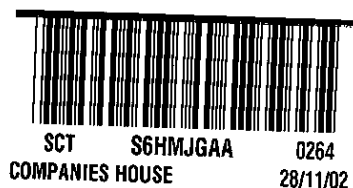


SRS TELECOM LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2002



SRS TELECOM LIMITED

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SRS TELECOM LIMITED

AUDITORS' REPORT TO SRS TELECOM LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 30 June 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

Thomson Cooper & Co.

Registered Auditor

18 Viewfield Terrace

Dunfermline

Fife

KY12 7JU

21 November 2002

SRS TELECOM LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	2		104,760		79,697
Current assets					
Stocks		204,165		99,369	
Debtors		411,381		368,391	
Cash at bank and in hand		504		5,919	
		<u>616,050</u>		<u>473,679</u>	
Creditors: amounts falling due within one year	3	<u>(532,042)</u>		<u>(398,368)</u>	
Net current assets			84,008		75,311
Total assets less current liabilities			188,768		155,008
Creditors: amounts falling due after more than one year			(30,746)		(16,508)
Provisions for liabilities and charges			(2,995)		(4,919)
Accruals and deferred income			(1,250)		(2,500)
			<u>153,777</u>		<u>131,081</u>
Capital and reserves					
Called up share capital	4		2		2
Profit and loss account			153,775		131,079
Shareholders' funds			<u>153,777</u>		<u>131,081</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 21 November 2002

S Bruce
Director



SRS TELECOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

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 Turnover

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

1.3 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:

Conferencing equipment	33 1/3% straight line
Fixtures, fittings & equipment	15% to 25% reducing balance
Motor vehicles	20% straight line

1.4 Deferred income

Income derived from service and maintenance contracts is spread over the period of the contract. Unexpired portions of the contracts are treated as deferred income.

2 Fixed assets

	Tangible assets £
Cost	
At 1 July 2001	130,286
Additions	50,327
Disposals	(498)
	<hr/>
At 30 June 2002	180,115
	<hr/>
Depreciation	
At 1 July 2001	50,589
On disposals	(248)
Charge for the year	25,014
	<hr/>
At 30 June 2002	75,355
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Net book value	
At 30 June 2002	104,760
	<hr/>
At 30 June 2001	79,697
	<hr/>

SRS TELECOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £87,986 (2001 - £27,724).

The bank overdraft is secured by a bond and floating charge over the assets of the company and a cross guarantee by the holding company Cairnriggs Holdings Limited.

4 Share capital	2002 £	2001 £
Authorised		
100 Ordinary Shares of £ 1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
2 Ordinary Shares of £ 1 each	2	2
	<hr/>	<hr/>

5 Ultimate parent company

The directors consider that the ultimate parent company is Cairnriggs Holdings Limited which is registered in Scotland.