

Company Registration No. 4080267 (England and Wales)

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2003



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**ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
COMPANY INFORMATION**

Directors	H R Mawji A Omnet
Secretary	H R Mawji
Company number	4080267
Registered office	80 Great Eastern Street London EC2 3RS Great Britain
Auditors	Arram Berlyn Gardner Holborn Hall 100 Grays Inn Road London WC1X 8BY

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
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ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2003

The directors present their report and financial statements for the period ended 31 March 2003.

The company was changed its name from iCard European Telecoms (UK) Limited to iCX Europe Limited on 31 January 2003.

Principal activities and review of the business

The principal activity of the company is that of provision of wholesale telephone time.

Results and dividends

The results for the period are set out on page 5.

Directors

The following directors have held office since 1 October 2001:

H R Mawji	
A Omnet	
N Leighton	(Appointed 1 April 2003 and resigned 17 September 2003)
J Dawson	(Resigned 30 October 2001)
A Walsh	(Resigned 19 June 2002)

Directors' interests

The company ceased to be a subsidiary of Redstone Communications Limited as at 31 March 2002.

	ordinary shares of £ 1 each	
	31 March 2003	1 October 2001
H R Mawji	1	-
A Omnet	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Arram Berlyn Gardner be reappointed as auditors of the company will be put to the Annual General Meeting.

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2003

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;and
- 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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



.....

H R Mawji

Director

23 July 2004

**ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF ICX EUROPE LIMITED**

We have audited the financial statements of iCX Europe Limited on pages 5 to 13 for the period ended 31 March 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF ICX EUROPE LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Arram Berlyn Gardner

Arram Berlyn Gardner

27 July 2004

Chartered Accountants
Registered Auditor

Holborn Hall
100 Grays Inn Road
London
WC1X 8BY

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2003

	Notes	Period ended 31 March 2003 £	Period ended 30 September 2001 £
Turnover	2	946,035	137,332
Cost of sales		(439,614)	-
Gross profit		506,421	137,332
Administrative expenses		(621,490)	(171,939)
Loss on ordinary activities before taxation	3	(115,069)	(34,607)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	11	<u>(115,069)</u>	<u>(34,607)</u>

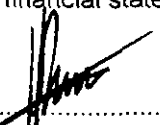
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

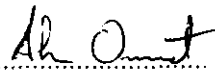
ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
BALANCE SHEET
AS AT 31 MARCH 2003

	Notes	2003		2001	
		£	£	£	£
Fixed assets					
Tangible assets	5		38,878		4,949
Current assets					
Debtors	6	56,981		109,461	
Cash at bank and in hand		40,849		21,500	
		<u>97,830</u>		<u>130,961</u>	
Creditors: amounts falling due within one year	7	<u>(240,528)</u>		<u>(170,516)</u>	
Net current liabilities			<u>(142,698)</u>		<u>(39,555)</u>
Total assets less current liabilities			<u>(103,820)</u>		<u>(34,606)</u>
Creditors: amounts falling due after more than one year	8		<u>(45,855)</u>		<u>-</u>
			<u>(149,675)</u>		<u>(34,606)</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		<u>(149,676)</u>		<u>(34,607)</u>
Shareholders' funds - equity interests	12		<u>(149,675)</u>		<u>(34,606)</u>

The financial statements were approved by the Board on 23 July 2004



 H R Mawji
 Director



 A Omnet
 Director

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2003

	£	Period ended 31 March 2003 £	£	Period ended 30 September 2001 £
Net cash inflow from operating activities		19,739		27,706
Capital expenditure				
Payments to acquire tangible assets	(46,245)		(6,207)	
Net cash outflow for capital expenditure		(46,245)		(6,207)
Net cash (outflow)/inflow before management of liquid resources and financing		(26,506)		21,499
Financing				
Issue of ordinary share capital	-		1	
Other new long term loans	45,855		-	
Net cash inflow from financing		45,855		1
Increase in cash in the period		19,349		21,500

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2003

1	Reconciliation of operating loss to net cash inflow from operating activities		2003	2001
			£	£
	Operating loss		(115,069)	(34,607)
	Depreciation of tangible assets		12,316	1,258
	Decrease/(increase) in debtors		52,480	(109,461)
	Increase in creditors within one year		70,012	170,516
	Net cash inflow from operating activities		<u>19,739</u>	<u>27,706</u>
2	Analysis of net (debt)/funds	1 October 2001	Cash flow	Other non- 31 March 2003 cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	21,500	19,349	-
	Bank deposits	-	-	-
	Debt:			
	Debts falling due after one year	-	(45,855)	-
	Net funds/(debt)	<u>21,500</u>	<u>(26,506)</u>	<u>(5,006)</u>
3	Reconciliation of net cash flow to movement in net (debt)/funds		2003	2001
			£	£
	Increase in cash in the period		19,349	21,500
	Cash inflow from increase in debt		(45,855)	-
	Movement in net (debt)/funds in the period		<u>(26,506)</u>	<u>21,500</u>
	Opening net funds		21,500	-
	Closing net (debt)/funds		<u>(5,006)</u>	<u>21,500</u>

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company relies on the support of its directors and shareholders with regard to the settlement of its liabilities. Subsequent to the year end, additional funds have been introduced to the company.

1.2 Turnover

Turnover represents amounts receivable for services net of VAT.

1.3 Tangible fixed assets and depreciation

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

Plant and machinery	20% straight line
Fixtures, fittings & equipment	33.33% straight line

1.4 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

1.5 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The directors feel that the amount involved is not material and as such deferred tax has not been provided in the financial statements.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss	2003	2001
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	12,316	1,258
Auditors' remuneration	3,000	1,500
Remuneration of auditors for non-audit work	4,189	5,090
	<u> </u>	<u> </u>
4 Taxation		
	£	£
	<u> </u>	<u> </u>
Domestic current year tax	-	-
	<u> </u>	<u> </u>

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2003

5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 October 2001	5,733	474	6,207
Additions	46,245	-	46,245
	<hr/>	<hr/>	<hr/>
At 31 March 2003	51,978	474	52,452
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 October 2001	1,180	78	1,258
Charge for the period	12,091	225	12,316
	<hr/>	<hr/>	<hr/>
At 31 March 2003	13,271	303	13,574
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2003	38,707	171	38,878
	<hr/>	<hr/>	<hr/>
At 30 September 2001	4,553	396	4,949
	<hr/>	<hr/>	<hr/>

6 Debtors

	2003	2001
	£	£
Trade debtors	41,717	106,510
Called up share capital not paid	1	1
Other debtors	2,191	2,622
Prepayments and accrued income	13,072	328
	<hr/>	<hr/>
	56,981	109,461
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year

	2003	2001
	£	£
Trade creditors	56,502	18,662
Amounts owed to parent and fellow subsidiary undertakings	-	124,895
Taxes and social security costs	19,201	3,320
Other creditors	121,023	-
Accruals and deferred income	43,802	23,639
	<hr/>	<hr/>
	240,528	170,516
	<hr/>	<hr/>

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2003

8	Creditors: amounts falling due after more than one year	2003 £	2001 £
	Other loans	<u>45,855</u>	<u>-</u>
	Analysis of loans		
	Wholly repayable within five years	<u>45,855</u>	<u>-</u>
		<u>45,855</u>	<u>-</u>
	Loan maturity analysis		
	In more than two years but not more than five years	<u>45,855</u>	<u>-</u>
9	Pension costs		
	Defined contribution		
		2003 £	2001 £
	Contributions payable by the company for the period	<u>660</u>	<u>-</u>
10	Share capital	2003 £	2001 £
	Authorised		
	1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1 ordinary shares of £1 each	<u>1</u>	<u>1</u>
11	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 October 2001		(34,607)
	Retained loss for the period		<u>(115,069)</u>
	Balance at 31 March 2003		<u>(149,676)</u>

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2003

12 Reconciliation of movements in shareholders' funds	2003	2001
	£	£
Loss for the financial period	(115,069)	(34,607)
Proceeds from issue of shares	-	1
	<hr/>	<hr/>
Net depletion in shareholders' funds	(115,069)	(34,606)
Opening shareholders' funds	(34,606)	-
	<hr/>	<hr/>
Closing shareholders' funds	(149,675)	(34,606)
	<hr/> <hr/>	<hr/> <hr/>
 13 Directors' emoluments	 2003	 2001
	£	£
Emoluments for qualifying services	113,382	-
Company pension contributions to money purchase schemes	660	-
	<hr/>	<hr/>
	114,042	-
	<hr/> <hr/>	<hr/> <hr/>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2001- 0).

14 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2003	2001
	Number	Number
	5	4
	<hr/>	<hr/>
 Employment costs		
	£	£
Wages and salaries	305,420	112,350
Social security costs	26,712	11,706
Other pension costs	660	-
	<hr/>	<hr/>
	332,792	124,056
	<hr/> <hr/>	<hr/> <hr/>

ICX EUROPE LIMITED
(FORMERLY ICARD EUROPEAN TELECOMS (UK) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2003

15 Control

Up to 31 March 2002 the company's ultimate parent undertaking was Redstone Plc, a company registered in England and Wales. From 01 April 2002, all the issued share capital was held by Haider Mawji who is a director of the company.

16 Related party transactions

The following related party transactions took place during the period:

iCX Europe Limited made sales of £423,318 (2001:£133,331) and £25,000(2001:£4,000) to iCard European Telecoms (Ireland) Limited and Redstone Communications Limited respectively.

In addition, Redstone Communications Limited charged iCX Europe Limited rent of £14,998 (2001:£12,584) and management charges of £10,000. iCX Europe Limited made purchases of £231,491 from iCard European Telecoms (Ireland) Limited.

At the balance sheet date the following amounts were outstanding:

iCX Europe Limited was owed £0 (2001:£101,810) by iCard European Telecoms (Ireland) Limited and £68,549 by Redstone Communications Limited. iCX Europe Limited owed iCard European Telecoms (Ireland) Limited £172,878 (2001:£8,646) and Redstone Communications Limited £2,937 (2001:£131,886).

On 31 March 2003, a debtor in iCX Europe Limited sales ledger and a creditor in iCard European Telecoms (Ireland) Limited made an arrangement to set-off £80,000 against each account respectively. The directors of the two companies have agreed to this arrangement and £80,000 will be paid directly by iCard European Telecoms (Ireland) Limited to iCX Europe Limited after the balance sheet date.

These companies are considered related parties as iCard European Telecoms (Ireland) Limited and iCX Europe Limited were subsidiaries of Redstone Communications Limited up to 31 March 2002.

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