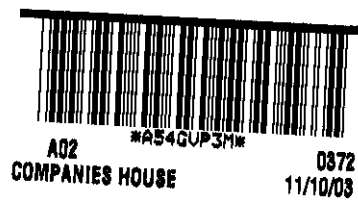


GOLFADS (UK) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2003



Frost & Company
Chartered Accountants
Magnolia House
24 West Street
Wimborne
Dorset
BH21 1JS

GOLFADS (UK) LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS for the Year Ended 31st July 2003

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	6
Report of the Accountants	9
Trading and Profit and Loss Account	10

GOLFADS (UK) LIMITED

COMPANY INFORMATION
for the Year Ended 31st July 2003

DIRECTORS:	P H B Pascoe Mrs D M Pascoe
SECRETARY:	PHB Pascoe
REGISTERED OFFICE:	39 Filmer Road London SW6 7JJ
REGISTERED NUMBER:	2481206 (England and Wales)
ACCOUNTANTS:	Frost & Company Chartered Accountants Magnolia House 24 West Street Wimborne Dorset BH21 1JS
BANKERS:	National Westminster Bank Plc 9 Belle Vue Way Swansea SA1 5BX

GOLFADS (UK) LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31st July 2003

The directors present their report with the financial statements of the company for the year ended 31st July 2003.

CHANGE OF NAME

The company passed a special resolution on 18th June 2003 changing its name from Golfads (UK) Plc to Golfads (UK) Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the promotion and marketing, including the selling of advertising media.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st July 2003.

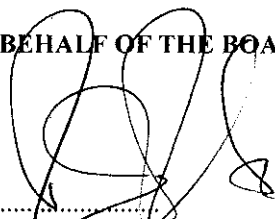
DIRECTORS

The directors during the year under review were:

P H B Pascoe
Mrs D M Pascoe

The directors holding office at 31st July 2003 did not hold any beneficial interest in the issued share capital of the company at 1st August 2002 or 31st July 2003.

ON BEHALF OF THE BOARD:



.....
P H B Pascoe - DIRECTOR

Dated:

6/10/03

GOLFADS (UK) LIMITED

PROFIT AND LOSS ACCOUNT for the Year Ended 31st July 2003

	Notes	2003 £	2002 £
TURNOVER		113,082	125,111
Cost of sales		<u>4,269</u>	<u>17,848</u>
GROSS PROFIT		108,813	107,263
Administrative expenses		<u>76,570</u>	<u>123,762</u>
OPERATING PROFIT/(LOSS)	2	32,243	(16,499)
Interest payable and similar charges		<u>11,406</u>	<u>14,533</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		20,837	(31,032)
Tax on profit/(loss) on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		20,837	(31,032)
Deficit brought forward		<u>(580,021)</u>	<u>(548,989)</u>
DEFICIT CARRIED FORWARD		<u>£(559,184)</u>	<u>£(580,021)</u>

The notes form part of these financial statements

GOLFADS (UK) LIMITED

BALANCE SHEET

31st July 2003

	Notes	2003 £	2002 £
FIXED ASSETS:			
Intangible assets	4	246,000	287,000
Tangible assets	5	32,047	47,852
		<u>278,047</u>	<u>334,852</u>
CURRENT ASSETS:			
Debtors	6	11,637	16,034
Cash at bank and in hand		118	103
		<u>11,755</u>	<u>16,137</u>
CREDITORS: Amounts falling due within one year	7	<u>70,871</u>	<u>91,895</u>
NET CURRENT LIABILITIES:		<u>(59,116)</u>	<u>(75,758)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>218,931</u>	<u>259,094</u>
CREDITORS: Amounts falling due after more than one year	8	<u>765,613</u>	<u>826,613</u>
		<u>£(546,682)</u>	<u>£(567,519)</u>
CAPITAL AND RESERVES:			
Called up share capital	9	12,502	12,502
Profit and loss account		(559,184)	(580,021)
SHAREHOLDERS' FUNDS:		<u>£(546,682)</u>	<u>£(567,519)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st July 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st July 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

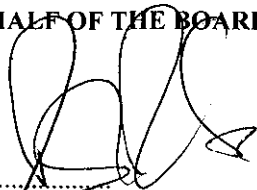
GOLFADS (UK) LIMITED

BALANCE SHEET

31st July 2003

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:



.....
P H B Pascoe - DIRECTOR

Approved by the Board on6/10/03

The notes form part of these financial statements

GOLFADS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2003

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.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, is being written off over its estimated useful life of 10 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 4% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 20% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Going Concern

At the balance sheet date the company had net liabilities, included in creditors due after more than one year is a loan of £378,613 from Mr P Pascoe the director. The director has given his assurance that he will not call any of the balance to be repaid until sufficient funds are available.

2. OPERATING PROFIT/(LOSS)

The operating profit (2002 - operating loss) is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation - owned assets	2,955	4,100
(Profit)/Loss on disposal of fixed assets	(2,873)	28,760
Goodwill written off	41,000	41,000
Auditors' remuneration	-	1,500
Non-audit work	-	225
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st July 2003 nor for the year ended 31st July 2002.

GOLFADS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2003

4. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1st August 2002	
and 31st July 2003	410,000
AMORTISATION:	
At 1st August 2002	123,000
Charge for year	41,000
	164,000
At 31st July 2003	164,000
NET BOOK VALUE:	
At 31st July 2003	246,000
At 31st July 2002	287,000

5. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1st August 2002	73,119	4,127	4,995	82,241
Disposals	(22,948)	-	-	(22,948)
At 31st July 2003	50,171	4,127	4,995	59,293
DEPRECIATION:				
At 1st August 2002	30,257	3,133	999	34,389
Charge for year	2,007	799	149	2,955
Eliminated on disposals	(10,098)	-	-	(10,098)
At 31st July 2003	22,166	3,932	1,148	27,246
NET BOOK VALUE:				
At 31st July 2003	28,005	195	3,847	32,047
At 31st July 2002	42,862	994	3,996	47,852

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	11,557	15,679
Prepayments	80	355
	11,637	16,034

GOLFADS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2003

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank loans and overdrafts	51,488	36,664
Trade creditors	5,863	1,125
V.A.T.	3,126	5,288
Accrued expenses	10,394	48,818
	<u>70,871</u>	<u>91,895</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
	£	£
Bank loans	137,000	173,000
Directors' loans	378,613	403,613
Other loans	250,000	250,000
	<u>765,613</u>	<u>826,613</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	2003	2002
		value:	£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

Allotted and issued:				
Number:	Class:	Nominal	2003	2002
		value:	£	£
50,000	Ordinary shares	£1	<u>12,502</u>	<u>12,502</u>

10. TRANSACTIONS WITH DIRECTORS

Mr PHB Pascoe has a loan with the company and its balance at the 31st July 2003 was £378,613 (2002:£403,613).

11. RELATED PARTY DISCLOSURES

During the year the company made sales of £55,000 (2002: £55,000) to The Unique Group Limited. The director, Mr PHB Pascoe, is also a director of The Unique Group Limited.