

**REGISTRAR OF  
COMPANIES**

**Intec Distribution Limited**

Report and Financial Statements

Year Ended

30 September 2003

334002



**BDO**

BDO Stoy Hayward  
Chartered Accountants

**Intec Distribution Limited**

**Annual report and financial statements for the year ended 30 September 2003**

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**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 LLP, 8 Baker Street, London, W1U 3LL

## **Intec Distribution Limited**

### **Report of the directors for the year ended 30 September 2003**

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The directors present their report together with the audited financial statements for the year ended 30 September 2003.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors do not recommend the payment of a dividend (2002: Nil).

#### **Principal activities, review of business and future developments**

The principal activity of the company is the distribution of cellular telephone equipment. The company refocused its activities during the year and has returned to profitable trading.

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 were:

	<b>Ordinary shares of £1 each</b>	
	<b>30 September</b>	<b>1 October</b>
	<b>2003</b>	<b>2002</b>
H Ramis	-	-
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 2003 (*Continued*)**

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**Auditors**

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

**By order of the board**

K Chalk

Secretary

A handwritten signature in black ink, appearing to read 'K. Chalk', written over the 'Secretary' label.

Date: 18 February 2004

## **Intec Distribution Limited**

### **Report of the independent auditors**

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#### **To the shareholders of Intec Distribution Limited**

We have audited the financial statements of Intec Distribution Limited for the year ended 30 September 2003 on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

#### *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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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.

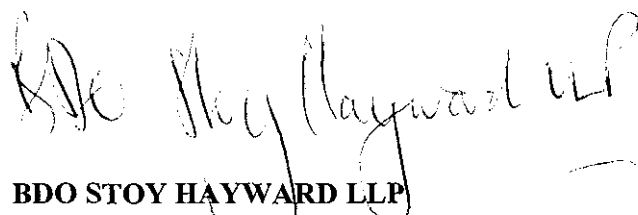
**Intec Distribution Limited**

**Report of the independent auditors (*Continued*)**

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*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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD LLP**  
*Chartered Accountants*  
*and Registered Auditors*  
London

18 February 2004

**Intec Distribution Limited****Profit and loss account for the year ended 30 September 2003**

	Note	2003 £	2002 £
<b>Turnover</b>	2	6,227,222	8,564,367
Cost of sales		5,753,405	8,083,245
<b>Gross profit</b>		473,817	481,122
Administrative expenses		451,801	793,573
<b>Operating profit/(loss)</b>	3	22,016	(312,451)
Other interest receivable and similar income		918	-
Interest payable and similar charges	6	(13,155)	(104)
<b>Profit/(loss) on ordinary activities before taxation</b>		9,779	(312,555)
Taxation on profit/(loss) on ordinary activities	7	15,000	29,764
<b>Profit/(loss) on ordinary activities after taxation</b>		24,779	(282,791)

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/(loss) for the year.

The notes on pages 7 to 12 form part of these financial statements.

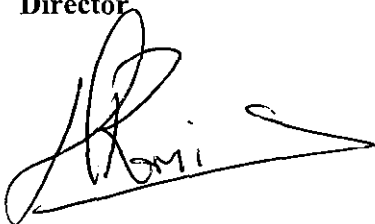
**Intec Distribution Limited**

**Balance sheet at 30 September 2003**

	Note	2003 £	2003 £	2002 £	2002 £
<b>Current assets</b>					
Stocks	8	264,857		644,538	
Debtors	9	479,889		180,681	
Cash at bank and in hand		54,510		163,368	
		<u>799,256</u>		<u>988,587</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>703,517</u>		<u>917,627</u>	
<b>Total assets less current liabilities</b>			<u>95,739</u>		<u>70,960</u>
<b>Capital and reserves</b>					
Called up share capital	11		50,352		50,352
Profit and loss account	12		45,387		20,608
<b>Equity shareholders' funds</b>			<u>95,739</u>		<u>70,960</u>

The financial statements were approved by the Board on 18 February 2004

H Ramis  
Director



A Bryant  
Director



The notes on pages 7 to 12 form part of these financial statements.



## Intec Distribution Limited

### Notes forming part of the financial statements for the year ended 30 September 2003

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#### 1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

##### *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*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

##### *Leased assets*

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

##### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

#### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

#### 3 Operating profit/(loss)

	2003 £	2002 £
This is arrived at after charging:		
Audit services	5,400	4,650
	<u>          </u>	<u>          </u>

**Intec Distribution Limited****Notes forming part of the financial statements for the year ended 30 September 2003 (Continued)****4 Employees**

Staff costs (including directors) consist of:

	2003 £	2002 £
Wages and salaries	291,502	483,359
Social security costs	25,850	43,999
Other pension costs	3,896	7,634
	<u>321,248</u>	<u>534,992</u>

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

	2003 Number	2002 Number
Administration	7	13
Warehouse	5	13
	<u>12</u>	<u>26</u>

**5 Directors' remuneration**

No director received any emoluments during the current year (2002 - £NIL).

**6 Interest payable and similar charges**

	2003 £	2002 £
Bank interest	138	104
Other interest	13,017	-
	<u>13,155</u>	<u>104</u>

**Intec Distribution Limited**

**Notes forming part of the financial statements for the year ended 30 September 2003 (Continued)**

**7 Taxation on profit/(loss) on ordinary activities**

	2003 £	2003 £	2002 £	2002 £
<i>UK Corporation tax</i>				
Current tax on profits of the year	-		(29,719)	
Adjustment in respect of previous periods	-		(45)	
	<u>          </u>		<u>          </u>	
Total current tax		-		(29,764)
<i>Deferred tax</i>				
Origination and reversal of timing differences		(15,000)		-
		<u>          </u>		<u>          </u>
Taxation on profit/(loss) on ordinary activities		(15,000)		(29,764)
		<u>          </u>		<u>          </u>

The tax charge/(credit) for the period is lower than the small company rate of corporation tax in the UK. The differences are explained below:

	2003 £	2002 £
Profit/(loss) on ordinary activities before tax	9,779	(312,555)
	<u>          </u>	<u>          </u>
Profit/(loss) on ordinary activities at the small company rate of corporation tax in the UK of 19% (2002 - 20%)	1,858	(62,511)
Effect of:		
Expenses not deductible for tax purposes	(99)	519
Group relief surrendered	-	14,704
Adjustment to tax charge in respect of previous periods	-	(45)
Tax losses	(1,585)	17,569
Small companies' rate	(174)	-
	<u>          </u>	<u>          </u>
Current tax charge/(credit) for period	-	(29,764)
	<u>          </u>	<u>          </u>

**Intec Distribution Limited****Notes forming part of the financial statements for the year ended 30 September 2003 (Continued)****8 Stocks**

	2003 £	2002 £
Finished goods and goods for resale	264,857	644,538

There is no material difference between the replacement cost of stocks and the amounts stated above.

**9 Debtors**

	2003 £	2002 £
Trade debtors	432,272	159,483
Corporation tax recoverable	29,719	-
Prepayments and accrued income	2,898	21,198
Deferred taxation	15,000	-
	<u>479,889</u>	<u>180,681</u>

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

**10 Creditors: amounts falling due within one year**

	2003 £	2002 £
Director's loan account	52,193	56,754
Trade creditors	343,748	402,755
Amounts owed to group undertakings	235,885	383,730
Taxation and social security	25,804	41,940
Other creditors	114	2,065
Accruals and deferred income	45,773	30,383
	<u>703,517</u>	<u>917,627</u>

**Intec Distribution Limited**

Notes forming part of the financial statements for the year ended 30 September 2003 (*Continued*)

**11 Share capital**

	2003	Authorised	Allotted, called up	
	2003	2002	and fully paid	
	£	£	2003	2002
			£	£
<i>Equity share capital</i>				
'A' Ordinary shares of £1 each	50,000	50,000	50,000	50,000
50,000 'B' Ordinary shares of US\$0.01 each	352	352	352	352
	<u>50,352</u>	<u>50,352</u>	<u>50,352</u>	<u>50,352</u>

**12 Reserves**

	Profit and loss account
	£
At 1 October 2002	20,608
Profit for the year	24,779
	<u>45,387</u>
At 30 September 2003	<u>45,387</u>

**13 Commitments under operating leases**

The company had annual commitments under non-cancellable operating leases as set out below:

	2003	2002
	Other	Other
	£	£
Operating leases which expire:		
Within one year	13,750	14,652
In two to five years	2,310	16,060
	<u>16,060</u>	<u>30,712</u>

## Intec Distribution Limited

Notes forming part of the financial statements for the year ended 30 September 2003 (*Continued*)

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### 14 Related party disclosures

	2003	2002
	£	£
<b>Transactions with Intec Cellular Services Limited.</b>		
Sales	169,448	58,241
Purchases	214,621	926,561
Management fees charged	50,000	50,000
	<u>          </u>	<u>          </u>

At 30 September 2003 the company owed £235,885 (2002 - £383,730) to Intec Cellular Services Limited, a fellow subsidiary undertaking of Intec Group Limited, the ultimate parent company.

#### *Director's loan*

Interest amounting to £12,178 (2002: £Nil) has been charged on a loan provided by H Ramis, a director of the company.

### 15 Ultimate parent company

At 30 September 2003 the company's ultimate parent company was Intec Group Limited which is the parent of both the smallest and largest groups of which the company is a member.