

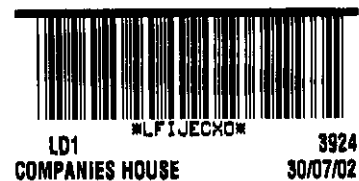
**REGISTRAR OF
COMPANIES**

Intec Distribution Limited

Report and Financial Statements

Year Ended

30 September 2001



BDO

BDO Stoy Hayward
Chartered Accountants

TO HARTSIDEN
COMMERCIAL

Intec Distribution Limited

Annual report and financial statements for the year ended 30 September 2001

Contents

Page:

2	Report of the directors
4	Report of the independent auditors
6	Profit and loss account
7	Balance sheet
8	Notes forming part of the financial statements

Directors

H Ramis
A Bryant

Secretary and registered office

K Chalk, Hillside, 50 Moxon Street, Barnet, Hertfordshire, EN5 5TS

Company number

03314092

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL

Intec Distribution Limited

Report of the directors for the year ended 30 September 2001

The directors present their report together with the audited financial statements for the year ended 30 September 2001.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year.

Principal activities, review of business and future developments

The principal activity of the company is the distribution of cellular telephone equipment. Trading has remained strong despite the maturing cellular marketplace.

The directors are satisfied with the development of the business and expect this to continue for the foreseeable future.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	30 September 2001	1 October 2000
H Ramis	50,000	50,000
A Bryant	-	-

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 year. 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; and
- 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.

Intec Distribution Limited

Report of the directors for the year ended 30 September 2001 (*Continued*)

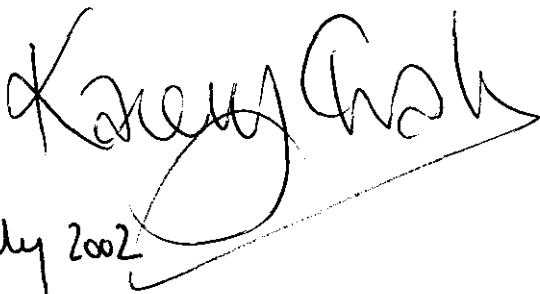
Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

K Chalk

Secretary

A handwritten signature in black ink, appearing to read 'K. Chalk', written over a diagonal line that extends from the bottom left towards the middle right of the page.

30 July 2002

Intec Distribution Limited

Report of the independent auditors

To the shareholders of Intec Distribution Limited

We have audited the financial statements of Intec Distribution Limited for the year ended 30 September 2001 on pages 6 to 12 which have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' 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 United Kingdom 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.

Intec Distribution Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO *Stoy Hayward*

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
London

30 July 2002

Intec Distribution Limited**Profit and loss account for the year ended 30 September 2001**

	Note	2001 £	2000 £
Turnover		4,082,445	4,204,715
Cost of sales		3,546,490	3,580,998
Gross profit		535,955	623,717
Administrative expenses		386,123	473,979
Operating profit	2	149,832	149,738
Interest payable and similar charges	5	(1,265)	-
Profit on ordinary activities before taxation	2	148,567	149,738
Taxation on profit on ordinary activities	6	29,737	30,100
Profit on ordinary activities after taxation retained for the year		118,830	119,638
Retained profit brought forward		184,921	65,283
Retained profit carried forward		303,751	184,921

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 8 to 12 form part of these financial statements.

Intec Distribution Limited

Balance sheet at 30 September 2001

	Note	2001 £	2001 £	2000 £	2000 £
Current assets					
Stocks	7	310,157		426,593	
Debtors	8	377,100		1,565,251	
Cash at bank and in hand		85,625		24,083	
		<u>772,882</u>		<u>2,015,927</u>	
Creditors: amounts falling due within one year	9	<u>419,131</u>		<u>1,781,006</u>	
Total assets less current liabilities			<u>353,751</u>		<u>234,921</u>
Capital and reserves					
Called up share capital	10		50,000		50,000
Profit and loss account	11		303,751		184,921
Equity shareholders' funds			<u>353,751</u>		<u>234,921</u>

The financial statements were approved by the Board on 30 July 2002

H Ramis

A Bryant

Directors

The notes on pages 8 to 12 form part of these financial statements.

Intec Distribution Limited

Notes forming part of the financial statements for the year ended 30 September 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

Turnover represents the value of sales, excluding taxes, to third parties.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

2 Operating profit

This is arrived at after charging:

	2001 £	2000 £
Auditors' remuneration - audit services	4,500	4,750
Directors' remuneration	-	220,000
	<u> </u>	<u> </u>

3 Employees

Staff costs (including directors) consist of:

	2001 £	2000 £
Wages and salaries	222,771	359,536
Social security costs	21,212	38,307
Other pension costs	4,254	1,953
	<u> </u>	<u> </u>
	248,237	399,796
	<u> </u>	<u> </u>

Intec Distribution Limited**Notes forming part of the financial statements for the year ended 30 September 2001 (Continued)****3 Employees (continued)**

The average number of employees (including directors) during the year was as follows:

	2001 Number	2000 Number
Administration	9	4
Warehouse	3	4
	<u>12</u>	<u>8</u>

4 Directors' remuneration

	2001 £	2000 £
Directors' emoluments	-	220,000
	<u>-</u>	<u>220,000</u>

The total amount payable to the highest paid director in respect of emoluments was £NIL (2000 - £220,000).

5 Interest payable and similar charges

	2001 £	2000 £
Bank interest	91	-
Other interest	1,174	-
	<u>1,265</u>	<u>-</u>

Intec Distribution Limited**Notes forming part of the financial statements for the year ended 30 September 2001 (Continued)****6 Taxation on profit on ordinary activities**

	2001 £	2000 £
<i>UK Corporation tax</i>		
<i>Current year</i>		
Current tax on income for the year	29,764	30,100
<i>Prior years</i>		
UK Corporation tax	(27)	-
	<hr/>	<hr/>
	29,737	30,100
	<hr/>	<hr/>

7 Stocks

	2001 £	2000 £
Phones for resale	310,157	426,593
	<hr/>	<hr/>

8 Debtors

	2001 £	2000 £
Trade debtors	111,046	645,473
Amount due from related party	200,799	919,778
Other debtors	65,255	-
	<hr/>	<hr/>
	377,100	1,565,251
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Intec Distribution Limited

Notes forming part of the financial statements for the year ended 30 September 2001 (Continued)

9 Creditors: amounts falling due within one year

	2001 £	2000 £
Trade creditors	184,595	1,342,567
Taxation and social security	7,773	80,626
Corporation tax	29,764	59,900
Other creditors	1,439	670
Director's loan account	132,000	-
Accruals and deferred income	63,560	297,243
	<u>419,131</u>	<u>1,781,006</u>

10 Share capital

	2001 £	Authorised 2000 £	Allotted, called up and fully paid 2001 £	2000 £
<i>Equity share capital</i>				
50,000 ordinary shares of £1 each	50,000	50,000	50,000	50,000
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

11 Reserves

	Profit and loss account £
At 1 October 2000	184,921
Profit for the year	118,830
	<u>303,751</u>
At 30 September 2001	303,751

12 Contingent liabilities

There were no capital commitments or contingent liabilities at 30 September 2001.

Intec Distribution Limited

Notes forming part of the financial statements for the year ended 30 September 2001 (*Continued*)

13 Related party disclosures

During the year the company had the following transactions with Intec Cellular Services Limited, a company controlled by H Ramis.

	2001	2000
	£	£
Sales	205,230	142,921
Purchases	343,213	924,035
Management fees	50,000	-

At 30 September 2001 the company is owed £200,799 by Intec Cellular Services Limited and owes £50,000 to that company for management fees.

14 Ultimate controlling party

H Ramis is considered the ultimate controlling party by virtue of his majority shareholding.