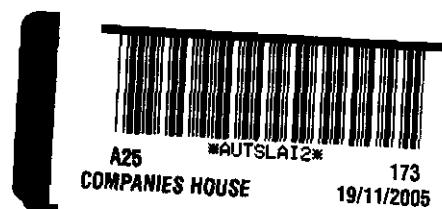


GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004



GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	I L Fenwick F A A Maude (Appointed 1 January 2004)
Secretary	K Fenwick
Company number	4538588
Registered office	Buckells Farm Honey Bridge Lane Dial Post West Sussex RH13 8NX
Accountants	Clarkson Hyde Chartered Accountants and Registered Auditors 137-143 High Street Sutton Surrey SM1 1JH
Bankers	HSBC 6 West Street Horsham West Sussex RH12 1PE

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

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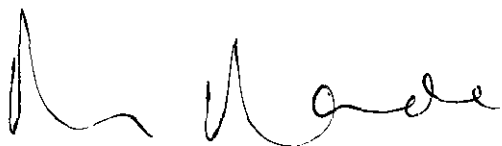
GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

At the end of Globalink's first reporting period it is pleasing to report steady growth and a modest profit. Globalink commenced trading on 1 April, and assumed the trading contracts of Globalink Telecommunications Ltd from that date. Globalink is a reseller of telecoms services to the business community.

2004 saw Globalink begin to roll out the franchise model for telecommunication reselling to business users, with franchises for Norfolk and Bristol being launched. Since the period end we have launched additional franchises in Surrey and West Sussex, Birmingham Central and South and Essex.

We are confident of remaining competitive despite an increasingly competitive market environment. Our operating costs have peaked; our year to date management accounts show a profit; and we are raising finance to fund further expansion. We look to the future with confidence.



**F A A Maude
Chairman**

11 November 2005

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

The company commenced trading on 1 April 2004.

Principal activities

The principal activity of the company during the period was that of telecommunications.

Directors

The following directors have held office since 1 January 2004:

I L Fenwick

F A A Maude

(Appointed 1 January 2004)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	31 December 2004	1 January 2004
I L Fenwick	2	2
F A A Maude	-	-

Charitable donations

	2004	2003
	£	£
During the year the company made the following payments:		
Charitable donations	235	-
	<u>235</u>	<u>-</u>

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

Directors' responsibilities

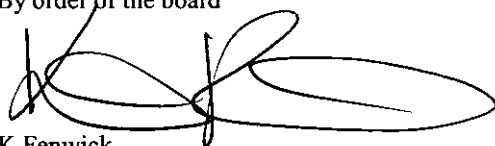
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above the printed name K Fenwick.

K Fenwick

Secretary

11 November 2005

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

		Year ended 31 December 2004 £	Period ended 31 December 2003 £
	Notes		
Turnover		1,235,506	-
Cost of sales		(633,837)	-
Gross profit		601,669	-
Distribution costs		(293,640)	-
Administrative expenses		(260,222)	-
Operating profit	2	47,807	-
Other interest receivable and similar income		749	-
Interest payable and similar charges		(31,017)	-
Profit on ordinary activities before taxation		17,539	-
Tax on profit on ordinary activities	3	(11,512)	-
Profit on ordinary activities after taxation	10	6,027	-

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	4	216,906		-	
Tangible assets	5	90,764		-	
		<u>307,670</u>		<u>-</u>	
Current assets					
Stocks		16,398		-	
Debtors	6	440,283		-	
Cash at bank and in hand		6,339		2	
		<u>463,020</u>		<u>2</u>	
Creditors: amounts falling due within one year	7	<u>(689,126)</u>		<u>-</u>	
Net current (liabilities)/assets			<u>(226,106)</u>		<u>2</u>
Total assets less current liabilities			81,564		2
Creditors: amounts falling due after more than one year	8	<u>(75,535)</u>		<u>-</u>	
		<u>6,029</u>		<u>2</u>	
Capital and reserves					
Called up share capital	9	2		2	
Profit and loss account	10	6,027		-	
Shareholders' funds		<u>6,029</u>		<u>2</u>	

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2004

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) 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 or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 11 November 2005



I L Fenwick
Director

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Going concern

The accounts have been drawn up on a going concern basis, which the directors believe is applicable as they believe the company will have sufficient resources to meet its future obligations as and when they fall due.

In addition, the directors are in negotiations with potential investors who will be providing additional working capital to fund the expansion plans and further development of the business.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated *over the shorter of the lease term and their useful lives*. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company contributes to the personal pension schemes of certain employees. The company's contributions are charged to the profit and loss account as incurred.

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

2	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	17,587	-
	Depreciation of tangible assets	11,928	-
	Directors' emoluments	72,000	-
		<u> </u>	<u> </u>

Included in the directors' emoluments are pension contributions paid to a director's personal pension, I L Fenwick of £9,000 (2003: £nil).

3	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	11,512	-
		<u> </u>	<u> </u>

4	Intangible fixed assets	Goodwill
		£
	Cost	
	At 1 January 2004	-
	Additions	234,493
		<u> </u>
	At 31 December 2004	234,493
		<u> </u>
	Amortisation	
	At 1 January 2004	-
	Charge for the year	17,587
		<u> </u>
	At 31 December 2004	17,587
		<u> </u>
	Net book value	
	At 31 December 2004	216,906
		<u> </u>
	At 31 December 2003	-
		<u> </u>

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2004	-
Additions	102,692
	<hr/>
At 31 December 2004	102,692
	<hr/>
Depreciation	
At 1 January 2004	-
Charge for the year	11,928
	<hr/>
At 31 December 2004	11,928
	<hr/>
Net book value	
At 31 December 2004	90,764
	<hr/> <hr/>

The net book value of tangible fixed assets includes £61,137 (2003- £-) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £10,215 (2003- £-) for the year.

6 Debtors	2004	2003
	£	£
Trade debtors	272,789	-
Other debtors	167,494	-
	<hr/>	<hr/>
	440,283	-
	<hr/> <hr/>	<hr/> <hr/>
7 Creditors: amounts falling due within one year	2004	2003
	£	£
Net obligations under hire purchase contracts	19,978	-
Trade creditors	333,670	-
Taxation and social security	106,096	-
Amounts due to factoring company	119,731	-
Other creditors	109,651	-
	<hr/>	<hr/>
	689,126	-
	<hr/> <hr/>	<hr/> <hr/>

GLOBALINK TELECOMMUNICATIONS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

8	Creditors: amounts falling due after more than one year	2004	2003
		£	£
	Net obligations under hire purchase contracts	48,452	-
	Other loan	27,083	-
		<u>75,535</u>	<u>-</u>

Analysis of loans

Wholly repayable within five years	50,000	-
Included in current liabilities	(22,917)	-
	<u>27,083</u>	<u>-</u>

9	Share capital	2004	2003
		£	£
	Authorised		
	100 Ordinary Shares of £1 each	100	100
		<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	2 Ordinary Shares of £1 each	2	2
		<u>2</u>	<u>2</u>

10	Statement of movements on profit and loss account	Profit and loss account
		£
	Retained profit for the period	6,027
		<u>6,027</u>

11 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding	Maximum
	2004	in period
	£	£
Director's current account (debit bal)	86,520	86,520
	<u>86,520</u>	<u>86,520</u>

12 Control

The director, I L Fenwick, controls the company as a result of controlling directly 100% of the issued share capital of the company.