ordinary shares of £1.00 each	1,000
	<u>1,000</u>
Called up, allotted and fully paid	
800 ordinary shares of £1.00 each	800
	<u>800</u>
Ordinary shares	
New issue	800
	<u>800</u>

800 ordinary shares of £1 each were issued on 4 January 2001 for cash.

NOTES TO THE ACCOUNTS
Period ended 31 July 2001

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 July 2001 £
Loss attributable to members of the company	(22,624)
Capital subscribed	800
Net reduction in the period and closing shareholders' funds	<u>(21,824)</u>

15 FINANCIAL COMMITMENTS

Operating lease commitments

At 31 July 2001 the company was committed to making the following payments during the next year in respect of operating leases:

	Other £
Leases which expire:	
Within two to five years	<u>2,112</u>

16 CONTINGENT LIABILITIES

The company has granted cross guarantees to the group's bankers for all its bank borrowings with the Clydesdale Bank. The group's indebtedness to the Clydesdale Bank at 31 July 2001 was £1,118,239 (2000 - £618,333).

17 EVENTS OCCURRING AFTER THE END OF THE PERIOD

Subsequent to the year end, the company was no longer subject to the cross guarantee disclosed in note 16 of the financial statements, and is currently operating without an overdraft facility, and with funding provided by the directors.

C PLAN TELECOMMUNICATIONS LIMITED**NOTES TO THE ACCOUNTS****Period ended 31 July 2001****18 ULTIMATE PARENT COMPANY**

The ultimate parent company is J J Boyle (Holdings) Limited, a company incorporated in Great Britain. On 13 November 2002, 80% of the issued share capital was acquired by J G Boyle, a director of C Plan Telecommunications Limited.

The accounts of J J Boyle (Holdings) Limited are available from Companies House, 37 Castle Street, Edinburgh.

19 RELATED PARTY TRANSACTIONS

Included within creditors, amounts falling due within one year, is a balance of £11,360 due to J J Boyle Limited, a subsidiary of J J Boyle (Holdings) Limited. Expenses of £27,418 were paid by J J Boyle Limited on behalf of C Plan Telecommunications Limited. Sales of £16,058 were made to J J Boyle Limited. Included within debtors is a balance of £800 due from J J Boyle (Holdings) Limited for the allotment of the called up share capital. The amounts due to group undertakings are interest free and unsecured.