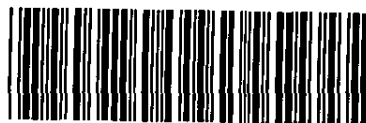


REGISTERED NUMBER: 06882304 (England and Wales)

REGISTRAR'S COPY

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD 1 MAY 2010 TO 31 DECEMBER 2010
FOR
2CONNECT UK LTD**

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for the Period 1 May 2010 to 31 December 2010

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COMPANY INFORMATION
for the Period 1 May 2010 to 31 December 2010

DIRECTORS:

F Alshirawi
R Hillson
2Connect W L L

SECRETARY:

2Connect W L L

REGISTERED OFFICE:

29th Floor
One Canada Square
London
E14 5DY

REGISTERED NUMBER:

06882304 (England and Wales)

AUDITORS:

Oury Clark Chartered Accountants
Registered Auditors
P O Box 150, Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1HD

REPORT OF THE DIRECTORS
for the Period 1 May 2010 to 31 December 2010

The directors present their report with the financial statements of the company for the period 1 May 2010 to 31 December 2010

COMMENCEMENT OF TRADING

The company commenced to trade on the 1 May 2010, dormant accounts were submitted to 30 April 2010 which only contained the paid up share capital detailed in Note 8 of the accounts. The adoption of international financial reporting standards to 31 December 2010 will have no effect on the understanding of the comparative balances

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of a telecommunications service provider

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2010 to the date of this report

F Alshirawi
R Hillson
2Connect W L L

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Oury Clark Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting

2CONNECT UK LTD (REGISTERED NUMBER: 06882304)

REPORT OF THE DIRECTORS
for the Period 1 May 2010 to 31 December 2010

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:



R Hillson - Director

23 March 2011



**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
2CONNECT UK LTD**

We have audited the financial statements of 2Connect UK Ltd for the period ended 31 December 2010 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted for use in the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

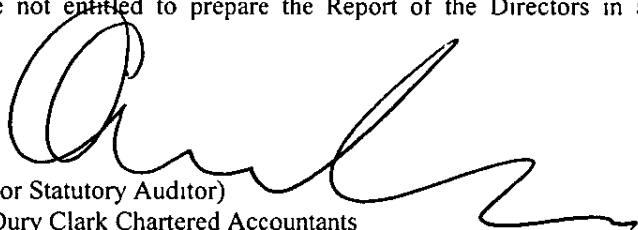
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the Report of the Directors in accordance with the small companies exemption.



Mr D A Smith (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Registered Auditors
P O Box 150, Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1HD

Date

23 March 2011

INCOME STATEMENT
for the Period 1 May 2010 to 31 December 2010

		Period 1 5 10 to 31 12 10 £	Period 21 4 09 to 30 4 10 £
	Notes		
CONTINUING OPERATIONS			
Revenue		12,681	-
Cost of sales		(45,399)	-
GROSS LOSS		(32,718)	-
Administrative expenses		(42,195)	-
OPERATING LOSS		(74,913)	-
LOSS BEFORE INCOME TAX	3	(74,913)	-
Income tax	4	-	-
LOSS FOR THE PERIOD		(74,913)	-

The notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
for the Period 1 May 2010 to 31 December 2010

	Period 1 5 10 to 31 12 10 £	Period 21 4 09 to 30 4 10 £
LOSS FOR THE PERIOD	(74,913)	-
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(74,913)</u>	<u>-</u>

STATEMENT OF FINANCIAL POSITION
31 December 2010

	Notes	31 12 10 £	30 4 10 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	40,346	-
CURRENT ASSETS			
Trade and other receivables	6	28,081	-
Cash and cash equivalents	7	7,343	1,000
		<u>35,424</u>	<u>1,000</u>
TOTAL ASSETS		<u><u>75,770</u></u>	<u><u>1,000</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	8	1,000	1,000
Retained earnings	9	(74,913)	-
TOTAL EQUITY		<u>(73,913)</u>	<u>1,000</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	149,683	-
TOTAL LIABILITIES		<u>149,683</u>	<u>-</u>
TOTAL EQUITY AND LIABILITIES		<u><u>75,770</u></u>	<u><u>1,000</u></u>

The financial statements were approved by the Board of Directors on 23 March 2011 and were signed on its behalf by

ALH-

R Hillson - Director



STATEMENT OF CHANGES IN EQUITY
for the Period 1 May 2010 to 31 December 2010

	Called up share capital £	Profit and loss account £	Total equity £
Changes in equity			
Issue of share capital	1,000	-	1,000
Balance at 30 April 2010	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Changes in equity			
Total comprehensive income	-	(74,913)	(74,913)
Balance at 31 December 2010	<u>1,000</u>	<u>(74,913)</u>	<u>(73,913)</u>

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
for the Period 1 May 2010 to 31 December 2010

		Period 1 5 10 to 31 12 10 £	Period 21 4 09 to 30 4 10 £
Cash flows from operating activities			
Cash generated from operations	1	(80,273)	-
Net cash from operating activities		(80,273)	-
Cash flows from investing activities			
Purchase of tangible fixed assets		(43,945)	-
Net cash from investing activities		(43,945)	-
Cash flows from financing activities			
Share issue		-	1,000
Intercompany funding		130,561	-
Net cash from financing activities		130,561	1,000
Increase in cash and cash equivalents		6,343	1,000
Cash and cash equivalents at beginning of period	2	1,000	-
Cash and cash equivalents at end of period	2	7,343	1,000

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the Period 1 May 2010 to 31 December 2010

1 RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Period 1 5 10 to 31 12 10 £	Period 21 4 09 to 30 4 10 £
Loss before income tax	(74,913)	-
Depreciation charges	3,599	-
	<u>(71,314)</u>	<u>-</u>
Increase in trade and other receivables	(28,081)	-
Increase in trade and other payables	19,122	-
	<u>19,122</u>	<u>-</u>
Cash generated from operations	<u>(80,273)</u>	<u>-</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Period ended 31 December 2010

	31 12 10 £	1 5 10 £
Cash and cash equivalents	<u>7,343</u>	<u>1,000</u>

Period ended 30 April 2010

	30 4 10 £	21 4 09 £
Cash and cash equivalents	<u>1,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the Period 1 May 2010 to 31 December 2010

1 ACCOUNTING POLICIES**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on cost

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2 EMPLOYEES AND DIRECTORS

There were no staff costs for the period ended 31 December 2010 nor for the period ended 30 April 2010.

	Period 1 5 10 to 31 12 10 £	Period 21 4 09 to 30 4 10 £
Directors' remuneration	-	-
	<u> </u>	<u> </u>

3 LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging

	Period 1 5 10 to 31 12 10 £	Period 21 4 09 to 30 4 10 £
Cost of inventories recognised as expense	45,399	-
Other operating leases	4,464	-
Depreciation - owned assets	3,599	-
Auditors' remuneration	4,000	-
	<u> </u>	<u> </u>

4 INCOME TAX**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the period ended 31 December 2010 nor for the period ended 30 April 2010.

The company has unused tax losses of £115,259 for which no deferred tax asset has been recognised. This is due to the fact that the company is not expected to make profits in the year to 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 1 May 2010 to 31 December 2010

5 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment £
COST	
Additions	43,945
At 31 December 2010	<u>43,945</u>
DEPRECIATION	
Charge for period	3,599
At 31 December 2010	<u>3,599</u>
NET BOOK VALUE	
At 31 December 2010	<u><u>40,346</u></u>

6 TRADE AND OTHER RECEIVABLES

	31 12 10 £	30 4 10 £
Current		
VAT	10,307	-
Prepayments and accrued income	17,774	-
	<u>28,081</u>	<u>-</u>

7 CASH AND CASH EQUIVALENTS

	31 12 10 £	30 4 10 £
Bank accounts	7,343	1,000
	<u>7,343</u>	<u>1,000</u>

8 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	31 12 10 £	30 4 10 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

9 RESERVES

	Retained earnings £
Deficit for the period	(74,913)
At 31 December 2010	<u><u>(74,913)</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 1 May 2010 to 31 December 2010

10 TRADE AND OTHER PAYABLES

	31 12 10	30 4 10
	£	£
Current:		
Trade creditors	15,122	-
Amounts owed to group undertakings	130,561	-
Accrued expenses	4,000	-
	<u>149,683</u>	<u>-</u>

11 ULTIMATE PARENT COMPANY

The immediate parent company is 2Connect W L L a company incorporated in Bahrain. The ultimate parent company is 2Connect Holdings B S C.

12 RELATED PARTY DISCLOSURES

During the year the company entered into transactions with its parent company 2Connect W L L. Purchases from 2Connect W L L amounted to £146,061 and sales to 2Connect W L L amounted to £14,500. At the year end the total amount due to 2Connect W L L was £130,561.

13 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party of 2Connect UK Limited.