

OPT-TEL SYSTEMS MANAGEMENT LIMITED

FINANCIAL STATEMENTS

31 AUGUST 1995

COMPANY NUMBER: 2906057

Baker Tilly
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG



OPT-TEL SYSTEMS MANAGEMENT LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

G R Bell
D E Kimber
J Leask

SECRETARY

G R Bell

REGISTERED OFFICE

Iveco Ford House
Station Road
Watford
Herts
WD1 1TG

AUDITORS

Baker Tilly
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG

OPT-TEL SYSTEMS MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors submit their first report and the financial statements of Opt-Tel Systems Management Limited for the period ended 31 August 1995.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the supply of specialist technical engineering and field operations telecommunications labour.

REVIEW OF THE BUSINESS

The company was incorporated as Gailyhold Limited on 8 March 1994. It changed its name on 30 August 1994 to Communications Systems Management Limited and subsequently changed its name again on 12 January 1995 to Opt-Tel Services Limited and again to Opt-Tel Systems Management Limited on 26 March 1996. The company started trading on 1 September 1994.

RESULTS AND DIVIDENDS

The trading profit for the period after taxation was £56,838.

The directors do not recommend the payment of a final dividend.

DIRECTORS

The following directors' have held office since incorporation.

Waterlow Nominees Limited	(appointed 8.3.94, resigned 27.4.94)
G R Bell	(appointed 25.8.94)
H J J Doyle	(appointed 25.8.94, resigned 30.6.95)
D E Kimber	(appointed 27.4.94)
H D Sykes	(appointed 27.4.94, resigned 8.3.96)
J Leask	(appointed 25.8.94)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors' had no interest in the shares of the company.

The directors' interests in the holding company are shown in those accounts.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

G R Bell
Secretary



28 June 1996

OPT-TEL SYSTEMS MANAGEMENT LIMITED

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS**

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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 MEMBERS OF OPT-TEL SYSTEMS MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 3 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG

2 July 1996

OPT-TEL SYSTEMS MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31 August 1995

	Notes	1995
TURNOVER	1	1,820,786
Cost of sales		1,694,091
Gross profit		<u>126,695</u>
Other operating expenses (net)	2	50,891
OPERATING PROFIT		<u>75,804</u>
Interest payable	3	21
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>75,783</u>
Taxation	6	18,945
PROFIT FOR THE PERIOD	11	<u><u>£ 56,838</u></u>

The operating profit for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

OPT-TEL SYSTEMS MANAGEMENT LIMITED

BALANCE SHEET
31 August 1995

	Notes	1995
FIXED ASSETS		
Investments	7	2
CURRENT ASSETS		
Debtors	8	128,551
CREDITORS		
Amounts falling due within one year	9	71,713
NET CURRENT ASSETS		<u>56,838</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£56,840</u>
CAPITAL AND RESERVES		
Called up share capital	10	2
Profit and loss account	11	56,838
		<u>£ 56,840</u>

Approved by the board on



Director

28 June 1996

OPT-TEL SYSTEMS MANAGEMENT LIMITED

Financial statements for the period ended 31 August 1995

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of services provided to customers.

PENSION CONTRIBUTIONS

The company has charged pension contributions made to personal pension schemes directly to the profit and loss account as incurred.

OPT-TEL SYSTEMS MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 1995

1. TURNOVER AND PROFIT ON ORDINARY
ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

United Kingdom	£1,820,786
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2. OTHER OPERATING EXPENSES (NET)

Administration expenses	£50,891
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3. INTEREST PAYABLE

On bank loans and overdrafts and other loans wholly repayable within 5 years	£21
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4. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:
Auditors' remuneration

£600

OPT-TEL SYSTEMS MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 1995

5. EMPLOYEES

The average weekly number of persons (including directors) employed by the company during the period was:	No.
Office and management	12
Engineering	10
Installation and maintenance	33
Production and procurement	1
	<u>56</u>

Staff costs for the above persons:

Wages and salaries	1,438,644
Social security costs	134,899
Other pension costs	29,652
	<u>£1,603,195</u>

DIRECTORS' REMUNERATION

Emoluments (including pension contributions and benefits in kind)	<u>£123,385</u>
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The directors' fees and other emoluments
disclosed above (excluding pension
contributions) includes amounts paid to:

The chairman	<u>£Nil</u>
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The highest paid director	<u>£59,583</u>
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The number of other directors who
received emoluments (excluding pension
contributions) in the following ranges was:

£0 - £5,000	2
£15,001 - £20,000	1
£35,001 - £40,000	1
	<u>4</u>

OPT-TEL SYSTEMS MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 1995

6. TAXATION

Based on the profit of the period
UK Corporation payable tax at 25% £18,945

7. FIXED ASSET INVESTMENTS

Subsidiary Undertaking £2

Name of company	Nature of business	Class of shares held	Proportion of class held	Capital and reserves at Period end	Profit for the Period
Opt-Tel Company One Limited	Tele - Communications	Ordinary	100%	£4,010	£4,008

The company is registered in England and Wales.

8. DEBTORS

Due within one year:
Amounts due from group undertakings 127,304
Other debtors 1,247
£128,551

9. CREDITORS

Amounts falling due within one year:
Bank overdraft 14
Corporation tax 18,945
Other creditors 52,754
£71,713

10. SHARE CAPITAL

Authorised:
1,000 ordinary shares of £1 each £1,000
Allotted, issued and fully paid:
2 ordinary shares of £1 each £2

11. PROFIT AND LOSS ACCOUNT

Profit for the period £56,838

OPT-TEL SYSTEMS MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 1995

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for the financial period	56,838
Issue of shares	2
Closing shareholders' funds	<u>£56,840</u>

13. ULTIMATE PARENT COMPANY

The directors consider Opt-Tel Limited, a company registered in England and Wales to be the ultimate parent company.