

Company Registration No. 4080267 (England and Wales)

*Companies  
House*

**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2001**



**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
COMPANY INFORMATION**

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | H R Mawji<br>A Omnet  |
| <b>Secretary</b>         | B Steffan   |
| <b>Company number</b>    | 4080267   |
| <b>Registered office</b> | Premiere House, Elstree Way<br>Borehamwood<br>Hertfordshire<br>Great Britain<br>WD6 1JH |
| <b>Auditors</b>          | Arram Berlyn Gardner<br>Holborn Hall<br>100 Grays Inn Road<br>London<br>WC1X 8BY        |

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**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
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**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2001**

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The directors present their report and financial statements for the period ended 30 September 2001.

The company was incorporated as Hillgate (203) Limited on 28 September 2000 and changed its name to iCard European Telecoms (UK) Limited on 26 January 2001.

**Principal activities**

The principal activity of the company is that of providing marketing and support services to the telecoms industry.

**Directors**

The following directors have held office since 28 September 2000:

|                              |  |
|------------------------------|--|
| Hillgate Nominees Limited    | (Appointed 28 September 2000 and resigned 26 January 2001) |
| Hillgate Secretarial Limited | (Appointed 28 September 2000 and resigned 26 January 2001) |
| A Harrold                    | (Appointed 26 January 2001 and resigned 10 May 2001)       |
| J Dawson                     | (Appointed 26 January 2001 and resigned 30 October 2001)   |
| A Walsh                      | (Appointed 31 October 2001 and resigned 19 June 2002)      |
| H R Mawji                    | (Appointed 19 June 2002)                                   |
| A Omnet                      | (Appointed 19 June 2002)                                   |

**Directors' interests**

At 30 September 2001, none of the directors had any beneficial interest in the shares of the Company. The interest of the directors in the shares of the ultimate parent undertaking, Redstone Plc, are disclosed in the accounts of that Company.

Following the period end the company ceased to be a subsidiary of Redstone Plc.

**Auditors**

Arram Berlyn Gardner were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2001**

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**Directors' responsibilities**

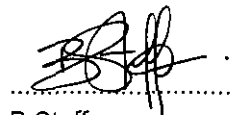
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



.....  
B Steffan  
**Secretary**  
.....

**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF ICARD EUROPEAN TELECOMS (UK) LIMITED**

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We have audited the financial statements of iCard European Telecoms (UK) Limited on pages 4 to 9 for the period ended 30 September 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2001 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**

Chartered Accountants  
**Registered Auditor**

*27 January 2003*

Holborn Hall  
100 Grays Inn Road  
London  
WC1X 8BY

**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2001**

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|  | Notes | Period<br>ended<br>30 September<br>2001<br>£ |
|--|-------|--|
| Turnover   | 2     | 137,332                                      |
| Administrative expenses                            |       | (171,939)                                    |
| <b>Loss on ordinary activities before taxation</b> | 3     | <u>(34,607)</u>                              |
| Tax on loss on ordinary activities                 |       | -  |
| <b>Loss on ordinary activities after taxation</b>  | 8     | <u><u>(34,607)</u></u>                       |

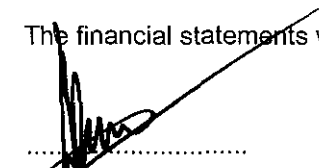
The profit and loss account has been prepared on the basis that all operations are continuing operations.

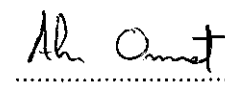
There are no recognised gains and losses other than those passing through the profit and loss account.

**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
BALANCE SHEET  
AS AT 30 SEPTEMBER 2001**

|   | Notes | 2001           |                 |
|---|-------|----------------|-----------------|
|   |       | £              | £               |
| <b>Fixed assets</b>                                   |       |                |                 |
| Tangible assets                                       | 4     |                | 4,949           |
| <b>Current assets</b>                                 |       |                |                 |
| Debtors   | 5     | 109,461        |                 |
| Cash at bank and in hand                              |       | 21,500         |                 |
|   |       | <u>130,961</u> |                 |
| <b>Creditors: amounts falling due within one year</b> | 6     | (170,516)      |                 |
|   |       | <u></u>        |                 |
| <b>Net current liabilities</b>                        |       |                | (39,555)        |
| <b>Total assets less current liabilities</b>          |       |                | <u>(34,606)</u> |
| <b>Capital and reserves</b>                           |       |                |                 |
| Called up share capital                               | 7     |                | 1               |
| Profit and loss account                               | 8     |                | (34,607)        |
|   |       |                | <u>(34,606)</u> |
| <b>Shareholders' funds - equity interests</b>         | 9     |                | <u>(34,606)</u> |

The financial statements were approved by the Board on 27 January 2003

  
.....  
H P Mawji  
Director

  
.....  
A Omnet  
Director



**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2001**

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**1 Accounting policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that the consolidated accounts of the parent company contain a cashflow statement.

**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            | 33.33% straight line |
| Fixtures, fittings & equipment | 33.33% straight line |

**1.4 Deferred taxation**

FRS 19 "Deferred Tax" requires that deferred tax is recognised in full in respect of transactions or events that have taken place by the balance sheet date and which could give the company an obligation to pay more or less tax in the future.

The company's accounting policy has been to account for deferred tax to the extent that liabilities or assets were expected to be payable or receivable in the foreseeable future. The company has now changed its policy to comply with FRS 19.

**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**

**2001**  
**£**

Operating loss is stated after charging:

|                                 |       |
|---------------------------------|-------|
| Depreciation of tangible assets | 1,258 |
| Auditors' remuneration          | 1,500 |

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**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2001**

**4 Tangible fixed assets**

|                       | Plant and<br>machinery | Fixtures,<br>fittings &<br>equipment | Total               |
|-----------------------|------------------------|--------------------------------------|---------------------|
|                       | £                      | £                                    | £                   |
| <b>Cost</b>           |                        |                                      |                     |
| Additions             | 5,733                  | 474                                  | 6,207               |
| At 30 September 2001  | <u>5,733</u>           | <u>474</u>                           | <u>6,207</u>        |
| <b>Depreciation</b>   |                        |                                      |                     |
| Charge for the period | 1,180                  | 78                                   | 1,258               |
| At 30 September 2001  | <u>1,180</u>           | <u>78</u>                            | <u>1,258</u>        |
| <b>Net book value</b> |                        |                                      |                     |
| At 30 September 2001  | <u><u>4,553</u></u>    | <u><u>396</u></u>                    | <u><u>4,949</u></u> |

**5 Debtors**

|                                  | 2001<br>£      |
|----------------------------------|----------------|
| Trade debtors                    | 106,510        |
| Called up share capital not paid | 1              |
| Other debtors                    | 2,622          |
| Prepayments and accrued income   | 328            |
|                                  | <u>109,461</u> |

**6 Creditors: amounts falling due within one year**

|   | 2001<br>£      |
|---|----------------|
| Trade creditors   | 18,662         |
| Amounts owed to parent and fellow subsidiary undertakings | 124,895        |
| Taxes and social security costs                           | 3,320          |
| Accruals and deferred income                              | 23,639         |
|   | <u>170,516</u> |

**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2001**

|          |   |  |
|----------|---|--|
| <b>7</b> | <b>Share capital</b>                                      | <b>2001</b>                            |
|          |   | <b>£</b>                               |
|          | <b>Authorised</b>   |  |
|          | 1,000 ordinary shares of £1 each                          | 1,000                                  |
|          |   | <u>          </u>                      |
|          | <b>Allotted, called up and fully paid</b>                 |  |
|          | 1 ordinary shares of £1 each                              | 1                                      |
|          |   | <u>          </u>                      |
| <br>     |   |  |
| <b>8</b> | <b>Statement of movements on profit and loss account</b>  | <b>Profit and<br/>loss<br/>account</b> |
|          |   | <b>£</b>                               |
|          | Retained loss for the period                              | (34,607)                               |
|          |   | <u>          </u>                      |
| <br>     |   |  |
| <b>9</b> | <b>Reconciliation of movements in shareholders' funds</b> | <b>2001</b>                            |
|          |   | <b>£</b>                               |
|          | Loss for the financial period                             | (34,607)                               |
|          | Proceeds from issue of shares                             | 1                                      |
|          |   | <u>          </u>                      |
|          | Net depletion in shareholders' funds                      | (34,606)                               |
|          | Opening shareholders' funds                               | -                                      |
|          |   | <u>          </u>                      |
|          | Closing shareholders' funds                               | <u>(34,606)</u>                        |

**ICARD EUROPEAN TELECOMS (UK) LIMITED  
(FORMERLY HILLGATE (203) LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2001**

**10 Employees**

**Number of employees**

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

**2001  
Number**

4

**Employment costs**

£

Wages and salaries  
Social security costs

112,350  
11,706

124,056

**11 Control**

During the period the company's parent company was Redstone Communications Limited, a company registered in England and Wales. During the period the company's ultimate parent undertaking was Redstone Plc. Following the period end the company ceased to be a subsidiary of Redstone Plc.

**12 Related party transactions**

The following related party transactions took place during the period:

iCard European Telecoms (UK) Limited made sales of £133,331 and £4,000 to iCard European Telecoms (Ireland) Limited and Redstone Communications Limited respectively. iCard European Telecoms (Ireland) Limited and Redstone Communications Limited incurred expenses on behalf of iCard European Telecoms (UK) Limited of £8,676 and £116,219 respectively. In addition, Redstone Communications Limited charged iCard European Telecoms (UK) Limited rent of £12,584.

At the balance sheet date the following amounts were outstanding:

iCard European Telecoms (UK) Limited was owed £101,810 by iCard European Telecoms (Ireland) Limited and £4,700 by Redstone Communications Limited. iCard European Telecoms (UK) Limited owed iCard European Telecoms (Ireland) Limited £8,646 and Redstone Communications Limited £131,886.

These companies are considered related parties as iCard European Telecoms (Ireland) was a fellow subsidiary of Redstone Communications Limited during the period.