

Company Registration Number 5442049

**N-TEL COMMUNICATIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MAY 2007**

TUESDAY



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**N-TEL COMMUNICATIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2007**

|                                   |        |
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**N-TEL COMMUNICATIONS LIMITED**  
**COMPANY INFORMATION**

|                              |   |
|------------------------------|---|
| <b>The director</b>          | S Rykov   |
| <b>Company secretary</b>     | E Rykova  |
| <b>Date of incorporation</b> | 3 May 2005  |
| <b>Registered office</b>     | Lynton House<br>7-12 Tavistock Square<br>London<br>WC1H 9BQ |

**N-TEL COMMUNICATIONS LIMITED**

**THE DIRECTOR'S REPORT**

**YEAR ENDED 31 MAY 2007**

The director presents his report and the unaudited financial statements of the company for the year ended 31 May 2007

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the period was telecommunications

**THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY**

The director who served the company during the year together with his beneficial interests in the shares of the company were as follows

|         | <b>Ordinary Shares of £1 each</b> |                    |
|---------|-----------------------------------|--------------------|
|         | <b>At</b>                         | <b>At</b>          |
|         | <b>31 May 2007</b>                | <b>1 June 2006</b> |
| S Rykov | <u>75,375</u>                     | <u>75,375</u>      |

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office  
Lynton House  
7-12 Tavistock Square  
London  
WC1H 9BQ

Signed by



S RYKOV  
Director

Approved by the board on 28.2.08

**N-TEL COMMUNICATIONS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 MAY 2007**

|   | Note | Year to<br>31 May 07<br>£ | Period from<br>3 May 05 to<br>31 May 06<br>£ |
|---|------|---------------------------|--|
| <b>TURNOVER</b>   |      | 2,908,651                 | 355,574                                      |
| Cost of sales   |      | (2,586,650)               | (301,830)                                    |
| <b>GROSS PROFIT</b>   |      | 322,001                   | 53,744                                       |
| Administrative expenses                                     |      | (311,224)                 | (176,722)                                    |
| Other operating income                                      | 2    | 250                       | —  |
| <b>OPERATING PROFIT/(LOSS)</b>                              | 3    | 11,027                    | (122,978)                                    |
| Interest receivable   |      | 316                       | 122  |
| Interest payable and similar charges                        |      | (3,221)                   | (86)   |
| <b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | 8,122                     | (122,942)                                    |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>                 |      | 8,122                     | (122,942)                                    |
| Balance brought forward                                     |      | (122,942)                 | —  |
| Balance carried forward                                     |      | (114,820)                 | (122,942)                                    |

The notes on pages 5 to 7 form part of these financial statements

# N-TEL COMMUNICATIONS LIMITED

## BALANCE SHEET

AS AT 31 MAY 2007

|   | Note | 2007<br>£        | £                | 2006<br>£        | £                |
|---|------|------------------|------------------|------------------|------------------|
| <b>FIXED ASSETS</b>                                   |      |                  |                  |                  |                  |
| Tangible assets                                       | 4    |                  | 237,726          |                  | 127,359          |
| <b>CURRENT ASSETS</b>                                 |      |                  |                  |                  |                  |
| Debtors   | 5    | 490,733          |                  | 171,461          |                  |
| Cash at bank  |      | 96,972           |                  | 14,174           |                  |
|   |      | <u>587,705</u>   |                  | <u>185,635</u>   |                  |
| <b>CREDITORS: Amounts falling due within one year</b> | 6    | <u>(739,251)</u> |                  | <u>(234,936)</u> |                  |
| <b>NET CURRENT LIABILITIES</b>                        |      |                  | <u>(151,546)</u> |                  | <u>(49,301)</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      |                  | <u>86,180</u>    |                  | <u>78,058</u>    |
| <b>CAPITAL AND RESERVES</b>                           |      |                  |                  |                  |                  |
| Called-up equity share capital                        | 8    |                  | 201,000          |                  | 201,000          |
| Profit and loss account                               |      |                  | <u>(114,820)</u> |                  | <u>(122,942)</u> |
| <b>SHAREHOLDERS' FUNDS</b>                            |      |                  | <u>86,180</u>    |                  | <u>78,058</u>    |

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

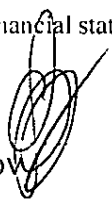
The director acknowledges his responsibility for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved and signed by the director on 28.2.08

S RYKOV



The notes on pages 5 to 7 form part of these financial statements.

**N-TEL COMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2007**

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

**Fixed assets**

All fixed assets are initially recorded at cost

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

|                     |                            |
|---------------------|----------------------------|
| Plant and machinery | - 25% straight line method |
| Office equipment    | - 33% straight line method |

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

**2 OTHER OPERATING INCOME**

|                        | Year to<br>31 May 07<br>£ | Period from<br>3 May 05 to<br>31 May 06<br>£ |
|------------------------|---------------------------|--|
| Other operating income | <u>250</u>                | <u>—</u>                                     |

**3 OPERATING PROFIT/(LOSS)**

Operating profit/(loss) is stated after charging

|  | Year to<br>31 May 07<br>£ | Period from<br>3 May 05 to<br>31 May 06<br>£ |
|--|---------------------------|--|
| Director's emoluments                    | 100,000                   | 66,667                                       |
| Depreciation of owned fixed assets       | 76,159                    | 42,454                                       |
| Net loss on foreign currency translation | <u>13,940</u>             | <u>3,388</u>                                 |

**N-TEL COMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2007**

**4 TANGIBLE FIXED ASSETS**

|                       | Plant and<br>machinery<br>£ | Office<br>equipment<br>£ | Total<br>£     |
|-----------------------|-----------------------------|--------------------------|----------------|
| <b>COST</b>           |                             |                          |                |
| At 1 June 2006        | 169,813                     | –                        | 169,813        |
| Additions             | 186,205                     | 321                      | 186,526        |
| <b>At 31 May 2007</b> | <u>356,018</u>              | <u>321</u>               | <u>356,339</u> |
| <b>DEPRECIATION</b>   |                             |                          |                |
| At 1 June 2006        | 42,454                      | –                        | 42,454         |
| Charge for the year   | 76,088                      | 71                       | 76,159         |
| <b>At 31 May 2007</b> | <u>118,542</u>              | <u>71</u>                | <u>118,613</u> |
| <b>NET BOOK VALUE</b> |                             |                          |                |
| <b>At 31 May 2007</b> | <u>237,476</u>              | <u>250</u>               | <u>237,726</u> |
| At 31 May 2006        | <u>127,359</u>              | <u>–</u>                 | <u>127,359</u> |

**5. DEBTORS**

|                            | 2007<br>£      | 2006<br>£      |
|----------------------------|----------------|----------------|
| Trade debtors              | 454,251        | 113,041        |
| Directors current accounts | 341            | –              |
| Other debtors              | 36,141         | 58,420         |
|                            | <u>490,733</u> | <u>171,461</u> |

**6. CREDITORS: Amounts falling due within one year**

|                                    | 2007<br>£      | 2006<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 443,688        | 91,005         |
| Other taxation and social security | 51,051         | 18,438         |
| Other creditors                    | 244,512        | 125,493        |
|                                    | <u>739,251</u> | <u>234,936</u> |

**7. RELATED PARTY TRANSACTIONS**

The company is under the control of its shareholders

Included within other debtors are loans totalling £8,265 to Next Mobile International Ltd a UK registered company in which S Rykov is a director and shareholder. The loan is interest free and repayable on demand.



**N-TEL COMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2007**

**8. SHARE CAPITAL**

**Authorised share capital.**

|                                      | 2007<br>£        | 2006<br>£        |
|--------------------------------------|------------------|------------------|
| 2,000,000 Ordinary shares of £1 each | <u>2,000,000</u> | <u>2,000,000</u> |

**Allotted, called up and fully paid**

|                            | 2007<br>No     | £              | 2006<br>No     | £              |
|----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of £1 each | <u>201,000</u> | <u>201,000</u> | <u>201,000</u> | <u>201,000</u> |