

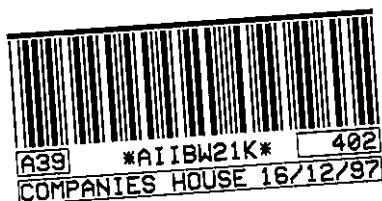
CCS CELLULAR LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 28th FEBRUARY 1997

REGISTERED NUMBER 2877794

Prepared By de Wit and Co
Chartered Accountants
Audit House
Oakwellgate
Gateshead
Tyne and Wear
NE8 2AU



CCS CELLULAR LIMITEDSTATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which gives 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 directors are required to

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on a 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.

AUDITORS' REPORT
TO THE DIRECTORS OF CCS CELLULAR LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

The company CCS Cellular Limited trades as CCS Mobile Phone World.

We have examined the abbreviated accounts on pages 4 to 7 together with the full financial statements of CCS Cellular Limited for the year ended 28th February 1997. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 4 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 as amended, to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 28th February 1997 and the abbreviated accounts on pages 4 to 7 have been properly prepared in accordance with that schedule.

On 27th November 1997 we reported to the shareholders on the full financial statements of the company for the year ended 28th February 1997, prepared under Section 226 of the Companies Act 1985, as modified by the exemptions provided by Part 1 of Schedule 8. Our report under section 235 of the Companies Act is as follows:

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors.

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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. We were not in attendance during the physical stocktake at the year end, and therefore have been unable to carry out the auditing procedures necessary to satisfy ourselves of the quantities and value of stock provided to us.

AUDITORS' REPORT
TO THE DIRECTORS OF CCS CELLULAR LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

Qualified opinion arising from limitation in audit scope

In our opinion, the financial statements give a fair view of the state of the company's affairs at 28th February 1997 and of its profit for the year then ended. Subject to the limitation imposed on us and our comment upon the stock figures on the year end, the accounts have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.

Audit House
Oakwellgate
Gateshead
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de Wit & Co
de Wit and Co
Chartered Accountants
Registered Auditors

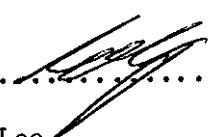
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CCS CELLULAR LIMITEDABBREVIATED BALANCE SHEET AS AT 28th FEBRUARY 1997

	<u>NOTES</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Tangible Assets	2	13949	11396
<u>CURRENT ASSETS</u>			
Stock		22195	20675
Debtors and Prepayments		73600	18909
Cash at Bank		36324	8285
Cash in Hand		<u>169</u>	<u>226</u>
		132288	48095
<u>CREDITORS</u>			
Amounts due within one year		98652	52264
Net Current Liabilities		<u>33636</u>	<u>4169</u>
Net Assets		<u>47585</u>	<u>7227</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	3	2	2
Profit and Loss Account		<u>47583</u>	<u>7225</u>
Shareholders Funds		<u>47585</u>	<u>7227</u>

We have relied on section 246 and section 247 of the Companies Act 1985 as entitling us to deliver abbreviated accounts on the ground that the company is entitled to benefit from the exemptions conferred by Part III Section A of Schedule 8 to the Companies Act 1985 as a small company. On the same grounds, advantage has been taken in the preparation of the financial statements of the special exemptions conferred by Part 1 of Schedule 8 to that Act.

The Abbreviated Accounts have been approved by the board and signed on their behalf.

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C. Lee
Director

.....
2.12.97.....

The notes on pages 5 to 7 form part of the abbreviated accounts.

CCS CELLULAR LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28th FEBRUARY 1997**1. Accounting policies****Basis of preparation of accounts**

The accounts have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

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

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Property Alterations	5% reducing balance basis
Fixtures and Fittings	20% reducing balance basis

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to Profit and Loss Account as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred taxation

No provision has been made for deferred taxation as in the opinion of the directors there is a reasonable probability that no liability will arise in the foreseeable future.

CCS CELLULAR LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28th FEBRUARY 19972. **Fixed assets**

	Tangible Fixed Assets <u>£</u>
<u>Cost</u>	
As at 1st March 1996	14986
Additions	<u>5658</u>
As at 28th February 1997	<u><u>20644</u></u>
 <u>Depreciation</u>	
As at 1st March 1996	3590
Charge for the year	<u>3105</u>
As at 28th February 1997	<u><u>6695</u></u>
 <u>Net Book Value</u>	
As at 28th February 1997	<u><u>13949</u></u>
 As at 28th February 1996	<u><u>11396</u></u>

There is a debenture on the bank's standard form dated 30th March 1994 charging the company's assets to the bank.

CCS CELLULAR LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28th FEBRUARY 19973. **Called up ~~share~~ capital**

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Authorised		
Ordinary Shares of £1 each	<u>10000</u>	<u>10000</u>
Allotted and Fully Paid		
Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

4. **Material interests with directors**

During the year the company traded on a normal trading basis with CCS Electronics in which Mr. C. Lee is the proprietor.