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Inet Global Limited
REPORT of the DIRECTORS and
FINANCIAL STATEMENTS
for the year ended to 31 December 2000



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Inet Global Limited
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31 December 2000

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Inet Global Limited
COMPANY INFORMATION
31 December 2000

DIRECTORS: William Mina Esq.,
Jeffrey Kupp Esq.,
Elie Akilian Esq.,

SECRETARY: Jeffrey A. Kupp Esq.,

REGISTERED OFFICE: Watermill Building
Fairview Industrial Estate
Holland Road
OXTED
Surrey RH8 9BD

REGISTERED NUMBER: 3306943

AUDITORS: Barry Compton & Co.
Chartered Accountants &
Registered Auditors
Watermill Building
Fairview Industrial Estate
Holland Road
OXTED
Surrey RH8 9BD

SOLICITORS: Donne Mileham & Haddock
100, Queens Road
Brighton
E. Sussex BN1 3YB

BANKERS: Lloyds Bank Plc.
1 - 5 The Broadway
CRAWLEY
West Sussex RH10 1DU

Inet Global Limited
REPORT of the DIRECTORS for the year
to 31 December 2000

The directors present their report together with the financial statements for the year ended 31 December 2000.

STATEMENT of DIRECTORS' 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 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

PRINCIPAL ACTIVITIES & REVIEW of the BUSINESS

The principal activity of the company throughout the period unchanged from the previous year has been the sale and support of telecommunications equipment. The results for the year as set out on page 4 demonstrate a strong performance in the face of less favourable market conditions.

DIRECTORS

The directors and their interests in the company are set out below.

Mark Alan Weinzierl Esq., (resigned 1 June 2000)
Sam Simonien Esq., (resigned 1 June 2000)
Elie Akilian Esq.,
William Mina Esq., (appointed 21 June 2000)
Jeffrey Kupp Esq., (appointed 21 June 2000)

The directors held no shares in the company at any time during the period.

Jeffrey Kupp is the nominee holder of one share on behalf of Inet Technologies Limited.

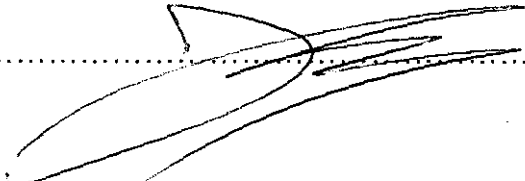
AUDITORS

The auditors, Barry Compton & Co. will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

SMALL COMPANY RULES

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

The report was approved by the board on ...18.9.01... and signed on its behalf by

 signature 18/9/01 date
director

Inet Global Limited
AUDITOR'S REPORT to the SHAREHOLDERS of
INET GLOBAL LIMITED
for the year ended 31 December 2000

We have audited the financial statements on pages 5 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit of 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 judgements made by the directors 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Barry Compton & Co. 18 September 2001

Barry Compton & Co.
Chartered Accountants & Registered Auditors
Watermill Building
Fairview Industrial Estate
Holland Road
OXTED
Surrey RH8 9BD

Inet Global Limited
PROFIT & LOSS ACCOUNT
for the year ended 31 December 2000

	Notes	2000 £	1999 £
TURNOVER	1	2,732,373 =====	2,008,144 =====
Administrative Costs		<u>2,483,975</u>	<u>1,825,585</u>
OPERATING PROFIT on ORDINARY ACTIVITIES before TAXATION	3	248,398	182,559
TAXATION on PROFIT on ORDINARY ACTIVITIES	4	<u>49,516</u>	<u>53,400</u>
PROFIT on ORDINARY ACTIVITIES after TAXATION & RETAINED PROFITS for the FINANCIAL PERIOD		198,882	129,159
RETAINED PROFITS brought forward		<u>238,856</u>	<u>109,697</u>
RETAINED PROFITS carried forward		437,738 =====	238,856 =====

The notes on pages 7 to 10 form part of these financial statements.

Inet Global Limited
BALANCE SHEET
31 December 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible Fixed Assets	5	275,835 =====	221,264 =====
CURRENT ASSETS			
Debtors	6	204,177	113,860
Cash at Bank & In Hand		<u>197,463</u>	<u>52,120</u>
		401,640 =====	165,980 =====
CREDITORS: Amounts due within one year	7	238,737 =====	147,388 =====
NET CURRENT ASSETS		162,903 =====	18,592 =====
TOTAL NET ASSETS		438,738 =====	239,856 =====
CAPITAL & RESERVES			
Called up Share Capital	8	1,000	1,000
Profit & Loss Account		<u>437,738</u>	<u>238,856</u>
SHAREHOLDERS' FUNDS		438,738 =====	239,856 =====

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the board on18.9.01..... and signed on its behalf by.

..... signature 18 / 9 / 01 date
(name) director

The notes on pages 7 to 10 form part of these financial statements.

Inet Global Limited
NOTES to FINANCIAL STATEMENTS
for the year ended 31 December 2000

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

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 the provision of services to the parent company at a constant pre-determined value.

Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write each asset down to its residual value at the end of its estimated useful life.

Test Equipment	-	33 1/3 % of cost
Office Equipment	-	20% of 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 no liability will arise in the foreseeable future.

2 TURNOVER

100% of the company's turnover during the period was generated in markets outside the UK.

3 OPERATING PROFIT	2000	1999
	£	£
The operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	101,367	86,264
Additional Depreciation on account of permanent diminution in value of Fixed Assets	-	19,336
Auditor's Remuneration	4,750	4,500

4	TAXATION	2000 £	1999 £
	UK Corporation Tax	49,516 =====	53,400 =====
5	TANGIBLE FIXED ASSETS	Plant & Machinery £	
	COST: At 1.1.00		398,147
	Additions		<u>155,819</u>
	At 31.12.00		553,966 =====
	DEPRECIATION:		
	At 1.1.00		176,764
	Charge in period		<u>101,367</u>
	At 31.12.00		278,131 =====
N.B.V.	At 31.12.00		275,835 =====
	At 31.12.99		221,264 =====
6	DEBTORS	2000 £	1999 £
	Due within one year		
	Other Debtors	91,602 =====	48,149 =====
	Due after more than one year		
	Group Undertakings	-	3,381
	Other Debtors	<u>112,575</u>	<u>62,330</u>
		112,575 =====	65,711 =====
		204,177 =====	113,860 =====

7	CREDITORS	2000 £	1999 £
	Amounts due within one year		
	Trade Creditors	32,140	-
	Other Creditors	157,081	93,988
	Taxation	<u>49,516</u>	<u>53,400</u>
		238,737	147,388
		=====	=====

8	CREDITORS	2000 £	1999 £
	Amounts falling due after more than one year		
	Group Undertakings	282,226	-
		=====	=====

		£	£
9	SHARE CAPITAL		
	Authorised		
	Ordinary shares of £1 each	1,000	1,000
		=====	=====
	Allotted, called up & fully paid		
	Ordinary shares of £1 each	1,000	1,000
		=====	=====

10 RELATED PARTIES

The controlling party is Inet Technologies Inc. by virtue of its 100% ownership of the issued ordinary share capital of the company. Inet Technologies Inc. is incorporated in the United States of America and is situated at 1500 N. Greenville Avenue, Richardson, Texas. Inet Technologies Inc., provided 100% of the company's turnover.

During the period Inet Technologies Inc. provided the company net advances of £2,060,210 (1999 - £915,000). At the Balance Sheet date £282,226 was owed by the company to Inet Technologies Inc. (99 - Inet Technologies owed the company £3,381).

10 MOVEMENTS on RESERVES

	Profit & Loss Account £
Balance at 1.1.00	238,856
Retained profits for the year	<u>198,882</u>
Balance at 31.12.00	437,738
	=====