

Registrar

LINCOLN COMMUNICATIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1994

Company Number 2767639

Jacob, Cavenagh & Skeet
Chartered Accountants
6/8 Tudor Court
Brighton Road
Sutton Surrey SM2 5AE



LINCOLN COMMUNICATIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1994

| Contents | Page |
|-------------------------|-------|
| Director's report | 1 |
| Accountants' report | 2 |
| Profit and loss account | 3 |
| Balance sheet | 4 |
| Notes to the accounts | 5 - 7 |

DIRECTOR'S REPORT

The director presents his annual report together with the accounts of the company for the year ended 30th November 1994.

PRINCIPAL ACTIVITIES

The company's principal activity during the period was the supply and installation of telecommunication equipment.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £371 (1993: loss £6,658).

The director does not recommend the payment of a dividend.

DIRECTOR AND HIS INTEREST

The director and his interest in the share capital of the company during the year and as at 30th November 1994 was as follows:

| | 1994 Ordinary £1 shares No | 1993 Ordinary £1 shares No |
|-------------|----------------------------------|----------------------------------|
| S P Lincoln | 2 | 2 |

DIRECTOR'S RESPONSIBILITIES

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;
- 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.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the financial statements.

BY ORDER OF THE BOARD



H E Lincoln
Secretary

1st September 1995

6/8 Tudor Court
Brighton Road
Sutton
Surrey SM2 5AE

ACCOUNTANTS' REPORT
TO THE MEMBERS OF
LINCOLN COMMUNICATIONS LIMITED

We have examined, without carrying out an audit, the accounts for the year ended 30th November 1994 set out on pages 3 to 7.

Respective responsibilities of directors and reporting accountant
As described on page 1, the company's director is responsible for the preparation of the accounts, and he believes that the company is exempt from an audit. It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below, to the shareholders.

Basis of opinion

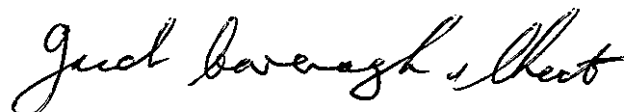
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



JACOB, CAVENAGH & SKEET
Reporting Accountant

6/8 Tudor Court
Brighton Road
Sutton
Surrey
SM2 5AE

1st September 1995

LINCOLN COMMUNICATIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH NOVEMBER 1994

| | Note | 1994 £ | 1993 £ |
|--|------|-----------|-----------|
| Turnover | 2 | 15,916 | 19,480 |
| Cost of sales | | 10,018 | 10,028 |
| Gross profit | | 5,898 | 9,452 |
| Administrative expenses | | 5,385 | 15,907 |
| Operating profit/(loss) | 3 | 513 | (6,455) |
| Bank interest payable | | 142 | 203 |
| Profit/(loss) on ordinary activities before taxation | | 371 | (6,658) |
| Tax on profit/(loss) on ordinary activities | 6 | - | - |
| Profit/(loss) on ordinary activities after taxation | | 371 | (6,658) |
| Retained (loss) brought forward | | (6,658) | - |
| Retained (loss) carried forward | | (6,287) | (6,658) |

The company has no recognised gains or losses other than the above reported loss.

LINCOLN COMMUNICATIONS LIMITED

BALANCE SHEET

AS AT 30TH NOVEMBER 1994

| | Note | 1994 £ | 1993 £ |
|--|------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 465 | 929 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 11,670 | 1,387 |
| Cash at bank and in hand | | 63 | - |
| | | 11,733 | 1,387 |
| CREDITORS: | | | |
| Amounts falling due within one year | 9 | (18,483) | (8,972) |
| NET CURRENT (LIABILITIES) | | (6,750) | (7,585) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (6,285) | (6,656) |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 2 | 2 |
| Profit and loss account | | (6,287) | (6,658) |
| | | (6,285) | (6,656) |

Approved by the Director on 1st September 1995.

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(2) of the Companies Act 1985. Shareholders holding 10% of more of the company's share capital have not issued a notice requiring an audit. The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts 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 for the year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

S.P.W.
S.P. LINCOLN

LINCOLN COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1994

1 ACCOUNTING POLICIES

(a) Accounting convention

These financial statements are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement, on the grounds that it is a small company.

(b) Tangible fixed assets

Tangible fixed assets are shown at cost less depreciation written off to date. Depreciation is provided so as to write down assets equally over their estimated useful lives as follows:

Computer equipment - at 33.3% per annum

(c) Leasing

Payments in respect of operating lease agreements (being agreements not giving rights approximating to ownership) have been charged to the profit and loss account on a straight line basis.

2 TURNOVER

Turnover, which excludes value added tax, represents the invoiced amount of services provided during the period. All turnover arose in the United Kingdom.

| | 1994 | | 1993 | |
|--|---------------|----------------|---------------|-----------------|
| | Turnover | Pre-tax profit | Turnover | Pre-tax (loss) |
| | £ | £ | £ | £ |
| Supply and installation of telecommunication equipment | <u>15,916</u> | <u>371</u> | <u>19,480</u> | <u>(6,658)</u> |

3 OPERATING LOSS

This is stated after charging:

Auditors' remuneration

Depreciation of tangible fixed assets

| £ | £ |
|------------|------------|
| - | 1,000 |
| <u>464</u> | <u>464</u> |

4 DIRECTOR'S EMOLUMENTS

The director received no remuneration in the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1994
(continued)

5 STAFF COSTS

(a) The company had one employee during the period.

| (b) Employment costs: | 1994 £ | 1993 £ |
|-----------------------|--------------|--------------|
| Wages and salaries | 2,885 | 8,410 |
| Social security costs | 290 | 753 |
| | <u>3,175</u> | <u>9,163</u> |

6 TAX ON LOSS ON ORDINARY ACTIVITIES

The company has trading losses of approximately £6,000 available to be carried forward and set against future trading income.

7 TANGIBLE FIXED ASSETS

| | Computer equipment £ |
|---|----------------------------|
| Cost | |
| At 1st December 1993 and 30th November 1994 | <u>1,393</u> |
| Depreciation | |
| At 1st December 1993 | 464 |
| Provided during the year | 464 |
| At 30th November 1994 | <u>928</u> |
| Net book value | |
| At 30th November 1994 | <u>465</u> |
| At 30th November 1993 | <u>929</u> |

8 DEBTORS

| | 1994 £ | 1993 £ |
|--------------------------------|---------------|--------------|
| Trade debtors | 11,670 | 617 |
| Other debtors | - | 165 |
| Prepayments and accrued income | - | 605 |
| | <u>11,670</u> | <u>1,387</u> |

All amounts under debtors fall due within one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1994
(continued)

| 9 | CREDITORS: Amounts falling due within one year | 1994 | 1993 |
|----|--|-----------------|-----------------|
| | | £ | £ |
| | Bank overdraft | - | 6,202 |
| | Trade creditors | - | 129 |
| | Other taxation and social security | - | 825 |
| | Other creditors | 18,233 | 280 |
| | Accruals | 250 | 1,536 |
| | | <u>18,483</u> | <u>8,972</u> |
| | | | |
| 10 | SHARE CAPITAL | 1994 | 1993 |
| | | £ | £ |
| | Authorised | | |
| | Ordinary shares of £1 each | 100,000 | 100,000 |
| | | <u>100,000</u> | <u>100,000</u> |
| | Allotted, issued and fully paid | | |
| | Ordinary shares of £1 each | 2 | 2 |
| | | <u>2</u> | <u>2</u> |
| | | | |
| 11 | RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS | £ | £ |
| | | | |
| | Profit/(loss) for the year | 371 (6,658) | |
| | Opening shareholders' funds | (6,656) | 2 |
| | | <u>(6,285)</u> | <u>(6,656)</u> |
| | Closing shareholders' funds | | |