

Registered number
2946493

CORPORATE DIRECT (EUROPE) LIMITED

Abbreviated Accounts

31 December 2007

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CORPORATE DIRECT (EUROPE) LIMITED

Director's Report

The director presents his report and accounts for the year ended 31 December 2007

Principal activities and review of the business

The company's principal activity during the year continued to be that of a telecommunications equipment distributor

The director considers the position of the business at the year end to be satisfactory

Results and dividends

The profit for the year, after taxation, amounted to £470,549 Ordinary dividends of £380,000 have been paid

Principle risks and uncertainties

The key business risks and uncertainties are considered to be relate to competition from national resellers

Key performance indicators

Given the straightforward nature of the business, the company's director is of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

Director

The director who served the company during the year was

A Molloy

The company is a wholly owned subsidiary and the interests of the director are disclosed in the accounts of the parent company

Political and charitable donations

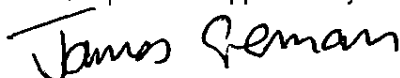
During the period the company made charitable contributions totalling £4,141 (2006 £5,250)

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

This report was approved by the board on 31 March 2008



J German
Secretary

CORPORATE DIRECT (EUROPE) LIMITED

Statement of Director's Responsibilities

The director is responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the director to prepare accounts for each financial year. Under that law the director has elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

CORPORATE DIRECT (EUROPE) LIMITED
Independent auditors' Report

Independent auditors' report to CORPORATE DIRECT (EUROPE) LIMITED
under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 4 to 13, together with the full accounts of the company for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we considered necessary to confirm, by reference to the full accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with that provision.

Charles Tweedale

Charles Tweedale
Registered auditors

P O Box 19
Bramhall
Stockport
Cheshire
SK7 1QA

31 March 2008

CORPORATE DIRECT (EUROPE) LIMITED
Abbreviated Profit and Loss Account
for the year ended 31 December 2007

	Notes	2007 £	2006 £
Gross profit		2,453,917	2,247,174
Administrative expenses		(1,706,670)	(1,666,218)
Operating profit	3	747,247	580,956
Interest receivable		5,168	4,101
Interest payable	6	(52,197)	(46,817)
Profit on ordinary activities before taxation		700,218	538,240
Tax on profit on ordinary activities	7	(229,669)	(166,524)
Profit for the financial year		<u>470,549</u>	<u>371,716</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years

CORPORATE DIRECT (EUROPE) LIMITED
Abbreviated Balance Sheet
as at 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	8	202,669	202,823
Current assets			
Stocks	9	1,092,648	1,210,539
Debtors	10	1,419,543	1,411,590
Cash at bank and in hand		76,910	204,519
		2,589,101	2,826,648
Creditors' amounts falling due within one year	11	(2,338,583)	(2,515,606)
Net current assets		250,518	311,042
Total assets less current liabilities		453,187	513,865
Creditors' amounts falling due after more than one year	12	-	(147,753)
Provisions for liabilities			
Deferred taxation	13	(11,986)	(15,460)
Net assets		<u>441,201</u>	<u>350,652</u>
Capital and reserves			
Called up share capital	14	50,000	50,000
Profit and loss account	15	391,201	300,652
Shareholder's funds	17	<u>441,201</u>	<u>350,652</u>

These abbreviated accounts have been prepared in accordance with the special provision for medium sized companies under Part V11 of the Companies Act 1985

Arthur Molloy

A Molloy
 Director

Approved by the board on 31 March 2008

CORPORATE DIRECT (EUROPE) LIMITED
Cash Flow Statement
for the year ended 31 December 2007

	Notes	2007 £	2006 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		747,247	580,956
Depreciation charges		102,583	78,000
Decrease/(increase) in stocks		117,891	(160,765)
Increase in debtors		(7,953)	(173,562)
(Decrease)/increase in creditors		(167,200)	389,325
Net cash inflow from operating activities		<u>792,568</u>	<u>713,954</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		792,568	713,954
Returns on investments and servicing of finance	18	(47,029)	(42,716)
Taxation		(172,966)	(145,000)
Capital expenditure	18	(102,429)	(111,827)
		470,144	414,411
Equity dividends paid		(380,000)	(346,000)
		90,144	68,411
Financing	18	(217,753)	(66,577)
(Decrease)/increase in cash		<u>(127,609)</u>	<u>1,834</u>

Reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in the period		(127,609)	1,834
Decrease in debt and lease financing		217,753	66,577
Change in net debt	19	90,144	68,411
Net debt at 1 January		(13,234)	(81,645)
Net funds/(net debt) at 31 December		<u>76,910</u>	<u>(13,234)</u>

CORPORATE DIRECT (EUROPE) LIMITED
Notes to the Abbreviated Accounts
for the year ended 31 December 2007

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Short leasehold land & buildings	Over the period of the lease
Fixtures and fittings	20% straight line
Computer equipment	20% straight line
Plant and machinery	15% straight line

Stocks

Stock is valued at the lower of cost and net realisable value

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

CORPORATE DIRECT (EUROPE) LIMITED
Notes to the Abbreviated Accounts
for the year ended 31 December 2007

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts

3 Operating profit	2007	2006
	£	£
This is stated after charging		
Depreciation of owned fixed assets	102,583	78,000
Operating lease rentals - plant and machinery	106,803	62,703
Operating lease rentals - land and buildings	54,055	54,055
Auditors' remuneration for audit services	6,000	6,000
Auditors' remuneration for other services	14,919	8,393

4 Director's emoluments	2007	2006
	£	£
Emoluments	114,040	114,040

Number of directors in company pension schemes	2007	2006
	Number	Number
Defined benefit schemes	1	1

5 Staff costs	2007	2006
	£	£
Wages and salaries	825,844	784,133
Social security costs	94,781	91,226
Other pension costs	9,000	9,000
	929,625	884,359

Average number of employees during the year	Number	Number
Administration	7	7
Warehouse	8	8
Marketing	2	2
Sales	14	14
	31	31

CORPORATE DIRECT (EUROPE) LIMITED
Notes to the Abbreviated Accounts
for the year ended 31 December 2007

6 Interest payable	2007	2006
	£	£
Bank loans and overdrafts	8,757	18,489
Other similar charges payable	43,440	28,328
	<u>52,197</u>	<u>46,817</u>

7 Taxation	2007	2006
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	234,000	175,000
Adjustments in respect of previous periods	(857)	(1,177)
	<u>233,143</u>	<u>173,823</u>
Deferred tax		
Origination and reversal of timing differences	(3,474)	(7,299)
Tax on profit on ordinary activities	<u>229,669</u>	<u>166,524</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2007	2006
	£	£
Profit on ordinary activities before tax	<u>700,218</u>	<u>538,240</u>
Standard rate of corporation tax in the UK	30%	26%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	210,065	139,943
Effects of		
Expenses not deductible for tax purposes	37,462	27,758
Capital allowances for period in excess of depreciation	3,474	7,299
Marginal relief	(17,001)	-
Adjustments to tax charge in respect of previous periods	(857)	(1,177)
Current tax charge for period	<u>233,143</u>	<u>173,823</u>

CORPORATE DIRECT (EUROPE) LIMITED
Notes to the Abbreviated Accounts
for the year ended 31 December 2007

8 Tangible fixed assets

	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2007	55,549	418,647	474,196
Additions	-	102,429	102,429
At 31 December 2007	<u>55,549</u>	<u>521,076</u>	<u>576,625</u>
Depreciation			
At 1 January 2007	3,470	267,903	271,373
Charge for the year	17,360	85,223	102,583
At 31 December 2007	<u>20,830</u>	<u>353,126</u>	<u>373,956</u>
Net book value			
At 31 December 2007	<u>34,719</u>	<u>167,950</u>	<u>202,669</u>
At 31 December 2006	<u>52,079</u>	<u>150,744</u>	<u>202,823</u>

9 Stocks

	2007 £	2006 £
Stock	<u>1,092,648</u>	<u>1,210,539</u>

10 Debtors

	2007 £	2006 £
Trade debtors	1,360,461	1,353,295
Amounts owed by group undertakings and undertakings in which the company has a participating interest	35,318	42,919
Other debtors - prepayments	23,764	15,376
	<u>1,419,543</u>	<u>1,411,590</u>

11 Creditors. amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	-	70,000
Trade creditors	2,032,215	2,144,809
Corporation tax	234,000	173,823
Other taxes and social security costs	50,023	102,410
Other creditors	22,345	24,564
	<u>2,338,583</u>	<u>2,515,606</u>

The bank loans and overdrafts are secured by a fixed and floating charge on the assets of the company. The cashflow finance is secured on the book debts of the company.

CORPORATE DIRECT (EUROPE) LIMITED
Notes to the Abbreviated Accounts
for the year ended 31 December 2007

12 Creditors: amounts falling due after one year			2007	2006
			£	£
Bank loans (secured by a fixed and floating charge)			-	147,753
13 Deferred taxation			2007	2006
			£	£
Accelerated capital allowances			11,986	15,460
Undiscounted provision for deferred tax			11,986	15,460
			2007	2006
			£	£
At 1 January			15,460	22,759
Deferred tax charge in profit and loss account			(3,474)	(7,299)
At 31 December			11,986	15,460
14 Share capital			2007	2006
			£	£
Authorised				
Ordinary shares of £1 each			1,000,000	1,000,000
	2007	2006	2007	2006
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each			50,000	50,000
15 Profit and loss account			2007	2006
			£	£
At 1 January			300,652	274,936
Profit for the financial year			470,549	371,716
Dividends			(380,000)	(346,000)
At 31 December			391,201	300,652

CORPORATE DIRECT (EUROPE) LIMITED
Notes to the Abbreviated Accounts
for the year ended 31 December 2007

16 Dividends	2007	2006
	£	£
Dividends for which the company became liable during the year		
Dividends paid	<u>380,000</u>	<u>346,000</u>
Analysis of dividends by type		
Equity dividends (note 15)	<u>380,000</u>	<u>346,000</u>
 17 Reconciliation of movement in shareholder's funds	 2007	 2006
	£	£
At 1 January	350,652	324,936
Profit for the financial year	470,549	371,716
Dividends	(380,000)	(346,000)
At 31 December	<u>441,201</u>	<u>350,652</u>
 18 Gross cash flows	 2007	 2006
	£	£
Returns on investments and servicing of finance		
Interest received	5,168	4,101
Interest paid	(52,197)	(46,817)
	<u>(47,029)</u>	<u>(42,716)</u>
 Capital expenditure		
Payments to acquire tangible fixed assets	<u>(102,429)</u>	<u>(111,827)</u>
 Financing		
Loan repayments	<u>(217,753)</u>	<u>(66,577)</u>

CORPORATE DIRECT (EUROPE) LIMITED
Notes to the Abbreviated Accounts
for the year ended 31 December 2007

19 Analysis of changes in net debt

	At 1 Jan 2007 £	Cash flows £	Non-cash changes £	At 31 Dec 2007 £
Cash at bank and in hand	204,519	(127,609)		76,910
Debt due within 1 year	(70,000)	70,000		-
Debt due after 1 year	(147,753)	147,753		-
		217,753		
Total	(13,234)	90,144	-	76,910

20 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2007 £	Land and buildings 2006 £	Other 2007 £	Other 2006 £
Operating leases which expire within two to five years	54,055	54,055	106,803	62,703

21 Controlling party

The company is a wholly owned subsidiary of Corporate Telecommunications (UK) Limited a company registered in England and Wales. Mr A Molloy owns 100% of the issued share capital of Corporate Telecommunications (UK) Limited.