REGISTERED NUMBER: 05049626 (England and Wales)

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2012

FOR

WWW HOLDING COMPANY LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2012

COMPANY INFORMATION
FOR THE YEAR ENDED 29 FEBRUARY 2012

DIRECTORS:	A Subaskaran M Kangle
SECRETARY:	M Kangle
REGISTERED OFFICE:	3rd Floor Walbrook Buılding 195 Marsh Wall London E14 9SG
REGISTERED NUMBER:	05049626 (England and Wales)
AUDITORS:	Ernst & Young LLP Statutory Audıtor 1 More London Place London SE1 2AF

The directors present their report with the consolidated financial statements of the Group and the company for the year ended 29 February 2012

CORPORATE GOVERNANCE

The Group supports high standards of corporate governance The Board is responsible for organising and directing the overall affairs of the Group in a way that is in the best interests of the shareholders - meeting all legal and regulatory requirements and to ensure the Group remains consistent with good practice

The Board is also responsible for ensuring that the Group is adequately resourced, that the appropriate skills are in place and that the management team are meeting their objectives whilst ensuring that shareholder value is maintained

RESULTS

The profit for the year after taxation was £12,379,597 (year ended 28 February 2011 - £11,825,049) The Consolidated Profit and Loss Account for the Group is set out on page eight of this Annual Report

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of provision of prepaid calling card and wholesale airtime services

REVIEW OF BUSINESS

The Group's key financial and other performance indicators during the financial year were as follows

	29 February 2012 £	28 February 2011 £ restated	Change
Turnover	377,970,787	344,465,254	9 73%
Gross Profit	54,056,848	35,779,183	51 08%
Gross Margin	14 30%	10 39%	3 91%
Profit after Tax	12,379,597	11,825,049	4 69%
Equity shareholders' funds	17,509,067	5,924,704	195 53%
Current assets as a % of current liabilities	107 30%	102 91%	4 39%

The financial results demonstrate that the Group continues to adapt itself to the global economic downturn, as it has substantially improved its turnover and gross profit The Group's turnover has risen because it has focussed on providing quality wholesale airtime and with a focus on margins The Group's turnover has increased by 9 73% from £344m in the year ended 28 February 2011 to £378m in year ended 29 February 2012 The Group has increased its gross profit percentage from 10 39% for the year ended 28 February 2011 to 14 30% in the year ended 29 February 2012, the increase in gross profit has been partially offset by the increase in administrative expenses from £33 5m last year to £42 5m in the current year, and also by the decrease in other operating income

The increase in administrative expenses is due to the overall increase in salary cost, as the Group has focussed on increasing employment via its subsidiaries and also some additional bad debt provisions which have been considered by the directors as appropriate and necessary

The fall in other operating income has been mainly due to exchange fluctuation

Debtors have increased to £208 5m in 2012 compared to £154 2m in 2011 primarily as a result of an increase in related party receivables Further information on related parties is provided in note 21 to the accounts Creditors falling due within one year have increased to £197 3m in 2012 from £151 4m in 2011 primarily as a result of increase in related party payables and a decline in trade creditors from £34 1m in 2011 to £19 9m in 2012

The shareholders' funds have increased by 195 53% primarily due to the profit retained for the year

The total average number of employees increased by 122 4% from 410 to 912 during the year as a result of increased growth

DIVIDENDS
No dividends have been declared or distributed for the year ended 29 February 2012 (2011- nil)

FUTURE DEVELOPMENTS
The directors remain optimistic for the year ahead and expect turnover for the next financial year to increase further due to commencement of businesses in new markets The directors aim to maintain a strategy to continue to increase the turnover and the directors consider that the Group will continue to demonstrate a growth in sales and remain profitable

DIRECTORS
The directors shown below have held office during the whole of the period from 1 Mar 2011 to the date of this report, are as follows

A Subaskaran
M Kangle

RELATED PARTY TRANSACTIONS
The Company has many subsidiary undertakings as listed in note 13 The individual shareholders have similar interests in a range of related companies As these companies are under common control, transactions between the Group and these companies are related party transactions Details of these transactions are set out in note 21 to the financial statements

PRIOR YEAR RECLASSIFICATION

The directors have reclassified the prior year comparative figures for certain debtor and creditor balances which had no impact on the net current assets or total net assets of the Group In addition the directors have reclassified turnover and cost of sales which had no impact on total gross margin of the Group Please refer to note 10

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are broadly grouped within competitive, operational and financial risk The directors' risk management objectives consist of identifying and monitoring those risks which could have an adverse impact on the Group's assets, profitability or cash flows

Competitive Risk

The principal risk and uncertainty facing the Group is the current economic environment and a possible slow down in trade The Group operates in a competitive and dynamic environment where maintaining and developing the interest of the audience is critical to its commercial success in attracting new customers, which impacts the Group's ability to grow margin The Group manages this competitive risk by continually seeking to ensure its products meet the needs of the communities they service and investing in new services, which creates promising opportunities for revenue and margin generation

The market remains competitive with new entrants able to join relatively easily, resulting in pricing risk It has proven difficult for any new entrant to achieve any scale, however, and the combination of any new entrant's inability to match the Group's tariff rates for any length of time mitigates this risk This competitive risk is further mitigated by regular reviews of competitive offerings and changes in market providers, with immediate responses to competitive offerings in the market

Operational Risk

The main operational risk relating to the Group is the ever declining calling card market, but the Group is presently focusing its resources mainly on building its wholesale market by providing competitive wholesale pricing to its related parties, which are mainly Mobile Virtual Network Operators (MVNO's) around the world These related party MVNO's unique selling point is to provide cheap international calls to the community at large and their expansion is leading to ever increasing demand for international minutes

Financial Risk

The directors have considered and reviewed the financial risk management objectives and policies of the Group Financial risks of the Group are as follows

Foreign Exchange Risks

The Group's sales are in various currencies, thus balances due to or from related parties are in several currencies, primarily Euro, and the Group is therefore exposed to currency movements The Group does not currently use financial derivatives or currency hedging on its financial activities Further, foreign exchange risk in overseas operations is managed by maintaining foreign currency bank balances

Credit risk

The Group's principal financial assets are bank balances and other receivables The Group's credit risk is primarily attributable to its receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables An allowance for bad debt is recorded if recoverability is not probable The credit risk on bank balances is considered limited because the counter parties are banks with high credit ratings The Group has a significant concentration of credit risk as a result of significant balances due to and from related parties

Bad debt risk

The Group adopts a policy to mitigate third party bad debt risk throughout its subsidiary companies It achieves this via a program of regular detailed reviews of past credit history and monitoring the receivable balances, coupled with the detailed knowledge of the trading experience of the customer

Liquidity risk

The Group's policy on liquidity risk is to ensure that sufficient cash is available to fund ongoing operations, which is supported by related party balances

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Group contributed through its subsidiary, Lycatel Services Ltd a United Kingdom registered company, £5,120 of charitable donation to BBC Children in Need to support children in the United Kingdom and £50,000 to support a diabetes awareness programme No political contributions were made

GOING CONCERN

Mr A Subaskaran owns 90 5% of the issued share capital of WWW Holding Company Limited

The directors have carried out a full forecast review of the Group's business for a period of at least 12 months from the date of approval of these financial statements The forecast demonstrates the continuing profitability of the Group going forward

Debtors due within one year include £134,860,400 (2011 £86,047,243 restated) owed by companies in which Mr A Subaskaran owns a substantial shareholding

The Group has reported a profit before taxation of £12,724,731 for the year ended 29 February 2012 compared to a profit before taxation of £11,740,709 for the year ended 28 February 2011

The Group has improved its net current assets position by £10,007,301 from net current assets of £4,406,173 at 28 February 2011 to £14,413,474 at 29 February 2012

The Group has improved its overall net assets position by £11,584,363, from total net assets of £5,924,704 as at 28 February 2011 to total net assets of £17,509,067 at 29 February 2012 For the next 12 months from the date of approval of the consolidated financial statements the Group forecasts to show growth and sufficient EBITDA being generated to maintain the positive net assets in the period to at least 30 June 2014, and the Group has forecasted to generate profits in the financial year ending 28 February 2013

The parent company has net liabilities of £651,172 and net current liabilities of £910,970 as at 29 February 2012, which is primarily a result of inter-company payables due to certain subsidiary companies As the subsidiaries are wholly owned by the parent company, the directors have determined that the subsidiaries will not demand repayment of such amounts prior to at least twelve months after the date of approval of these financial statements

The directors have concluded that the Group and company are well placed to manage their business risks successfully and they have a reasonable expectation that the Group and the company have adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual consolidated financial statements

SUBSEQUENT EVENTS

In August 2012 the Group through its fully owned subsidiary Lycatel Property Services Ltd entered into a loan agreement with Santander UK plc totalling £662,500 for the purpose of re-mortgaging the freehold properties on a 10 years term Interest on the loan is at a margin of 3 18% per annum over a fixing rate The indicative fixing rate is 1 85% per annum

In addition, Lycatel Distribution France SARL a fully owned subsidiary, was put into a voluntary administration in December 2012 as a result of decline in the calling card market

EMPLOYEES

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job Opportunities are available to disabled employees for training, career development and promotion

Should any existing employee become unfortunately disabled during their employment, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 the group and of the profit or loss of the group 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 Group's auditors are aware of that information

AUDITORS

In accordance with S 485 of the Companies Act 2006, a resolution is to be proposed as the Annual General Meeting for the appointment of Ernst & Young LLP as auditors

ON BEHALF OF THE BOARD:

M Kangle - Director

Date 14/6/13

We have audited the financial statements of WWW Holding Company Limited for the year ended 29 February 2012 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement, the related notes 1 to 3 to the cash flow statement, and the related notes 1 to 25 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 an auditor's report 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 six, 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 and express an opinion on 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 group's and the parent 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 In addition, we read all the financial and non-financial information in the Report of the Directors and Consolidated financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements
- give a true and fair view of the state of the group's and of the parent company's affairs as at 29 February 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WWW HOLDING COMPANY LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Ernst + Young LLP

Philip Young (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

Date 14/6/13

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 FEBRUARY 2012

	Notes	2012 £	2011 as restated £
TURNOVER	2	377,970,787	344,465,254
Cost of sales		(323,913,939)	(308,686,071)
GROSS PROFIT		54,056,848	35,779,183
Administrative expenses		(42,527,383)	(33,502,005)
		11,529,465	2,277,178
Other operating income		1,283,486	9,470,095
OPERATING PROFIT	5	12,812,951	11,747,273
Interest receivable and similar income	6	609	55,828
		12,813,560	11,803,101
Interest payable and similar charges	7	(88,829)	(62,392)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,724,731	11,740,709
Tax on profit on ordinary activities	8	(345,134)	84,340
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		12,379,597	11,825,049

CONTINUING OPERATIONS
None of the group's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

WWW HOLDING COMPANY LIMITED (REGISTERED NUMBER: 05049626)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 29 FEBRUARY 2012

	2012 £	2011 as restated £
PROFIT FOR THE FINANCIAL YEAR	12,379,597	11,825,049
Translation of foreign operations	(795,234)	(160,112)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	11,584,363	11,664,937
Prior year adjustment - year ended 28 February 2010		(16,456,765)
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		(4,791,828)

Note The prior year comparative has been restated to show the translation adjustment of foreign operations

The notes form part of these financial statements

WWW HOLDING COMPANY LIMITED (REGISTERED NUMBER: 05049626)

CONSOLIDATED BALANCE SHEET
29 FEBRUARY 2012

	Notes	2012 £	2012 £	2011 as restated £	2011 as restated £
FIXED ASSETS					
Intangible assets	11		21,957		30,051
Tangible assets	12		3,073,485		2,724,158
Investments	13		150		150
			3,095,592		2,754,359
CURRENT ASSETS					
Debtors	14	208,544,635		154,228,105	
Cash at bank and in hand		3,146,710		1,610,485	
		211,691,345		155,838,590	
CREDITORS					
Amounts falling due within one year	15	197,277,870		151,432,417	
NET CURRENT ASSETS			14,413,475		4,406,173
TOTAL ASSETS LESS CURRENT LIABILITIES			17,509,067		7,160,532
CREDITORS					
Amounts falling due after more than one year	16		-		(1,171,698)
PROVISIONS FOR LIABILITIES	18		-		(64,130)
NET ASSETS			17,509,067		5,924,704
CAPITAL AND RESERVES					
Called up share capital	19		2		2
Profit and loss account	20		17,509,065		5,924,702
SHAREHOLDERS' FUNDS	23		17,509,067		5,924,704

The financial statements were approved by the Board of Directors on 14 June 2013 and were signed on its behalf by

A Subaskaran - Director

M Kangle - Director

The notes form part of these financial statements

WWW HOLDING COMPANY LIMITED (REGISTERED NUMBER: 05049626)

COMPANY BALANCE SHEET
29 FEBRUARY 2012

		2012		2011	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		-		-
Investments	13		259,798		259,798
			259,798		259,798
CURRENT ASSETS					
Cash at bank		880		212	
CREDITORS					
Amounts falling due within one year	15	911,850		689,721	
NET CURRENT LIABILITIES			(910,970)		(689,509)
TOTAL ASSETS LESS CURRENT LIABILITIES			(651,172)		(429,711)
CAPITAL AND RESERVES					
Called up share capital	19		2		2
Profit and loss account	20		(651,174)		(429,713)
SHAREHOLDERS' FUNDS	23		(651,172)		(429,711)

The financial statements were approved by the Board of Directors on 14 June 2013 and were signed on its behalf by

A Subaskaran - Director

M Kangle - Director

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 29 FEBRUARY 2012

		2012		2011 as restated	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		2,918,698		(5,480,638)
Returns on investments and servicing of finance	2		(47,850)		(6,564)
Taxation			(23,604)		(44,796)
Capital expenditure and financial investment	2		(547,967)		(97,401)
			2,299,277		(5,629,399)
Financing	2		(139,279)		78,058
Increase/(Decrease) in cash in the period			2,159,998		(5,551,341)
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		2,159,998		(5,551,341)	
Cash outflow/(inflow) from decrease/(increase) in debt		139,279		(78,058)	
Change in net funds resulting from cash flows			2,299,277		(5,629,399)
Foreign exchange			(623,773)		4,445,435
Others			(40,370)		1,287,282
Movement in net funds in the period			1,635,134		103,318
Net funds at 1 March			147,731		44,413
Net funds at 29 February			1,782,865		147,731

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 29 FEBRUARY 2012

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2012	2011 as restated
	£	£
Operating profit	12,812,951	11,747,273
Depreciation charges	206,734	2,437,632
Loss on disposal of fixed assets	-	974
Forex Gain	(176,551)	(5,853,076)
Impairment of Tangible Fixed Asset	-	287,567
Impairment of Unlisted Investments	-	5,000
(Increase)/Decrease in debtors (restated – see note 10)	(54,336,734)	140,617,544
Increase/(Decrease) in creditors (restated – see note 10)	44,412,298	(154,723,552)
Net cash inflow/(outflow) from operating activities	2,918,698	(5,480,638)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	609	55,828
Interest paid	(48,459)	(62,392)
Net cash outflow for returns on investments and servicing of finance	(47,850)	(6,564)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(547,967)	(111,211)
Purchase of fixed asset investments	-	(150)
Sale of tangible fixed assets	-	13,960
Net cash outflow for capital expenditure and financial investment	(547,967)	(97,401)
Financing		
New loans in year	-	154,402
Loan repayments in year	(139,279)	(76,344)
Net cash (outflow)/inflow from financing	(139,279)	78,058

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 29 FEBRUARY 2012

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/3/11	Cash flow	Exchange Difference	Other non-cash changes	At 29/2/12
	£	£	£	£	£
Net cash					
Cash at bank and in hand	1,610,485	2,159,998	(623,773)		3,146,710
	1,610,485	2,159,998	(623,773)		3,146,710
Debt					
Debts falling due within one year	(291,056)	139,279	-	(1,212,068)	(1,363,845)
Debts falling due after one year	(1,171,698)	-	-	1,171,698	-
	(1,462,754)	139,279	-	(40,370)	(1,363,845)
Total	147,731	2,299,277	(623,773)	(40,370)	1,782,865

1 ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements of WWW Holding Company Limited and its subsidiaries ("the group") have been prepared under the historical cost convention and are in accordance with applicable accounting standards in the United Kingdom

Basis of consolidation
The consolidated financial statements consolidates the financial statements of WWW Holding Company Limited and all of its subsidiary undertakings up to 28 February each year (29 February for 2012) No profit and loss account is presented for WWW Holding Company Limited as permitted by section 408 of the Companies Act 2006 Entities other than subsidiary undertakings or joint ventures, in which the group has participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates In the group financial statements, associates are accounted for using the equity method

In the parent company financial statements investments in subsidiaries, associates and joint ventures are accounted for at the lower of cost and net realisable value

The consolidated financial statements of the group include the assets, liabilities and results of the company and subsidiary undertakings in which WWW Holding Company Limited has a controlling interest, using the accounts drawn up to 29 February 2012 except where the entities have non-coterminous year ends In such cases, the information consolidated is based on the accounting period of these entities and is adjusted for any material changes up to 29 February 2012

Accordingly, the information consolidated is deemed to cover the same period for all entities throughout the group The results of subsidiaries are included in the financial statements from the date acquired to the effective date of disposal All inter-company transactions are eliminated on consolidation

Turnover
Turnover represents the invoiced value of sales, excluding value added tax All turnover is derived from the group's principal activity, being telecommunication services Revenue is recognised based on usage of minutes

Revenue Recognition
The Company adopts specific revenue recognition criteria prior to revenue being recognised, as follows

<u>Mobile service revenue</u>
This includes national and international airtime, data and roaming services provided to the end user Airtime is invoiced to pre-pay customers at the time of top-up and to wholesalers at the time of voucher activation Mobile service revenues are recognised only when the services are actually consumed by the end user Revenue invoiced or received in advance of usage is deferred and released when consumed as services by the end users or when usage expires

<u>Calling Card service revenue</u>
Calling card service revenues are recognised only when the services are actually consumed by the end user Revenue invoiced or received in advance of usage is deferred and released when consumed as services by the end users or when usage expires

<u>Revenue for support services</u>
Revenue from the supply of mobile equipment support services to related parties is recognised when the service is provided

<u>Wholesale Service Revenue</u>
Wholesale service revenue is invoiced on the basis of traffic used by the wholesaler, and recorded as revenue at the time of invoicing, any advance received from these wholesalers is treated as other creditors in the balance sheet, and not recognised as revenue

continued

Deferred Income

Deferred Income for expected future usage of callıng purchased and/or paıd ıs recognısed as a lıabılıty on the balance sheet The deferred ıncome ıs released to the profit and loss account upon usage by the end users, or on expıry of unused balances of end users and then recorded as turnover

Tangıble Fixed Assets

Tangıble fixed assets are stated at cost less accumulated depreciatıon and accumulated ımpaırment losses Such cost ıncludes costs dırectly attrıbutable to makıng the asset capable of operatıng as ıntended

Depreciatıon ıs provıded on all tangıble fixed assets at rates calculated to wrıte off the cost, less estımated resıdual value based on prıces prevaılıng at the date of acquısıtıon, of each asset evenly over ıts expected useful lıfe as follows

Plant and Machınery	25% straıght lıne on cost
Computer Equıpment	25% straıght lıne on cost
Improvements to Property	20% straıght lıne on cost
Motor Vehıcles	25% straıght lıne on cost
Fıxture & Fıttıngs	20% straıght lıne on cost
Long Leasehold	Not deprecıated
Freehold Property	Straıght lıne over 25 years

The carryıng values of tangıble fixed assets are revıewed for ımpaırment when events or changes ın cırcumstances ındıcate the carryıng value may not be recoverable

Deferred tax

Deferred tax ıs recognısed ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date where transactıons or events have occurred at that date that wıll result ın an oblıgatıon to pay more, or a rıght to pay less or to receıve more, tax, wıth the followıng exceptıons

- provısıon ıs made for tax on gaıns arısıng from the revaluatıon (and sımılar faır value adjustments) of fixed assets, and gaıns on dısposals of fixed assets that have been rolled over ınto replacement assets, only to the extent that, at the balance sheet date, there ıs a bındıng agreement to dıspose of the assets concerned However, no provısıons are made where, on the basıs of all avaılable evıdence at the balance sheet date, ıt ıs more lıkely than not that the taxable gaın wıll be rolled over ınto replacement assets and charged to tax only where the replacement assets are sold,

- deferred tax asset ıs recognısed only to the extent that the dırectors consıder that ıt ıs more lıkely than not that there wıll be suıtable tax profits from whıch the future reversal of the underlyıng tımıng dıfferences can be deducted

Deferred tax ıs measured on an undıscounted basıs as the tax rates that are expected to apply ın the perıods ın whıch tımıng dıfferences reverse, based on tax rates and laws enacted or substantıvely enacted at the balance sheet date

Research and development

Research and development expendıture ıs wrıtten-off as ıncurred, except that development expendıture ıncurred on an ındıvıdual project ıs carrıed forward when ıts future recoverabılıty can reasonably be regarded as assured Any expendıture carrıed forward ıs amortısed ın lıne wıth the expected future sales of the related project, prımarıly 5 years

Foreign currencies

Assets and lıabılıtıes ın foreıgn currencıes are translated ınto sterlıng at the rates of exchange rulıng at the balance sheet date Transactıons ın foreıgn currencıes are translated ınto sterlıng at the rate of exchange rulıng at the date of transactıon Exchange dıfferences are taken ınto account ın arrıvıng at the operatıng result The financıal statements of overseas subsıdıarıes undertakıng are translated at the rate of exchange rulıng at the balance sheet date The exchange dıfference arısıng on the retranslatıon of the openıng net assets ıs taken dırectly to reserves

contınued

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments
Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term Lease incentives are recognised over the shorter of the lease term and the date of the next rent review

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme Contributions are charged to the profit and loss account for the year in which they are payable to the scheme Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end

Going Concern
The Group's business activities, together with the factors likely to affect its future development, performance and position are described in the Director's Report

Mr A Subaskaran owns 90 5% of the issued share capital of WWW Holding Company Limited

The directors have carried out a full forecast review of the Group's business for a period of at least 12 months from the date of approval of these financial statements The forecast demonstrates the continuing profitability of the Group going forward

Debtors due within one year include £134,860,400 (2011 £86,047,243 restated) owed by companies in which Mr A Subaskaran owns a substantial shareholding

The Group has reported a profit before taxation of £12,724,731 for the year ended 29 February 2012 compared to a profit before taxation of £11,740,709 for the year ended 28 February 2011

The Group has improved its net current assets position by £10,007,301 from net current assets of £4,406,173 at 28 February 2011 to £14,413,474 at 29 February 2012

The Group has improved its overall net assets position by £11,584,363, from total net assets of £5,924,704 as at 28 February 2011 to total net assets of £17,509,067 at 29 February 2012 For the next 12 months from the date of approval of the consolidated financial statements the Group forecasts to show growth and sufficient EBITDA being generated to maintain the positive net assets in the period to at least 30 June 2014, and the Group has forecasted to generate profits in the financial year ending 28 February 2013

The parent company has net liabilities of £651,172 and net current liabilities of £910,970 as at 29 February 2012, which is primarily a result of inter-company payables due to certain subsidiary companies As the subsidiaries are wholly owned by the parent company, the directors have determined that the subsidiaries will not demand repayment of such amounts prior to at least twelve months after the date of approval of these financial statements

The directors have concluded that the Group and company are well placed to manage their business risks successfully and they have a reasonable expectation that the Group and the company have adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual consolidated financial statements

continued

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group

An analysis of turnover by class of business is given below

	2012	2011 as restated
	£	£
Calling Cards	112,964,858	126,416,737
Mobile SIM & Top-up Vouchers	18,187,068	-
Wholesale Minutes	225,396,235	201,941,772
Support Services	20,260,784	15,879,146
Commission	1,161,842	227,599
	377,970,787	344,465,254

An analysis of turnover by geographical market is given below

	2012	2011 as restated
	£	£
United Kingdom	65,697,196	80,493,207
Republic of Ireland	41,830,203	128,959,541
Rest of Europe	228,022,148	123,013,915
Canada	4,265,125	2,542,507
Australia	16,570,587	382,074
United States of America	21,585,528	8,999,353
Rest of the world	-	74,657
	377,970,787	344,465,254

3 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	16,427,083	11,214,996
Social security costs	857,257	213,083
Other pension costs	205,703	25,144
	17,490,043	11,453,223

The average monthly number of employees during the year was as follows

	2012	2011
Staff including Directors	912	410

continued

4 DIRECTORS' REMUNERATION

The directors are not remunerated for their services to the company Their remuneration is disclosed in the financial statements of Lycamobile UK Ltd a related company by virtue of common control The directors' remuneration as disclosed in Lycamobile UK Ltd is as follows

	2012	2011
	£	£
Directors' Remuneration	2,087,198	110,400

Information regarding the highest paid director for the year ended 29 February 2012 is as follows

	2012
	£
Emoluments	1,612,083

The directors' emoluments are aggregate remuneration in respect of qualifying services

5 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Other operating leases	-	3,134
Depreciation - owned assets	198,640	2,427,843
Loss on disposal of fixed assets	-	974
Development costs amortisation	8,094	9,789
Auditors' remuneration – audit of the financial statements	391,031	134,682
Foreign exchange differences	(176,551)	(5,853,076)

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£	£
Loan and Other Interest	609	55,828

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	453	887
Bank loan interest	79,834	46,503
Other Interest Payable	8,542	15,002
	88,829	62,392

continued

8 TAXATION

Analysis of the tax charge/(credit)
The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2012	2011 as restated
	£	£
Current tax		
Overseas Taxation	389,060	(10,519)
Deferred tax	(43,926)	(73,821)
Tax on profit on ordinary activities	345,134	(84,340)

UK corporation tax has been charged at 26 17%

Factors affecting the tax charge/(credit)
The tax assessed for the year is lower than the standard rate of corporation tax in the UK The difference is explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	12,724,731	11,740,709
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26 167% (2011 - 28%)	3,329,680	3,287,399
Effects of		
Expenses not deductible for tax purposes	233,961	1,937,235
Capital allowances in excess of depreciation	(81,456)	608,062
Tax losses utilised in the current year	(2,768,730)	(263,516)
Losses in the current year not taxed	1,733,379	7,487,140
Non-taxable income	(209,219)	(6,577,449)
Effect of overseas tax rates	(2,193,178)	(6,468,062)
Adjustments in respect of previous periods	344,623	(21,328)
Current tax charge/(credit)	389,060	(10,519)

continued

8 TAXATION - continued

Statutory profit and loss account (extract)	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	12,724,731	11,740,709
Tax on profit/(loss) on ordinary activities	(345,134)	84,340
Profit/(loss) on ordinary activities after tax	12,379,597	11,825,049
Effective Rate	-2 7%	0 7%

Notes to the accounts	2012 £	2011 £
Tax on profit/(loss) on ordinary activities		
UK corporation tax		
UK Corporation tax on results of the period	-	-
Sub-Total	-	-
Foreign Tax		
Current Year	44,437	10,808
Adjustments in respect of previous periods	344,623	(21,327)
Sub-Total	389,060	(10,519)
Total current tax charge/(credit)	**389,060**	**(10,519)**
Deferred tax		
Originating and reversal of timing differences	(64,130)	(73,821)
Changes in estimation of amounts of deferred tax assets	20,204	-
Sub-Total	(43,926)	(73,821)
Grand Total	**345,134**	**(84,340)**

No liability to UK corporation tax arose on ordinary activities for the year ended 28 February 2012 nor the year ended 28 February 2011 due to losses in the year or the utilisation of losses brought forward

The tax charge for the year arises from overseas taxation No liability to taxation arises in overseas subsidiaries due to profits being offset by utilisation of tax losses

A deferred tax asset has been recognised at 29 February 2012 in the amount of £53,710 (2011 £73,914 restated) This relates to the tax losses of £216,716 carried forward in certain entities Deferred tax assets have not been recognised in respect of losses totalling to £25 million on the basis that there is uncertainty around the future profitability against which these assets would reverse

Change in UK tax rate

The UK government has announced its intention to reduce the UK corporation tax rate to 20% by 1 April 2015 The reduction from 28% to 26% was substantively enacted on 29 March 2011 and came into effect on 1 April 2011 A hybrid rate of 26 17% therefore applies to current tax liabilities arising during the year ended 28 February 2012

A reduction from 26% to 25% was substantively enacted on 5 July 2011 and was intended to be effective from 1 April 2012 However, a further reduction to 24% was announced in the Budget on 21 March 2012 and substantively enacted on 26 March 2012 and this instead came into effect on 1 April 2012

continued

8 TAXATION - continued

The further reduction from 26% to 24% was substantively enacted on 26 March 2012, and came into effect on 1 April 2012 A further reduction to 23% was enacted on 17 July 2012 and is effective from 1 April 2013

As the 25% rate was enacted at the balance sheet date, this rate has been applied to the deferred tax asset at the year end Under UK GAAP, the changes to the tax rate will arise for balance sheet dates falling on or after substantive enactment of the change

9 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's loss for the financial year was £(221,461) (2011 - £(207,663))

continued

10 PRIOR YEAR RECLASSIFICATIONS

Prior year comparative figures have been revised as follows
The figures are as at 28 February 2011 and for the year then ended

Consolidated Balance Sheet	Previously reported £	Restatement £	Restated £
Trade Debtors due within one year	34,749,474	(17,452,188)	17,297,286
Other Debtors due within one year	96,698,998	21,195	96,720,193
Payments on account	-	(6,956,372)	(6,956 372)
Trade Creditors due within one year	(33,195,885)	(952,178)	(34,148,063)
Accrued Expenses due within one year	(57,653,981)	25,413,457	(32,240,524)
Corporation tax payable	(14,110)	(73,914)	(88,024)

The above balance sheet reclassifications have been made to provide a clearer presentation to users of the consolidated financial statements The changes have been made by the directors as more accurate information and analysis is now available that was not available in the prior year The reclassifications primarily net deferred revenue with accounts receivables or reclassify to payments on account These reclassifications have no impact on the total net assets and the net current assets and have no impact on the consolidated profit and loss account

These reclassifications impact the comparative figures in notes 14, 15 and 25 only

Consolidated Profit and Loss Account	Previously reported £	Restatement £	Restated £
Turnover	367,378,061	(22,912,807)	344,465,254
Cost of Sales	(331,598,878)	22,912,807	(308,686,071)
Profit for the financial year	11 664,937	-	11,664,937
Translation of foreign operations	-	160,112	160,112
Total recognised gains and losses relating to the year	11 664,937	160,112	11,825,049

The above reclassification has been made to reclassify commission income of subsidiaries that trade as agents for the sale of mobile SIMs and top-up vouchers This is based on more accurate information which is now available which was not available in the prior year, and the directors have made this reclassification as they believe this provides clearer information to the users of the consolidated financial statements This reclassification has no impact on the consolidated gross profit, consolidated operating profit or consolidated profit for the year of the Group in the prior year This reclassification impacts the turnover comparative figures in note 2 only

The adjustment for recognised gains and losses has been made in the prior year, the classification is for translation of foreign operations This adjustment affects the comparative figures in notes 20 and 23 only

continued

The Group has also reclassified non-cash items in the cash flow statement to reflect the classification in the current year The adjustment is for foreign exchange in the statement of reconciliation of net cash flow movement to net funds

11 INTANGIBLE FIXED ASSETS

Group

	Development costs £
COST	
At 1 March 2011 and 29 February 2012	46,075
AMORTISATION	
At 1 March 2011	16,024
Amortisation for year	8,094
At 29 February 2012	24,118
NET BOOK VALUE	
At 29 February 2012	21,957
At 28 February 2011	30,051

12 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
COST				
At 1 March 2011	1,202,551	1,312,421	1,124	7,238,486
Additions	-	-	-	16,548
At 29 February 2012	1,202,551	1,312,421	1,124	7,255,034
DEPRECIATION				
At 1 March 2011	48,102	-	1,124	7,164,641
Charge for year	48,102	-	-	21,894
At 29 February 2012	96,204	-	1,124	7,186,535
NET BOOK VALUE				
At 29 February 2012	1,106,347	1,312,421	-	68,499
At 28 February 2011	1,154,449	1,312,421	-	73,845

continued

12 TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST				
At 1 March 2011	141,725	136,889	477,919	10,511,115
Additions	159,130	310,104	62,185	547,967
At 29 February 2012	300,855	446,993	540,104	11,059,082
DEPRECIATION				
At 1 March 2011	102,529	51,262	419,299	7,786,957
Charge for year	39,069	42,563	47,012	198,640
At 29 February 2012	141,598	93,825	466,311	7,985,597
NET BOOK VALUE				
At 29 February 2012	159,257	353,168	73,793	3,073,485
At 28 February 2011	39,196	85,627	58,620	2,724,158

13 FIXED ASSET INVESTMENTS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Shares in group undertakings	-	-	259,798	259,798
Other investments	150	150	-	-
	150	150	259,798	259,798

Additional information is as follows

Investments (unlisted) were as follows

	2012	2011
	£	£
Other Investments	150	150

continued

13 FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £
COST	
At 1 March 2011 and 29 February 2012	259,798
NET BOOK VALUE	
At 29 February 2012	259,798
At 28 February 2011	259,798

The company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

Lycatel Services Limited
Country of incorporation United Kingdom
Nature of business Telecommunication support services

Class of shares	% holding
100 Ordinary shares of £1	100 00

Switchware Limited
Country of incorporation United Kingdom
Nature of business IT Support services

Class of shares	% holding
100 Ordinary shares of £1	100 00

Lycatel (UK) Limited
Country of incorporation United Kingdom
Nature of business Dormant

Class of shares	% holding
100 Ordinary shares of £1	100 00

Lycatel Property Services Limited
Country of incorporation United Kingdom
Nature of business Property investment

Class of shares	% holding
1 Ordinary share of £1	100 00

Lycatel LLC
Country of incorporation United States of America
Nature of business Telecommunications

Class of shares	% holding
Capital US$3,850	99.00

continued

13 **FIXED ASSET INVESTMENTS - continued**

Lycatel Ireland Limited
Country of incorporation Ireland
Nature of business Telecommunications

Class of shares	% holding
100 Ordinary shares of €1	100 00

Lycatel Ireland Distribution Limited
Country of incorporation Ireland
Nature of business Telecommunications

Class of shares	% holding
100 Ordinary shares of €1	100 00

Lycatel Distribution France Sarl
Country of incorporation France
Nature of business Telecommunications

Class of shares	% holding
1 Ordinary share of €7,500	100 00

Lycatel Greece Ltd.
Country of incorporation Ireland
Nature of business Telecommunications

Class of shares	% holding
1 Ordinary Share of €200	100 00

Lycatel Cyprus Ltd.
Country of incorporation Ireland
Nature of business Telecommunications

Class of shares	% holding
1 Ordinary Share of €200	100 00

Hastings Telecommunication and Services GmbH
Country of incorporation Austria
Nature of business Support services

Class of shares	% holding
35,000 Ordinary shares of €1	100 00

Lycatel Denmark APS
Country of incorporation Denmark
Nature of business Telecommunications

Class of shares	% holding
135,000 Ordinary shares of Kr1	100 00

continued

13 FIXED ASSET INVESTMENTS - continued

Lycatel Canada Inc
Country of incorporation Canada
Nature of business Support services

Class of shares	% holding
100 Ordinary shares of CAD1	100 00

Lycatel GmbH
Country of incorporation Switzerland
Nature of business Telecommunications

Class of shares	% holding
20,000 Ordinary shares of CHF1	95 00

Lycatel BV
Country of incorporation Netherlands
Nature of business Support service

Class of shares	% holding
18,000 Ordinary shares of €1	100 00

Hasting Denmark APS
Country of incorporation Denmark
Nature of business Telecommunications

Class of shares	% holding
1 Share of DKK 125,000	100 00

Lycatel Portugal Unipessoal LDA
Country of incorporation Portugal
Nature of business Support services

Class of shares	% holding
1 Quota of €5,000	100 00

Lycatel Property Management Services Limited
Country of incorporation United Kingdom
Nature of business Dormant

Class of shares	% holding
1 Ordinary share of £1	100 00

Lycatelcom LDA
Country of incorporation Portugal
Nature of business Holding Company and Telecommunications

Class of shares	% holding
5,000 Ordinary Shares of €1	100 00

continued

13 FIXED ASSET INVESTMENTS - continued

Gnanam Distribution Holding Limited
Country of incorporation United Kingdom
Nature of business Holding Company

Class of shares	% holding
10,000 Ordinary shares of £1	100 00

Gnanam Distribution Holding Limited owns 100% of the ordinary shares in the companies listed below The principal activity of these companies is the provider of telecommunication services Companies listed below have been included in the consolidation

Gnanam Europe Limited (UK) - Dormant
Gnanam Telecom Centers SPRL (Belgium)
Gnanam Telecom Centers AB (Sweden)

14 DEBTORS

	Group	
	2012	2011 as restated
	£	£
Amounts falling due within one year		
Trade debtors	-	17,297,286
Other debtors	145,368,730	96,720,193
Prepayments	1,184,180	1,940,093
	146,552,910	115,957,572
Amounts falling due after more than one year		
Other debtors	61,991,725	38,270,533
Aggregate amounts	208,544,635	154,228,105

Other debtors due within one year include £134,860,400 (2011 £86,047,243 restated) owed by related parties as disclosed in note 21

Other debtors due within one year include deferred tax asset of £53,710 (2011 £73,914 restated), as disclosed in note 25

Other debtors due after more than one year include £61,991,725 (2011. £38,270,533) owed by related parties, as disclosed in note 21

Restated amounts - see note 10

continued

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011 as restated	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 17)	1,348,722	136,654	-	-
Other loans (see note 17)	15,123	154,402	-	-
Payments on account	12,853,293	6,956,372	-	-
Trade creditors	19,853,583	34,148,063	1,618	16,994
Amounts owed to group undertakings	-	-	791,883	573,840
Corporation tax (see note 25)	448,390	88,024	-	-
Social security and other taxes	1,437,946	1,267,039	-	-
Other creditors	134,390,559	76,441,339	-	-
Accrued expenses	26,930,254	32,240,524	118,349	98,887
	197,277,870	151,432,417	911,850	689,721

Other Creditors due within one year include £129,808,499 (2011 £76,096,292) owed to related parties as disclosed in note 21

Restated amounts - see note 10

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2012	2011
	£	£
Bank loans (see note 17)	-	1,171,698

continued

17 LOANS

An analysis of the maturity of loans is given below

	Group	
	2012	2011
	£	£
Amounts falling due within one year or on demand		
Bank loans	1,348,722	136,654
Other loans	15,123	154,402
	1,363,845	291,056
Amounts falling due between one and two years		
Bank loans - 1-2 years	-	269,542
Amounts falling due between two and five years		
Bank loans - 2-5 years	-	404,312
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more than 5 years by instalment	-	497,844
	-	497,844

18 PROVISIONS FOR LIABILITIES

	Group	
	2012	2011
	£	£
Deferred tax	-	64,130

Group

	Deferred tax
	£
Balance at 1 March 2011	64,130
Reversal	(64,130)
Balance at 29 February 2012	-

19 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2012	2011
			£	£
200	Ordinary share	£0 01	2	2

20 RESERVES

Group

	Profit and loss account
	£
At 1 March 2011	5,924,702
Profit for the year	12,379,597
Translation of foreign operations	(795,234)
At 29 February 2012	17,509,065

Company

	Profit and loss account
	£
At 1 March 2011	(429,713)
Deficit for the year	(221,461)
At 29 February 2012	(651,174)

continued

21 RELATED PARTY DISCLOSURES

Mr A Subaskaran owns 90 5% of the ıssued share capıtal of the companıes for whıch ınformatıon ıs dısclosed below

Mrs P Subaskaran owns 90 5% of Hastıngs Tradıng e Servıços Lda and ıts subsıdıarıes

Durıng the year the Group entered ınto transactıons, ın the ordınary course of busıness, wıth related partıes These transactıons are made by the Group on normal commercıal terms Transactıons entered ınto, and tradıng balances outstandıng at 29 February 2012, are as follows

		Purchases from Related Parties £	Sales to Related Parties £	Amounts Owed to Related Parties £	Amounts Owed by Related Parties £
Lycamobıle AG					
	2012	122,067	1,905,765	8,386,780	-
	2011	769,751	880,984	12,101,502	-
Lycamobıle BV					
	2012	-	-	187,020	-
	2011	-	-	192,573	-
Lycamobıle GmbH					
	2012	-	-	-	706,524
	2011	-	-	-	2,558
Lycamobıle Sp Z o o					
	2012	-	-	-	786,106
	2011	-	-	-	4,794
Lycamobıle Germany GMBH					
	2012	1,666,448	211,997	-	1,315,909
	2011	-	-	-	8,526
Lycamobıle AS					
	2012	-	-	-	34,387
	2011	-	-	-	33,574
Lycatel Germany GMBH					
	2012	445,213	-	383,860	-
	2011	-	-	-	271,707
U Can Fly Ltd					
	2012	-	-	303,386	-
	2011	-	-	-	168,680
Lycamoney Ltd					
	2012	-	-	-	970,999
	2011	-	-	-	611,200
Hastıngs Tradıng e Servıços Lda					
	2012	-	-	-	24,780,712
	2011	-	-	-	24,642,253

contınued

Lycamobile Belgium Ltd					
	2012	-	16,453,378	-	24,983,627
	2011	-	17,230,211	-	12,744,132
Lycamobile Denmark APS					
	2012	13,869	771,851	10,950,252	-
	2011	103,365	803,930	1,476,352	1
Lycamobile Denmark Ltd					
	2012	-	8,897,396	-	12,824,717
	2011	77,955	-	-	1,477,092
Lycamobile Distribution Ltd					
	2012	26,122	-	6,561,687	-
	2011	6,152,339	3,144,168	-	6,616,963
Lycamobile Ltd					
	2012	646,237	-	-	10,664,962
	2011	31,663,333	-	-	10,627,605
Lycamobile Netherlands Ltd					
	2012	27,329,313	69,149,036	-	4,409,018
	2011	11,325,555	78,684,900	-	5,062,138
Lycamobile Norway Ltd					
	2012	-	9,280,595	-	12,238,289
	2011	107,239	1,396,127	-	3,209,167
Lycamobile Norway Ltd (Branch)					
	2012	77,782	30,000	8,336,580	-
	2011	123,386	27,500	2,540,778	-
Lycamobile Pty Ltd					
	2012	-	16,429,262	-	6,907,381
	2011	-	273,435	-	2,483,668
Lycamobile SL					
	2012	92,413	25,535,620	-	4,397,743
	2011	78,216	396,134	-	2,041,776
Lycamobile SPRL					
	2012	307	226,956	38,574,252	-
	2011	-	226,956	21,925,685	-
Lycamobile SRL					
	2012	-	198,662	2,496,028	-
	2011	3,496,439	39,360	2,704,876	-
Lycamobile Sweden Ltd (Ireland)					
	2012	-	14,293,714	-	19,699,884
	2011	-	5,794,054	-	5,806,232
Lycamobile Sweden Ltd					
	2012	-	-	-	5,634,304
	2011	-	-	-	3,642,338

continued

Lycamobile Sweden AB					
	2012	47,822	99,360	16,969,038	-
	2011	81,858	99,360	15,936,891	-
Lycamobile Switzerland Ltd					
	2012	-	15,256,308	2,957,856	-
	2011	-	15,418,771	-	652,666
Lycamobile UK Ltd					
	2012	333	36,162,462	31,042,052	-
	2011	3,000	47,599,345	17,749,174	11,204,609
Lycatel Australia Pty Ltd					
	2012	132,801	133,248	-	58,633
	2011	61,187	127,083	-	25,182
Lycatel Carrier Services Ltd					
	2012	3,606,887	1,735,735	435,718	-
	2011	6,538,943	2,303,458	555,110	-
Lycatel Distribution UK Ltd					
	2012	4,680,380	24,121,299	-	61,991,725
	2011	786,646	25,513,564	-	32,177,259
Lycatel BOS Pvt Ltd					
	2012	417,921	-	832,280	-
	2011	-	74,658	-	367,625
Lycatel BPO Pvt Ltd					
	2012	414,064	-	1,301,466	-
	2011	914,050	-	913,351	-
Lycamobile Portugal Lda					
	2012	-	-	-	14,291
	2011	-	-	-	-
Lycamobile SARL					
	2012	17,614,360	17,046,485	-	4,367,571
	2011	-	-	-	-
Lycamobile Ireland Ltd					
	2012	-	-	-	51,106
	2011	-	-	-	-
Plintron Technologies UK Ltd					
	2012	-	-	-	14,237
	2011	-	-	-	-
Plintron Global Technologies Pvt Ltd					
	2012	498,182	-	89,794	-
	2011	378,025	-	-	436,031

The remuneration of key management personnel amounted to £2,984,008 (2011 - £2,605,535)

continued

22 ULTIMATE CONTROLLING PARTY

The majority beneficial owner of WWW Holding Company Limited is Allirajah Subaskaran

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012	2011 as restated
	£	£
Profit for the financial year	12,379,597	11,825,049
Other recognised gains and losses relating to the year (net)	(795,234)	(160,112)
Net addition to shareholders' funds	11,584,363	11,664,937
Opening shareholders' funds	5,924,704	(5,740,233)
Closing shareholders' funds	17,509,067	5,924,704

Company

	2012	2011
	£	£
Loss for the financial year	(221,461)	(207,663)
Net reduction of shareholders' funds	(221,461)	(207,663)
Opening shareholders' funds	(429,711)	(222,048)
Closing shareholders' funds	(651,172)	(429,711)

24 SUBSEQUENT EVENTS

In August 2012 the Group through its fully owned subsidiary Lycatel Property Services Ltd entered into a loan agreement with Santander UK plc totalling £662,500 for the purpose of re-mortgaging the freehold properties on a 10 years term Interest on the loan is at a margin of 3 18% per annum over a fixing rate The indicative fixing rate is 1 85% per annum.

In addition, Lycatel Distribution France SARL a fully owned subsidiary, was put into a voluntary administration in December 2012 as a result of the decline in the calling card market

continued

25 CORPORATION AND DEFERRED TAX

Summary of Tax Balance	2012 £	2011 £ as restated
Amount falling due within 1 year		
Deferred Tax (asset)	(53,710)	(20,130)
Corporation Tax (debtors)/creditor	448,316	88,024
Deferred tax liability	-	(64,130)
Sub total	394,606	3,764
Amount falling due more than 1 year		
Deferred Tax (asset)	-	(53,784)
Sub total	-	(53,784)
Grand Total	**394,606**	**(50,020)**

Provision for deferred tax	2012 £	2011 £
As at beginning of the year	(9,784)	64,130
Provided during the year	-	(73,914)
Reversal of provision	(43,926)	-
Exchange adjustments	-	-
As at end of the year	**(53,710)**	**(9,784)**

Recognised Deferred Tax	2012 £	2011 £
Tax losses	(53,710)	(73,914)
Total deferred tax (assets)	**(53,710)**	**(73,914)**
Others	-	64,130
Total deferred tax liabilities	**-**	**64,130**

Un-recognised Deferred Tax	2012 £	2011 £
Tax losses	(6,064,317)	(7,170,663)
Total deferred tax (assets)	**(6,064,317)**	**(7,170,663)**