

RURAL COMMUNICATION SOLUTIONS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2006

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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

THURSDAY



RURAL COMMUNICATION SOLUTIONS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31ST MAY, 2006

The Directors present their third Annual Report together with the Financial Statements for the year ended 31st May, 2006.

<u>Trading Results</u>	<u>Year Ended</u> <u>31.5.2006</u>	<u>Year Ended</u> <u>31.5.2005</u>
Profit Before Tax	571	1,548
Taxation	37	-
Profit After Tax	<u>534</u>	<u>1,548</u>
Dividends	-	-
<u>Retained Profit for the Year</u>	<u>534</u> =====	<u>1,548</u> =====

State of Affairs

The Directors consider that the Company has traded satisfactorily during the year 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 31.5.2006</u>	<u>Ordinary Shares</u> <u>As At 31.5.2005</u>
G. Harding, Esq.	100 (100%)	100 (100%)
Mrs. D. Harding	-	-

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

A handwritten signature in dark ink, appearing to read 'G. Harding', is written over the printed name of the Secretary.

G. HARDING

6TH NOVEMBER, 2006

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

6th NOVEMBER, 2006

RURAL COMMUNICATION SOLUTIONS LIMITED**BALANCE SHEET AS AT 31ST MAY, 2006****AS AT 31.5.2005****ASSETS EMPLOYED****TANGIBLE ASSETS**

2,387	Plant and Equipment (Note 7)	1,790
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CURRENT ASSETS

8,516	Debtors (Note 4)	11,370
1,241	Cash at Bank and In Hand	361

9,757		11,731
=====		=====

LESS CURRENT LIABILITIES

1,094	Creditors Falling Due Within One Year (Note 5)	1,937
=====		=====

8,663	<u>NET CURRENT ASSETS</u>	9,794
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11,050	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	11,584
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LESS CREDITORS FALLING DUE AFTER ONE YEAR (Note 6)

-		-
11,050	<u>NET ASSETS</u>	11,584
=====		=====

REPRESENTED BY:-**CAPITAL AND RESERVES**

100	Called Up Share Capital (Note 6)	100
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RESERVES

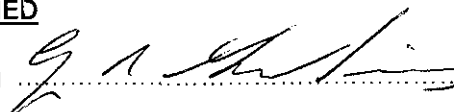
10,950	Profit and Loss Account	11,484
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11,050	<u>CAPITAL EMPLOYED</u>	11,584
=====		=====

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 6th NOVEMBER, 2006
AND SIGNED

G. Harding


DIRECTOR

RURAL COMMUNICATION SOLUTIONS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAY, 2006****Y.E. 31.5.2005**

16,021	<u>TURNOVER</u>	17,944
10,782	<u>Less</u> Cost of Sales	8,588
5,239	<u>GROSS PROFIT</u>	9,356
3,691	<u>Less</u> Administrative Expenses	8,785
1,548	<u>OPERATING PROFIT</u> (Note 2)	571
-	<u>Add</u> Interest Received	-
1,548	<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</u>	571
-	<u>TAXATION</u> (Note 4)	37
1,548	<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</u>	534
	<u>APPROPRIATIONS</u>	
-	Dividend Paid	-
1,548	<u>RETAINED PROFIT FOR THE FINANCIAL PERIOD</u>	534
9,402	<u>Add</u> Retained Earnings B/Fwd.	10,950
10,950	<u>RETAINED EARNINGS</u>	11,484
=====		=====
<u>NOTES:-</u>		
1. <u>Continuing Operations</u>		
None of the company's activities were commenced or discontinued during the above Financial Years.		
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 Years.		

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>2006</u>	<u>2005</u>
Depreciation	597	796
Directors Emoluments	-	-
	====	====

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

3.	<u>TAXATION</u>	<u>2005</u>	<u>2004</u>
	Provision for U.K. Corporation Tax on Profits for the Year	37	-
		=====	=====
4.	<u>DEBTORS</u>		
	Trade Debtors	7,078	7,828
	Other Debtors	3,802	688
	Prepayments	490	-
		11,370	8,516
		=====	=====
5.	<u>CREDITORS FALLING DUE WITHIN ONE YEAR</u>		
	Trade Creditors	840	54
	Accruals	1,060	1,040
	Corporation Tax Due	37	-
		1,937	1,094
		=====	=====
6.	<u>CALLED UP SHARE CAPITAL</u>		
	<u>Authorised</u>		
	100,000 Ordinary Shares of £1 Each	100,000	100,000
		=====	=====
	<u>Issued</u>		
	100 Ordinary Shares of £1 Each, Fully Paid	100	100
		=====	=====

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

7..	<u>TANGIBLE ASSETS</u>	<u>COMPUTER AND OFFICE EQUIPMENT</u>	<u>TOTAL</u>
	<u>Cost As At 31.5.2005</u>	4,244	4,244
	Additions	-	-
		<hr/>	<hr/>
	<u>Cost As At 31.5.2006</u>	4,244	4,244
		<hr/> <hr/>	<hr/> <hr/>
	<u>Depreciation As At 31.5.2005</u>	1,857	1,857
	Provision for Year	597	597
		<hr/>	<hr/>
	<u>Depreciation As At 31.5.2006</u>	2,454	2,454
		<hr/> <hr/>	<hr/> <hr/>
		<hr/>	<hr/>
	<u>Net Book Value As At 31.5.2005</u>	2,387	2,387
		<hr/> <hr/>	<hr/> <hr/>
		<hr/>	<hr/>
	<u>Net Book Value As At 31.5.2006</u>	1,790	1,790
		<hr/> <hr/>	<hr/> <hr/>