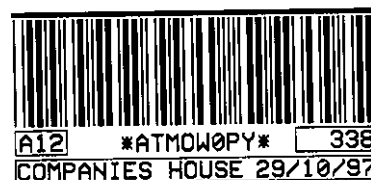


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Report of the Director and
Financial Statements for the Period 22 May 1996 to 31 December 1996
for
NETINVEST LIMITED



NETINVEST LIMITED

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for the Period 22 May 1996 to 31 December 1996

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NETINVEST LIMITED

Company Information
for the Period 22 May 1996 to 31 December 1996

DIRECTOR: B Peak

SECRETARY: W R Thomson.

REGISTERED OFFICE: Warwick House
Station Court
Station Road
Great Shelford
Cambridgeshire
CB2 5LR

REGISTERED NUMBER: 3202517 (England and Wales)

AUDITORS: Langmead Charlesworth & Co.
Chartered Certified Accountants
Registered Auditors
137 Station Road
Hampton
Middlesex
TW12 2AL

NETINVEST LIMITED

Report of the Director **for the Period 22 May 1996 to 31 December 1996**

The director presents his report with the financial statements of the company for the period 22 May 1996 to 31 December 1996.

INCORPORATION

The company was incorporated on 22 May 1996 and commenced trading on the same date. The company passed a special resolution on 11 July 1997 changing its name from GLOBAL NETSITE SOLUTIONS LIMITED to NETINVEST LIMITED.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of management and investment in internet and related activities.

DIRECTOR

B Peak was the sole director during the period under review.

The director holding office at 31 December 1996 did not hold any beneficial interest in the issued share capital of the company at 22 May 1996 or 31 December 1996.

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently;
- make judgments 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 him 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.

AUDITORS

The auditors, Langmead Charlesworth & Co., 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:



B Peak - DIRECTOR

Dated: 22 October 1997

NETINVEST LIMITED

Report of the Auditors to the Shareholders of
NETINVEST LIMITED

We have audited the financial statements on pages four to seven which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of director and auditors

As described on page two the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgments made by the director 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 December 1996 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Langmead Charlesworth & Co.
Chartered Certified Accountants
Registered Auditors
137 Station Road
Hampton
Middlesex
TW12 2AL

Dated: 22 October 1997

NETINVEST LIMITED

Profit and Loss Account
for the Period 22 May 1996 to 31 December 1996

	Notes	£
TURNOVER		-
Cost of sales		<u>1,714</u>
GROSS LOSS		<u>(1,714)</u>
Administrative expenses		<u>5,743</u>
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>(7,457)</u>
Tax on loss on ordinary activities	3	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>(7,457)</u>
DEFICIT CARRIED FORWARD		<u><u>£(7,457)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period.

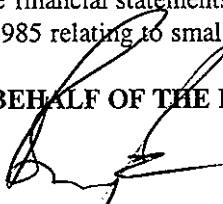
NETINVEST LIMITED

Balance Sheet
31 December 1996

	Notes	£
FIXED ASSETS:		
Investments	4	1,000
CURRENT ASSETS:		
Debtors	5	1,254
CREDITORS: Amounts falling due within one year	6	<u>9,709</u>
NET CURRENT LIABILITIES:		<u>(8,455)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u><u>£(7,455)</u></u>
CAPITAL AND RESERVES:		
Called up share capital	7	2
Profit and loss account		<u>(7,457)</u>
Shareholders' funds	8	<u><u>£(7,455)</u></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.

ON BEHALF OF THE BOARD:



B Peak - DIRECTOR

Approved by the Board on 22 October 1997

NETINVEST LIMITED

Notes to the Financial Statements for the Period 22 May 1996 to 31 December 1996

1. ACCOUNTING POLICIES

Accounting convention

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

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 director, there is reasonable probability that the liability will not arise in the foreseeable future.

Financial Reporting Standard Number 1.

Exemption has been taken from preparing a cash flow statement on the grounds that the ultimate parent company prepares a consolidated cash flow statement.

2. OPERATING LOSS

The operating loss is stated after charging:

	£
Auditors' remuneration	300
	==
Director's emoluments	-
	==

3. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the period.

4. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	£
Investment in subsidiaries	1,000
	==

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Other debtors	1,252
Amount owed by group companies	2
	==
	1,254
	==

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Amount owed to group companies	9,409
Accrued expenses	300
	==
	9,709
	==

NETINVEST LIMITED

Notes to the Financial Statements
for the Period 22 May 1996 to 31 December 1996

7. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	£
Number:	Class:		
1,000	Ordinary shares	1	1,000

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
2	Ordinary shares	1	2

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Loss for the financial period	£
Ordinary shares	(7,457)
	2
NET REDUCTION OF SHAREHOLDERS' FUNDS	(7,455)
CLOSING SHAREHOLDERS' FUNDS	(7,455)
Equity interests	(7,455)

9. ULTIMATE PARENT COMPANY

The ultimate parent company is Global Communications (Holdings) Limited, a company incorporated in the United Kingdom. Copies of the consolidated financial statements of that company are available from the Companies House, Crown Way, Cardiff, CF4 3UZ.