

RURAL COMMUNICATION SOLUTIONS LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD

9TH MAY, 2003 TO 31ST MAY, 2004

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COMPANY INFORMATION

COMPANY NUMBER 4758599

REGISTERED OFFICE 5 Cecil Street,
Carlisle
CA1 1NL

DIRECTOR G. Harding, Esq.
Mrs. D. Harding

SECRETARY G. Harding, Esq.

AUDITORS N.B. Lancaster and Co.,
Chartered Accountants and
Registered Auditor
5 Cecil Street.
Carlisle
CA1 1NL



RURAL COMMUNICATION SOLUTIONS LIMITED

DIRECTORS REPORT FOR THE PERIOD 9TH MAY, 2003 TO 31ST MAY, 2004

The Directors present their first Annual Report together with the Financial Statements for the period from the Date of Incorporation on 9th May, 2003 to 31st May, 2004. The Company commenced trading on 1st June, 2003..

<u>Trading Results</u>	<u>Period Ended</u> <u>31.5.2004</u>
Profit Before Tax	9,402
Taxation	-
Profit After Tax	<u>9,402</u>
Dividends	-
<u>Retained Profit for the Period</u>	<u>9,402</u> <u>=====</u>

State of Affairs

The Directors consider that the Company has traded satisfactorily during the period and look forward to continued improvement during the current year.

No Dividends have been voted during the period.

Principal Activities

The Company's Principal Activity is the provision of Telecommunication Services.

Fixed Assets

Details of Fixed Assets are set out in Note 7 to the Accounts

Directors and Their Interests

The following persons served as Directors during the period and their Interest in the Company's Share Capital was as follows:-

	<u>Ordinary Shares</u> <u>As At 31.5.2004</u>
G. Harding, Esq.	20 (20%)
Mrs. L. Wilson	80 (80%)

RURAL COMMUNICATION SOLUTIONS LIMITED

DIRECTORS REPORT (CONTD.)

Income and Corporation Taxes Acts

The Company is a "Close Company" within the meaning of the Act.

Auditors

Although the Company is now entitled to exemption from the requirements to have an Audit under the Provision of Section 249 A (1) and no Audit has been undertaken the Company's Auditors, Messrs. N.B. Lancaster and Co., Chartered Accountants, continue to hold office as Auditors.

BY ORDER OF THE BOARD



G. HARDING

28th FEBRUARY, 2005

SECRETARY

RURAL COMMUNICATION SOLUTIONS LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. 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
- 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.

BY ORDER OF THE BOARD



G. HARDING

SECRETARY

28TH FEBRUARY, 2005

RURAL COMMUNICATION SOLUTIONS LIMITEDBALANCE SHEET AS AT 31ST MAY, 2004ASSETS EMPLOYEDTANGIBLE ASSETS

Plant and Equipment (Note 7)

3183

CURRENT ASSETS

Debtors (Note 4)

7756

Cash at Bank and In Hand

1451

9207

LESS CURRENT LIABILITIES

Creditors Falling Due Within One Year (Note 5)

2888

NET CURRENT ASSETS

6319

TOTAL ASSETS LESS CURRENT LIABILITIES

9502

LESS CREDITORS FALLING DUE AFTER ONE YEAR (Note 6)

-

NET ASSETS

9502

REPRESENTED BY:-CAPITAL AND RESERVES

Called Up Share Capital (Note 6)

100

RESERVES

Profit and Loss Account

9402

CAPITAL EMPLOYED

9502

The Director considers that the Company is entitled to exemption from the requirements to have an Audit under the provisions of Section 249 A (1) of the Companies Act 1985. Shareholders holding 10% or more of the Company's Share Capital have not issued a notice requiring an Audit. The Directors have confirmed that no notice has been deposited under Section 249(b) (2) of the Companies Act 1985. The Directors acknowledge their responsibilities for ensuring that the Company keeps Accounting Records which comply with Section 221 of the Companies Act 1985, and for preparing Accounts which give a true and fair view of the state of the affairs of the company as at the end of the Financial Year and of its Profit for the year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to the Accounts so far as applicable to the Company.

APPROVED BY THE DIRECTOR ON 28TH FEBRUARY, 2005
AND SIGNED

G. Harding

DIRECTOR

RURAL COMMUNICATION SOLUTIONS LIMITEDPROFIT AND LOSS ACCOUNT FOR THE PERIOD 9TH MAY, 2003 TO 31ST MAY, 2004

	<u>TURNOVER</u>	35857
	<u>Less</u> Cost of Sales	20106
		<hr/>
	<u>GROSS PROFIT</u>	15751
	<u>Less</u> Administrative Expenses	6349
		<hr/>
	<u>OPERATING PROFIT</u> (Note 2)	9402
	<u>Add</u> Interest Received	-
		<hr/>
	<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</u>	9402
	<u>TAXATION</u> (Note 4)	-
		<hr/>
	<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</u>	9402
	<u>APPROPRIATIONS</u>	
	Dividend Paid	-
		<hr/>
	<u>RETAINED PROFIT FOR THE FINANCIAL PERIOD</u>	9402
	<u>Add</u> Retained Earnings B/Fwd.	-
		<hr/>
	<u>RETAINED EARNINGS</u>	9402
		=====
	<u>NOTES:-</u>	
	1. <u>Continuing Operations</u>	
	The Company's Activities commenced during the above Financial Period	
	2. <u>Total Recognised Gains and Losses</u>	
	The Company has no recognised Gains or Losses other than the Profit and Loss for the above Financial Period.	

RURAL COMMUNICATION SOLUTIONS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Basis of Preparation

The Company's Financial Statements have been prepared under the Historical Cost Convention and comply with statements of Standard Accounting Practice.

(b) Turnover

Turnover represents the Invoiced Value of Service supplied. All Turnover is attributable to work carried out in the U.K.

(c) Cash Flow Statement

The Accounts do not include a Cash Flow Statement as the Company is a small reporting entity which is exempt from the requirement to prepare such a statement under Financial Reporting Standard No. 1.

(d) Depreciation

Depreciation is provided on Tangible Assets at the following rates in order to write off the cost of Assets over their estimated useful lives:-

Computer and Office Equipment	25% p.a. on Reducing Balance
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(e) Taxation

The charge for taxation is based on the results for the year as adjusted for disallowable items.

No provision is made for deferred tax in respect of any timing differences that are unlikely to result in an actual Tax Liability in the foreseeable future.

2. OPERATING PROFIT

Is stated after charging the following:-

	<u>2004</u>
Depreciation	1,061
Directors Emoluments	-
	====

RURAL COMMUNICATION SOLUTIONS LIMITED**NOTES TO THE ACCOUNTS**

3.	<u>TAXATION</u>	2004
	Provision for U.K. Corporation Tax on Profits for the Period	-
		=====
4.	<u>DEBTORS</u>	
	Trade Debtors	5,175
	Other Debtors (VAT Repayment)	2,581

		7,756
		=====
5.	<u>CREDITORS FALLING DUE WITHIN ONE YEAR</u>	
	Trade Creditors	2,368
	Accruals	520

		2,888
		=====
6.	<u>CALLED UP SHARE CAPITAL</u>	
	<u>Authorised</u>	
	100,000 Ordinary Shares of £1 Each	100,000
		=====
	<u>Issued</u>	
	100 Ordinary Shares of £1 Each, Fully Paid	100
		=====

RURAL COMMUNICATION SOLUTIONS LIMITEDNOTES TO THE ACCOUNTS

7..	<u>TANGIBLE ASSETS</u>	<u>COMPUTER AND OFFICE EQUIPMENT</u>	<u>TOTAL</u>
	<u>Cost</u>	-	-
	Additions	4,244	4,244
		-----	-----
	<u>Cost As At 31.5.2004</u>	4,244	4,244
		=====	=====
	<u>Depreciation</u>	-	-
	Provision for Period	1,061	1,061
		-----	-----
	<u>Depreciation As At 31.5.2004</u>	1,061	1,061
		=====	=====
	<u>Net Book Value As At 31.5.2004</u>	3,183	3,183
		=====	=====