

ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 22 MAY 1996 TO 30 JUNE 1997

FOR

NETSTORE (UK) LTD



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FOR THE PERIOD 22 MAY 1996 TO 30 JUNE 1997

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NETSTORE (UK) LTD

COMPANY INFORMATION
FOR THE PERIOD 22 MAY 1996 TO 30 JUNE 1997

DIRECTORS:

P B Barry-Walsh
A J King
J Maynard
G P Smith

SECRETARY:

K Marrinan

REGISTERED OFFICE:

Rowan House
Field Lane
Teddington
Middlesex
TW11 9AW

REGISTERED NUMBER:

3202152 (England and Wales)

AUDITORS:

Simpsons
Chartered Accountants
Registered Auditor
Rowan House, Field Lane
Teddington
Middlesex
TW11 9AW

BANKERS:

Barclays Bank plc
Camberley Business Centre
65 High Street
Camberley
Surrey
GU15 3RQ

NETSTORE (UK) LTD

REPORT OF THE AUDITORS TO
NETSTORE (UK) LTD
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages three to five, together with the full financial statements of the company for the period ended 30 June 1997 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

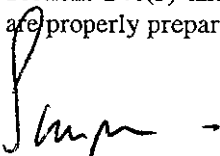
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to five are properly prepared in accordance with those provisions.



Simpsons

Chartered Accountants
Registered Auditor
Rowan House, Field Lane
Teddington
Middlesex
TW11 9AW

Dated: 18 March 1998

NETSTORE (UK) LTD


ABBREVIATED BALANCE SHEET

30 JUNE 1997

	Notes	£	£
FIXED ASSETS:			
Intangible assets	2		54,959
Tangible assets	3		<u>232,638</u>
			287,597
CURRENT ASSETS:			
Debtors		47,789	
Cash at bank		<u>145,434</u>	
		193,223	
CREDITORS: Amounts falling due within one year		<u>149,565</u>	
NET CURRENT ASSETS:			<u>43,658</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			331,255
CREDITORS: Amounts falling due after more than one year			<u>65,255</u>
			<u>£266,000</u>
CAPITAL AND RESERVES:			
Called up share capital	4		264,482
Share premium			352,185
Profit and loss account			<u>(350,667)</u>
Shareholders' funds			<u>£266,000</u>

These abbreviated financial statements have 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:


P B Barry Walsh - DIRECTOR

Approved by the Board on 18 March 1998

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 22 MAY 1996 TO 30 JUNE 1997

1. **ACCOUNTING POLICIES**

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Office equipment	- 25% on cost
Computer equipment	- 25% - 50% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. **INTANGIBLE FIXED ASSETS**

	<u>Total</u>
	£
COST:	
Additions	<u>61,350</u>
At 30 June 1997	<u>61,350</u>
AMORTISATION:	
Charge for period	<u>6,391</u>
At 30 June 1997	<u>6,391</u>
NET BOOK VALUE:	
At 30 June 1997	<u><u>54,959</u></u>

NETSTORE (UK) LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 22 MAY 1996 TO 30 JUNE 1997

3. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
Additions	<u>286,227</u>
At 30 June 1997	<u>286,227</u>
DEPRECIATION:	
Charge for period	<u>53,589</u>
At 30 June 1997	<u>53,589</u>
NET BOOK VALUE:	
At 30 June 1997	<u><u>232,638</u></u>

4. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal value:	£
260,868	Ordinary	£1	260,868
130,420	"A" Ordinary	£1	<u>130,420</u>
			<u><u>391,288</u></u>
Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
177,533	Ordinary	£1	177,535
86,947	"A" Ordinary	£1	<u>86,947</u>
			<u><u>264,482</u></u>

Holders of the "A" Ordinary Shares are entitled to a Cumulative Preferential Participating Dividend, being 7% of the Net Profit of the Company, but this Dividend does not start to accrue until 1st January 2002.