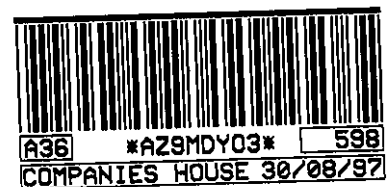


COMPANY NO. 3130514

HTML LIMITED
REPORT AND ACCOUNTS
30TH NOVEMBER 1996

BENNETT & CO
Accountants
Second Floor
47-53 Goswell Road
London
EC1V 7EH



HTML LIMITED

REPORT OF THE DIRECTOR

The director submits his report and accounts for the year ended 30th November 1996.

REVIEW OF ACTIVITIES

The principal activity of the company continued to be that of providers of internet services.

DIRECTORS

The Directors who served during the year and their beneficial interest in the Company's issued ordinary share capital were:

	Ordinary shares of £1 each <u>30.11.96</u>
C. Farrow	50
P. Stokes	50

DIRECTOR'S 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 suitable 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 director is 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. 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.

SMALL COMPANIES EXEMPTION

Advantage has been taken in the preparation of this report of the special exemptions available to small companies.

30 Moor Lea
Braunton
Devon
EX33 2PE

BY ORDER OF THE BOARD



Director C. FARROW

27th August 1997

HTML LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 30TH NOVEMBER 1996

	Notes	
Turnover	1	49049
Cost of sales		11237
Gross Profit		<u>37812</u>
Administrative expenses		47930
Operating Loss	2	<u>(10118)</u>
Taxation	3	-
Retained loss for the financial year carried forward		<u><u>(10118)</u></u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses for other than those dealt with in the profit and loss account for the above financial period.

HTML LIMITED

BALANCE SHEET 30TH NOVEMBER 1996

	Notes	£	£
FIXED ASSETS	4		350
CURRENT ASSETS			
Debtors	6	11481	
Cash at Bank and in hand		594	
		<u>12075</u>	
CREDITORS			
Amounts falling due within one year	6	22443	
Net current liabilities			<u>(10368)</u>
Capital Employed			<u>(10018)</u>
CAPITAL AND RESERVES			
Called up share capital	7		100
Profit and loss account			(10118)
			<u>(10018)</u>

I confirm that:

- the company was entitled for the year ended 30th November 1996 to audit exemption under s.249(A)(1)/s249(A)(2);
- no notice has been deposited under s249(B)(2) requiring an audit of the accounts for the year.

I acknowledge my responsibility for:

- ensuring that the company keeps accounting records which comply with s221;
- preparing accounts which give a true and fair view of the state of the company's affairs at the end of the year and of its profit for the year in accordance with s226 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The director has taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of these accounts and has done so on the grounds that, in his opinion, the company is entitled to these exemptions.


 -----) DIRECTOR (C. P. BROWN)

Approved by the Board on 27th August 1997

HTML LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH NOVEMBER 1996

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. A summary of the more important policies, which have been applied consistently, is set out below.

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Depreciation

Tangible fixed assets are depreciated at rates calculated to write off their cost in equal annual instalments over their expected useful lives at the following rates:

Equipment 25%

Turnover

Turnover represents the invoiced amount of goods provided stated net of value added tax.

2 OPERATING PROFIT

1996
£

This is stated after charging:

Directors' remuneration 13500

Depreciation 116

3 TAXATION

1996
£

UK Corporation tax at 25% based on
the profit for the year

NIL

4 FIXED ASSETS

Equipment
£

COST

Additions 466

At 30th November 1996 466

DEPRECIATION

Charged for year 116

At 30th November 1996 116

NET BOOK VALUE

At 30th November 1996 350

HTML LIMITED

NOTES TO THE ACCOUNTS - continued

5. DEBTORS

Trade Debtors	11381
Other Debtors	100
	<u>11481</u>

6. CREDITORS

Amounts due within one year:

Trade Creditors	8404
Accruals	14039
	<u>22443</u>

Included in Accruals is the sum of £1789 in respect of amounts due, Taxes and Social Security.

7. SHARE CAPITAL

	1996 £
Authorised share capital 100 shares of £1 each	<u>100</u>
 Allotted, called and fully paid 100 ordinary share of £1 each	 <u>100</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £
Opening shareholders' funds	100
Loss for the year	(10118)
 Closing shareholders' funds and equity interest	 <u>(10018)</u>