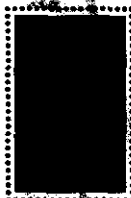
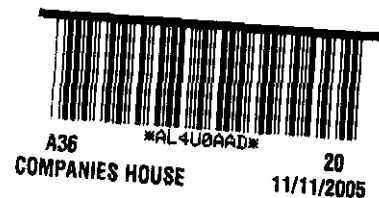


REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005
FOR
CLASS AFFINITY PROJECTS LIMITED



Robert James Partnership

Chartered Certified Accountants - Registered Auditors - Chartered Tax Advisers

TEL 0870 225 5220

Web www.rjp.co.uk

CLASS AFFINITY PROJECTS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2005

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Trading and Profit and Loss Account	9

CLASS AFFINITY PROJECTS LIMITED

COMPANY INFORMATION

for the Year Ended 31 March 2005

DIRECTORS:

J Holton
A Holton
J Miller
D Hornsby

SECRETARY:

A Holton

REGISTERED OFFICE:

2 AC Court
High Street
Thames Ditton
Surrey
KT7 0SR

REGISTERED NUMBER:

3956388 (England and Wales)

AUDITORS:

Robert James Partnership
Chartered Certified Accountants &
Registered Auditors
2 A C Court
High Street
Thames Ditton
Surrey KT7 0SR

CLASS AFFINITY PROJECTS LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2005

The directors present their report with the financial statements of the company for the year ended 31 March 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of telecommunications.

DIRECTORS

The directors during the year under review were:

J Holton
A Holton
J Miller
D Hornsby

The directors holding office at 31 March 2005 did not hold any beneficial interest in the issued share capital of the company at 1 April 2004 or 31 March 2005.

STATEMENT OF 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.

AUDITORS

The auditors, Robert James Partnership, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



A Holton - Secretary

Date: 31/10/05

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CLASS AFFINITY PROJECTS LIMITED**

We have audited the financial statements of Class Affinity Projects Limited for the year ended 31 March 2005 on pages four to eight. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 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 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 described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robert James Partnership
Chartered Certified Accountants &
Registered Auditors
2 A C Court
High Street
Thames Ditton
Surrey KT7 0SR

Date: 4 November 2005

CLASS AFFINITY PROJECTS LIMITED**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2005**

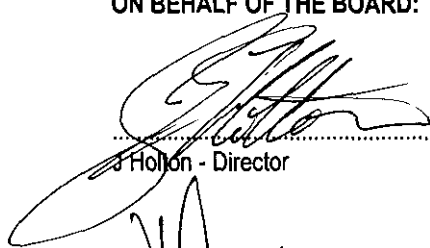
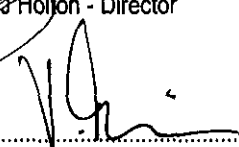
	Notes	31.3.05 £	31.3.04 £
TURNOVER		2,576,597	2,301,678
Cost of sales		1,899,513	1,761,982
GROSS PROFIT		677,084	539,696
Administrative expenses		531,377	395,812
OPERATING PROFIT	2	145,707	143,884
Interest receivable and similar income		3,926	3,986
		149,633	147,870
Interest payable and similar charges		2	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		149,631	147,870
Tax on profit on ordinary activities	3	28,499	28,162
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		121,132	119,708
Dividends	4	93,900	59,125
RETAINED PROFIT FOR THE YEAR		27,232	60,583

The notes form part of these financial statements

CLASS AFFINITY PROJECTS LIMITED**BALANCE SHEET****31 March 2005**

	Notes	31.3.05 £	31.3.04 £
CURRENT ASSETS			
Stocks	5	-	2,000
Debtors	6	301,533	328,503
Cash at bank		322,233	210,906
		<u>623,766</u>	<u>541,409</u>
CREDITORS			
Amounts falling due within one year	7	532,482	477,357
		<u>91,284</u>	<u>64,052</u>
NET CURRENT ASSETS			
		<u>91,284</u>	<u>64,052</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>91,284</u>	<u>64,052</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account	10	91,282	64,050
		<u>91,284</u>	<u>64,052</u>
SHAREHOLDERS' FUNDS		<u>91,284</u>	<u>64,052</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:
.....
J Holton - Director
.....
J Miller - Director

Approved by the Board on

31/10/05

The notes form part of these financial statements

CLASS AFFINITY PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 March 2005**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Group Accounts

The company has taken advantage of the exemption available in S248 Companies Act 1985 from preparing group accounts.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.05	31.3.04
	£	£
Auditors remuneration	1,945	1,850
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.05	31.3.04
	£	£
Current tax:		
UK corporation tax	28,499	28,162
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	28,499	28,162
	<u> </u>	<u> </u>

4. DIVIDENDS

	31.3.05	31.3.04
	£	£
Final	93,900	59,125
	<u> </u>	<u> </u>

5. STOCKS

	31.3.05	31.3.04
	£	£
Stocks	-	2,000
	<u> </u>	<u> </u>

CLASS AFFINITY PROJECTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2005****6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.05	31.3.04
	£	£
Trade debtors	65,732	38,549
Other debtors	235,801	289,954
	<u>301,533</u>	<u>328,503</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.05	31.3.04
	£	£
Trade creditors	172,069	183,269
Amounts owed to group undertakings	129,520	67,453
Taxation and social security	59,595	55,848
Other creditors	171,298	170,787
	<u>532,482</u>	<u>477,357</u>

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31.3.05	31.3.04
	£	£
Expiring: Within one year	<u>3,850</u>	<u>-</u>

9. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	31.3.05	31.3.04
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

Allotted and issued: Number:	Class:	Nominal value:	31.3.05	31.3.04
			£	£
2	Ordinary shares	£1	<u>2</u>	<u>2</u>

10. RESERVES

	Profit and loss account £
At 1 April 2004	64,050
Retained profit for the year	<u>27,232</u>
At 31 March 2005	<u>91,282</u>

CLASS AFFINITY PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2005

11. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Class Telecommunications Limited. There is no one ultimate controlling party.

12. RELATED PARTY DISCLOSURES

In the period Class Systems Limited, a member of the Class Telecommunications Group of companies, made net charges of £168,000 (2004 £160,000) to Class Affinity Projects Limited in respect of management charges.

During the year Class Systems Limited made net charges of £115,323 (2004 £133,260) to Class Affinity Projects Limited in respect of commission.

At the balance sheet date £129,520 was owed to Class Systems Limited (2004 £80,195), included in amounts due to group undertakings.

All transactions are at market value.

13. DIRECTORS INTERESTS

The directors interests in the parent company Class Telecommunications Limited are as follows:

	Ordinary		A		B		C		D	
	Shares	%	Ordinary	%	Ordinary	%	Ordinary	%	Ordinary	%
J Holton	700	29			1	100				
A Holton	625	26	1	100						
J Miller	700	29							1	100
D Hornsby	360	15					1	100		