

Company Registration No 3254487 (England and Wales)

**INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY
VECTONE LIMITED)**

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

COMPANY INFORMATION

| | |
|--------------------------|---|
| Director | T Herschkorn |
| Secretary | Nazeel Panthakkalakath |
| Company number | 3254487 |
| Registered office | 72 New Bond Street London W1S 1RR |
| Auditors | Alliotts Imperial House 15 Kingsway London WC2B 6UN |
| Business address | Regatta House 58 Marsh Wall London E14 9TP |
| Bankers | Lloyds TSB Bank plc 34 Moorgate London EC2R 6PL |

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

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INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The director presents his report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activity of the company is the provision of telecommunication services

Results and dividends

The results for the year are set out on page 4

Director

The following director has held office since 1 January 2007

T Herschkorn

Auditors

In accordance with section 487(2) of the Companies Act 2006, a resolution proposing that Alliotts be reappointed as auditors of the company will be put at a General Meeting

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



T Herschkorn

Director

29 October 2008

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

We have audited the financial statements of Interactive Communications Services Limited (formerly Vectone Limited) for the year ended 31 December 2007 set out on pages 4 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 director 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.

**INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY
VECTONE LIMITED)**

INDEPENDENT AUDITORS' REPORT (CONTINUED)

**TO THE SHAREHOLDERS OF INTERACTIVE COMMUNICATIONS SERVICES
LIMITED (FORMERLY VECTONE LIMITED)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements

Emphasis of matter

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.1. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect



Alliotts



Chartered Accountants
Registered Auditor

Imperial House
15 Kingsway
London
WC2B 6UN

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

| | Notes | 2007 £ | 2006 £ |
|--|-------|--------------|--------------|
| Turnover | 2 | 11,438,041 | 16,088,951 |
| Cost of sales | | (11,240,708) | (15,321,551) |
| Gross profit | | 197,333 | 767,400 |
| Administrative expenses | | (859,451) | (2,195,740) |
| Other operating income | | - | 7,338,759 |
| Operating (loss)/profit | 3 | (662,118) | 5,910,419 |
| Other interest receivable and similar income | 4 | 333 | 141 |
| Interest payable and similar charges | 5 | (5) | (2,313) |
| (Loss)/profit on ordinary activities before taxation | | (661,790) | 5,908,247 |
| Tax on (loss)/profit on ordinary activities | 6 | 29,116 | (42) |
| (Loss)/profit for the year | 12 | (632,674) | 5,908,205 |

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

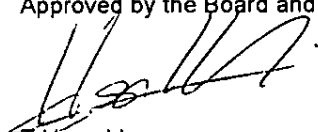
INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

BALANCE SHEET

AS AT 31 DECEMBER 2007

| | Notes | 2007 £ | £ | 2006 £ | £ |
|--|-------|--------------------|--------------------|---------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | - | 686,223 | |
| Current assets | | | | | |
| Debtors | 8 | 1,275,431 | | 27,469,657 | |
| Cash at bank and in hand | | 6,935 | | 33,260 | |
| | | <u>1,282,366</u> | | <u>27,502,917</u> | |
| Creditors amounts falling due within one year | 9 | <u>(7,570,317)</u> | | <u>(33,844,417)</u> | |
| Net current liabilities | | | <u>(6,287,951)</u> | | <u>(6,341,500)</u> |
| Total assets less current liabilities | | | <u>(6,287,951)</u> | | <u>(5,655,277)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 100 | | 100 |
| Profit and loss account | 12 | | <u>(6,288,051)</u> | | <u>(5,655,377)</u> |
| Shareholders' funds | 13 | | <u>(6,287,951)</u> | | <u>(5,655,277)</u> |

Approved by the Board and authorised for issue on 29 October 2008



T Herschkorn
Director

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

| | £ | 2007 £ | £ | 2006 £ |
|---|-----|-----------|---------|-----------|
| Net cash outflow from operating activities | | (26,540) | | (8,677) |
| Returns on investments and servicing of finance | | | | |
| Interest received | 333 | | 141 | |
| Interest paid | (5) | | (2,313) | |
| Net cash inflow/(outflow) for returns on investments and servicing of finance | | 328 | | (2,172) |
| Taxation | | - | | (28,219) |
| Net cash outflow before management of liquid resources and financing | | (26,212) | | (39,068) |
| Decrease in cash in the year | | (26,212) | | (39,068) |

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

| 1 | Reconciliation of operating (loss)/profit to net cash outflow from operating activities | 2007 | | 2006 | |
|---|---|----------------------|------------------------|------------------------|---------------------|
| | | £ | | £ | |
| | Operating (loss)/profit | (662,118) | | 5,910,419 | |
| | Depreciation of tangible assets | 686,223 | | 1,227,622 | |
| | Decrease in debtors | 26,223,342 | | 1,572,762 | |
| | Decrease in creditors within one year | (26,273,987) | | (8,719,480) | |
| | Net cash outflow from operating activities | (26,540) | | (8,677) | |
| 2 | Analysis of net funds | 1 January 2007 | Cash flow | Other non-cash changes | 31 December 2007 |
| | | | | | |
| | | £ | £ | £ | £ |
| | Net cash | | | | |
| | Cash at bank and in hand | 33,260 | (26,325) | - | 6,935 |
| | Bank overdrafts | (113) | 113 | - | - |
| | | <u>33,147</u> | <u>(26,212)</u> | <u>-</u> | <u>6,935</u> |
| | Net funds | <u>33,147</u> | <u>(26,212)</u> | <u>-</u> | <u>6,935</u> |
| 3 | Reconciliation of net cash flow to movement in net funds | 2007 | | 2006 | |
| | | £ | | £ | |
| | Decrease in cash in the year | (26,212) | | (39,068) | |
| | Movement in net funds in the year | (26,212) | | (39,068) | |
| | Opening net funds | 33,147 | | 72,215 | |
| | Closing net funds | <u>6,935</u> | | <u>33,147</u> | |

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future

The directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements. On the basis of this cash flow information which includes the assumption that payment arrangements with suppliers will not be subject to any significant change, the directors believe that it is appropriate for the financial statements to be prepared on the going concern basis

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

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

1.4 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

| | |
|--------------------------------|-------------------|
| Plant and machinery | 20% straight line |
| Fixtures, fittings & equipment | 25% straight line |

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17 - Retirement Benefits

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. No liability for deferred tax arises on these financial statements

1.8 Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates prevailing at the balance sheet date

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

2 Turnover

In the opinion of the director it would be seriously prejudicial to the company's activities to provide a detailed analysis of turnover

| 3 Operating (loss)/profit | 2007 | 2006 |
|--|-------------|-------------|
| | £ | £ |
| Operating (loss)/profit is stated after charging | | |
| Depreciation of tangible assets | 686,223 | 1,227,622 |
| Loss on foreign exchange transactions | 485 | - |
| Operating lease rentals | - | 54,892 |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 15,000 | 20,000 |
| and after crediting | | |
| Profit on foreign exchange transactions | - | (6,668) |

| 4 Investment income | 2007 | 2006 |
|----------------------------|-------------|-------------|
| | £ | £ |
| Bank interest | 333 | 141 |
| | <u>333</u> | <u>141</u> |

| 5 Interest payable | 2007 | 2006 |
|------------------------------|-------------|--------------|
| | £ | £ |
| On bank loans and overdrafts | 5 | 2,313 |
| | <u>5</u> | <u>2,313</u> |

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

| 6 Taxation | 2007 | 2006 |
|--|------------------|--------------------|
| | £ | £ |
| Domestic current year tax | | |
| U K corporation tax | - | 42 |
| Adjustment for prior years | (29,116) | - |
| | <u>(29,116)</u> | <u>-</u> |
| Current tax charge | <u>(29,116)</u> | <u>42</u> |
| Factors affecting the tax charge for the year | | |
| (Loss)/profit on ordinary activities before taxation | (661,790) | 5,908,247 |
| | <u>(661,790)</u> | <u>5,908,247</u> |
| (Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 30.00%) | (198,537) | 1,772,474 |
| | <u>(198,537)</u> | <u>1,772,474</u> |
| Effects of | | |
| Non deductible expenses | 450 | 2,520 |
| Depreciation | - | 368,287 |
| Capital allowances | (32,331) | (317,597) |
| Tax losses utilised | - | (1,825,642) |
| Adjustments to previous periods | (29,116) | - |
| Other tax adjustments | 230,418 | - |
| | <u>169,421</u> | <u>(1,772,432)</u> |
| Current tax charge | <u>(29,116)</u> | <u>42</u> |

The company has estimated losses of £ 3,238,954 (2006 £ 2,493,854) available for carry forward against future trading profits

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

7 Tangible fixed assets

| | Plant and machinery | Fixtures, fittings & equipment | Total |
|---|------------------------|--------------------------------------|------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2007 & at 31 December 2007 | 13,103,254 | 524,295 | 13,627,549 |
| Depreciation | | | |
| At 1 January 2007 | 12,417,031 | 524,295 | 12,941,326 |
| Charge for the year | 686,223 | - | 686,223 |
| At 31 December 2007 | 13,103,254 | 524,295 | 13,627,549 |
| Net book value | | | |
| At 31 December 2007 | - | - | - |
| At 31 December 2006 | 686,223 | - | 686,223 |

8 Debtors

| | 2007 | 2006 |
|----------------------------------|------------------|-------------------|
| | £ | £ |
| Corporation tax | 60,787 | 31,671 |
| Called up share capital not paid | 98 | 98 |
| Other debtors | 1,214,546 | 27,437,888 |
| | <u>1,275,431</u> | <u>27,469,657</u> |

9 Creditors amounts falling due within one year

| | 2007 | 2006 |
|---------------------------------------|------------------|-------------------|
| | £ | £ |
| Bank loans and overdrafts | - | 113 |
| Trade creditors | 4,860,095 | 12,096,076 |
| Corporation tax | 42 | 42 |
| Other taxes and social security costs | 1,425 | - |
| Other creditors | 2,671,255 | 21,689,186 |
| Accruals and deferred income | 37,500 | 59,000 |
| | <u>7,570,317</u> | <u>33,844,417</u> |

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

10 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

| | 2007 £ | 2006 £ |
|---|-----------|-----------|
| Contributions payable by the company for the year | - | 5,365 |

11 Share capital

| | 2007 £ | 2006 £ |
|---|-----------|-----------|
| Authorised | | |
| 1,000 Ordinary of £1 each | 1,000 | 1,000 |
| Allotted, called up and fully paid | | |
| 100 Ordinary of £1 each | 100 | 100 |

12 Statement of movements on profit and loss account

| | Profit and loss account £ |
|-----------------------------|------------------------------------|
| Balance at 1 January 2007 | (5,655,377) |
| Loss for the year | (632,674) |
| Balance at 31 December 2007 | (6,288,051) |

13 Reconciliation of movements in shareholders' funds

| | 2007 £ | 2006 £ |
|--------------------------------------|-------------|--------------|
| (Loss)/Profit for the financial year | (632,674) | 5,908,205 |
| Opening shareholders' funds | (5,655,277) | (11,563,482) |
| Closing shareholders' funds | (6,287,951) | (5,655,277) |

INTERACTIVE COMMUNICATIONS SERVICES LIMITED (FORMERLY VECTONE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

| 2007 Number | 2006 Number |
|----------------|----------------|
| 1 | 5 |

Employment costs

| | 2007 £ | 2006 £ |
|-----------------------|--------------|----------------|
| Wages and salaries | 4,565 | 380,552 |
| Social security costs | 417 | 41,861 |
| Other pension costs | - | 5,365 |
| | <u>4,982</u> | <u>427,778</u> |

15 Control

The ultimate controlling party is Thierry Herschkorn