

REGISTERED NUMBER

5453768

England & Wales

LEE SMITH COMMUNICATIONS (UK) LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2008

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LEE SMITH COMMUNICATIONS (UK) LIMITED

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FOR THE YEAR ENDED 31 MAY 2008

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LEE SMITH COMMUNICATIONS (UK) LIMITED  
COMPANY INFORMATION

DIRECTORS

L M Smith

S N Hoodless

SECRETARY

C L Smith

REGISTERED OFFICE

43 Kingsley Avenue  
Melton Park  
Newcastle upon Tyne  
NE3 5QN

REGISTERED NUMBER

5453768 England and Wales

REPORTING ACCOUNTANTS

Clements & Co  
Chartered Accountants  
2 Eslington Terrace  
NEWCASTLE UPON TYNE  
NE2 4RJ

LEE SMITH COMMUNICATIONS (UK) LIMITED

DIRECTORS' REPORT

The Directors present their annual report with the accounts of the company for the year ended 31 May 2008

PRINCIPAL ACTIVITY

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

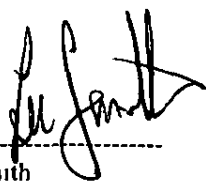
DIRECTORS

The Directors in office in the year and their beneficial interest in the Company's issued Ordinary Share Capital were as follows

	<u>31.05.08</u>	<u>31.05.07</u>
L M Smith	1	1
S N Hoodless	-	-

The above report has been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies

Signed on behalf of the board of directors



-----  
L M Smith  
DIRECTOR

APPROVED BY THE BOARD 12 August, 2008

LEE SMITH COMMUNICATIONS (UK) LIMITED  
REPORT OF THE ACCOUNTANTS TO THE SHAREHOLDERS  
ON THE UNAUDITED ACCOUNTS OF  
LEE SMITH COMMUNICATIONS (UK) LIMITED

We report on the accounts for the year ended 31 May 2008 set on pages 4 to 8

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 5 the Company's Directors are responsible for the preparation of the accounts and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statements of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the Company and making such limited enquiries of the officers of the Company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion

- (a) the accounts are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985,
- (b) having regard only to, and on the basis of, the information contained in those accounts records
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act, and
  - (ii) The Company satisfied the conditions for exemption from audit of the accounts for the period specified in Section 249A(4) of the Act, and did not, at any time within that period, fall within any categories of Companies not entitled to the exemption specified in Section 249B(1)



Clements & Co  
Reporting Accountants

2 Eslington Terrace  
NEWCASTLE UPON TYNE  
NE2 4RJ

12 August, 2008

LEE SMITH COMMUNICATIONS (UK) LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2008

	<u>Note</u>	<u>2008</u> £	<u>2007</u> £
TURNOVER	1	63,890	77,974
Cost of Sales		<u>(1,305)</u>	<u>(234)</u>
GROSS PROFIT		62,585	77,740
Administrative Expenses		<u>(41,851)</u>	<u>(45,725)</u>
OPERATING PROFIT (LOSS)	2	20,734	32,015
Interest Receivable and Similar Charges		-	19
Interest Payable and Similar Charges		<u>-</u>	<u>(10)</u>
PROFIT (LOSS) on Ordinary Activities before Taxation		20,734	32,024
TAXATION		<u>(4,233)</u>	<u>(6,066)</u>
PROFIT (LOSS) on Ordinary Activities after Taxation		16,501	25,958
RETAINED PROFIT (LOSS) at 1 June 2007		<u>1,413</u>	<u>(1,045)</u>
		17,914	24,913
DIVIDENDS paid or proposed	3	<u>(22 000)</u>	<u>(23,500)</u>
RETAINED PROFIT (LOSS) at 31 May 2008		<u><u>(4,086)</u></u>	<u><u>1,413</u></u>

TOTAL RECOGNISED GAINS AND LOSSES

The Company has made no recognised gains or losses other than the profit or loss for the above financial periods

CONTINUING OPERATIONS

Turnover and operating profit derive wholly from continuing operations

LEE SMITH COMMUNICATIONS (UK) LIMITED

BALANCE SHEET AT 31 MAY 2008

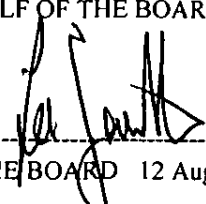
	<u>Note</u>	<u>2008</u> £	<u>2007</u> £
<b>FIXED ASSETS</b>			
Tangible Assets	4	537	480
<b>CURRENT ASSETS</b>			
Debtors	5	4,212	5,780
Bank Balance		-	7,886
		<u>4,212</u>	<u>13,666</u>
CREDITORS Amounts falling due within One Year	6	<u>8,834</u>	<u>12,732</u>
NET CURRENT ASSETS (LIABILITIES)		<u>(4,622)</u>	<u>934</u>
NET ASSETS		<u>(4,085)</u>	<u>1,414</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Called up Share Capital	7	1	1
Profit & Loss Account		<u>(4,086)</u>	<u>1,413</u>
EQUITY SHAREHOLDERS' FUNDS	8	<u>(4,085)</u>	<u>1,414</u>

The Company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ended 31 May 2008, and no notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its accounts for the financial year

The Director acknowledges his responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and preparing accounts which give a true and fair view of the state of Company affairs as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the Company

The accounts have been prepared in accordance with the special provisions of VII of the Companies Act 1985 relating to small companies

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

  
 ----- L M SMITH - DIRECTOR  
 APPROVED BY THE BOARD 12 August, 2008

LEE SMITH COMMUNICATIONS (UK) LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 2008

1 ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention

1.2 TURNOVER

Turnover represents amounts derived from the provision of goods and services provided less Value Added Tax

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less accumulated depreciation  
Depreciation is provided on all tangible assets at rates calculated to write off the cost, less estimated residual value of each asset, over its expected useful life as follows

1.4 STOCK AND WORK IN PROGRESS

Stock of raw materials are valued at the lower of cost or net realisable value plus the attributable manufacturing overheads only

1.5 DEFERRED TAXATION

Provision is made at the current rates for taxation deferred in respect of all material timing differences except to the extent that in the opinion of the Directors there is a reasonable probability that the liability will not arise in the foreseeable future

1.6 CASH FLOW STATEMENT

The Company has taken advantage of the exception in the Financial Reporting Standard Nr 1 from producing a cash flow statement on the grounds that it is a small company

1.7 DEPRECIATION

Depreciation is provided at rates calculated to write off the cost or value less estimated residual value of all fixed assets except leasehold property, over their expected useful lives as follows

Equipment	25% reducing balance
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2 OPERATING PROFIT (LOSS)

	<u>2008</u>	<u>2007</u>
	£	£
Operating Profit (Loss) is stated after charging		
Depreciation of Tangible Fixed Assets	180	160
	=====	=====
DIRECTORS' REMUNERATION		
For services as Directors	13,300	23,500
Other Emoluments	-	-
	=====	=====
	13,300	23,500
	=====	=====

3 DIVIDENDS

	<u>2008</u>	<u>2007</u>
	£	£
Paid on ordinary shares £22,000 per share	22,000	23,500
(2007 £23,500 per share)	=====	=====

LEE SMITH COMMUNICATIONS (UK) LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 2008

4 TANGIBLE FIXED ASSETS

	<u>Equipment</u>
Cost	£
At 1 June 2007	640
Additions	237
Disposals	-
At 31 May 2008	<u>877</u>
Depreciation	
At 1 June 2007	160
Charge for the year	180
Disposals	-
At 1 June 2008	<u>340</u>
Net Book Value at 31 May 2008	<u>537</u>
Net Book Value at 31 May 2007	<u>480</u>

5 DEBTORS

	<u>2008</u>	<u>2007</u>
	£	£
Trade Debtors	<u>4,212</u>	<u>5,780</u>

6 CREDITORS Amounts falling due within one year

	<u>2008</u>	<u>2008</u>
	£	£
Bank Overdraft	1,082	-
Other Creditors	5,211	8,656
Accrued Charges	<u>2,541</u>	<u>4,076</u>
	<u>8,834</u>	<u>12,732</u>

7 CALLED UP SHARE CAPITAL

	<u>2008</u>	<u>2007</u>
	£	£
Authorised 1000 Ordinary Shares of £1 Each	<u>1,000</u>	<u>1,000</u>
Allotted, Called up and Full Paid 1 Ordinary Shares of £1 Each	<u>1</u>	<u>1</u>

LEE SMITH COMMUNICATIONS (UK) LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 2008

7 RECONCILIATION OF MOVEMENTS OF EQUITY SHAREHOLDERS' FUNDS	<u>2008</u> £	<u>2007</u> £
PROFIT (LOSS) for the Financial Year after taxation	16,501	25,958
Dividends	<u>(22,000)</u> (5,499)	<u>(23,500)</u> 2,458
OPENING SHAREHOLDERS' FUNDS at 1 June 2007	<u>1,414</u>	<u>(1,044)</u>
CLOSING SHAREHOLDERS' FUNDS at 31 May 2008	<u>(4,085)</u>	<u>1,414</u>

8 CAPITAL COMMITMENTS

Capital Commitments

The Company had no capital commitments at 31 May 2008 (2007 £Nil)

LEE SMITH COMMUNICATIONS (UK) LIMITED  
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2008

	<u>2008</u>	<u>2007</u>
	£	£
SALES	63,890	77,974
Cost of Sales	(1,305)	(234)
	<hr/>	<hr/>
GROSS PROFIT	62,585	77,740
Interest Receivable	-	19
Administrative Costs	(41,851)	(45,725)
Interest Payable	<hr/> -	<hr/> (10)
PROFIT (LOSS) On Ordinary Activities before Taxation	<hr/> <u>20,734</u>	<hr/> <u>32,024</u>

LEE SMITH COMMUNICATIONS (UK) LIMITED

NOTES TO THE TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2008

ADMINISTRATIVE EXPENSES	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Directors' Remuneration	13,300	23,500
Employers NIC	829	2,415
Accountancy	958	881
Telephone	385	366
Motor & Travel	25,461	17,513
Use of Home as Office	600	550
Sundry Expenses	138	270
Bank Charges	-	70
Depreciation	<u>180</u>	<u>160</u>
	<u>41,851</u>	<u>45,725</u>