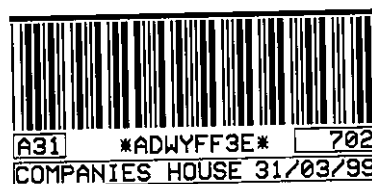


THE WEBSITE CONSULTANCY LIMITED
FINANCIAL STATEMENTS
31st MARCH 1998

Company Registration Number 3119464

GARNER BLEASDALE CHANDLER

Chartered Accountants
Haydon House
14 Haydon Place
Guildford
GU1 4LL



THE WEBSITE CONSULTANCY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 1998

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THE WEBSITE CONSULTANCY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st MARCH 1998

The directors present their report and the unaudited financial statements of the company for the year ended 31st March 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was internet consultancy.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Equity ordinary Shares of £1 each	
	At 31 March 1998	At 1 April 1997
J Stannard	50	50
S Beard	50	50

SMALL COMPANY PROVISIONS

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

Registered office:
47, Duke Street
Henley on Thames
Oxfordshire
RG9 1UR

Signed by order of the directors



J. STANNARD
Company Secretary

Approved by the directors on 29/3/1999

THE WEBSITE CONSULTANCY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st MARCH 1998

	Note	1998 £	1997 £
TURNOVER		35,843	50,106
Cost of sales		<u>25,175</u>	<u>19,447</u>
GROSS PROFIT		10,668	30,659
Administrative expenses		<u>21,632</u>	<u>69,860</u>
OPERATING LOSS		(10,964)	(39,201)
Interest payable		32	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(10,996)</u>	<u>(39,201)</u>
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR		<u>(10,996)</u>	<u>(39,201)</u>
Balance brought forward		<u>(39,201)</u>	-
Balance carried forward		<u>(50,197)</u>	<u>(39,201)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

THE WEBSITE CONSULTANCY LIMITED

BALANCE SHEET

31st MARCH 1998

	Note	1998		1997	
		£	£	£	£
CURRENT ASSETS					
Debtors	2	7,445		19,142	
Cash at bank and in hand		16		220	
		<u>7,461</u>		<u>19,362</u>	
CREDITORS: Amounts falling due within one year	3	<u>(57,558)</u>		<u>(58,463)</u>	
NET CURRENT LIABILITIES			<u>(50,097)</u>		<u>(39,101)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(50,097)</u>		<u>(39,101)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	5		100		100
Profit and loss account			<u>(50,197)</u>		<u>(39,201)</u>
DEFICIENCY	6		<u>(50,097)</u>		<u>(39,101)</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

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

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 29 March 1999, and are signed on their behalf by:


J STANNARD

THE WEBSITE CONSULTANCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

2. DEBTORS

	1998 £	1997 £
Trade debtors	7,445	14,522
VAT recoverable	-	4,620
	<u>7,445</u>	<u>19,142</u>

3. CREDITORS: Amounts falling due within one year

	1998 £	1997 £
Trade creditors	52,865	55,449
Other creditors including: VAT	1,535	-
Directors current accounts	<u>1,630</u>	<u>1,980</u>
	3,165	1,980
Accruals and deferred income	<u>1,528</u>	<u>1,034</u>
	<u>57,558</u>	<u>58,463</u>

THE WEBSITE CONSULTANCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 1998

4. RELATED PARTY TRANSACTIONS

The company was under the control of S Beard and J Stannard throughout the current and previous year. S Beard and J Stannard are joint managing directors and equal interest shareholders.

J Stannard and S Beard own 100% of the share capital of Marbles (UK) Ltd. During the period ended 31st March 1998 Marbles (UK) Ltd provided office administration services and related costs totalling £2,832. These fees are considered to be at normal business terms. Included within trade creditors is £32,622.64 owed to Marbles (UK) Ltd at the year end.

In addition, the company was owed £4,554.35 by Marbles (UK) Ltd from sales made in October 1996.

The husband of J Stannard controls a business called Matrix. During the period ended 31st March 1998 Matrix provided project consultancy services on an arms length basis totalling £25,826. Included within trade creditors at the year end is £19,361 owed to Matrix at the year end.

5. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
250,000 Equity ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	<u>100</u>	<u>100</u>

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Loss for the financial year	(10,996)	(39,201)
Opening shareholders' equity funds	<u>(39,101)</u>	<u>100</u>
Closing shareholders' equity funds	<u>(50,097)</u>	<u>(39,101)</u>

7. CONTROL RELATIONSHIP

The company was under the joint control of J Stannard and S Beard who each own 50% of the share capital.