

B.S. NET LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST JULY 1998

COMPANY NUMBER: 3399705 (England and Wales)

7/5/99



B.S. NET LIMITED

COMPANY INFORMATION

DIRECTORS:

R. Pearlman
C.M. Needham

SECRETARY:

R. Pearlman

COMPANY NUMBER:

3399705 (England and Wales)

REGISTERED OFFICE:

8, Highfield Gardens,
London,
NW11 9HB.

REPORTING ACCOUNTANTS:

Purcells
4, Quex Road,
London,
NW6 4PJ.

B.S. NET LIMITED

DIRECTORS' REPORT for the period ended 31st July 1998

The directors present their report and financial statements for the period ended 31st July 1998.

COMPANY NUMBER
3399705 (England and Wales).

PRINCIPAL ACTIVITIES

The company was incorporated on the 7th July 1997.

The company's principal activity was providing internet services.

DIRECTORS

The directors at 31st July 1998 and their interest in the share capital of the company was as follows:-

	Ordinary shares of £1 each 31.7.1998
R. Pearlman	33
C.M. Needham	33

This report, which has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985, was approved by the board on 4/5/1999 and signed on its behalf.


R. Pearlman,
Director

B.S. NET LIMITED

PROFIT AND LOSS ACCOUNT for the period 7th July 1997 to 31st July 1998

	Notes	£
Turnover	1 & 2	8,366
Administrative expenses		6,013
		<hr/>
Profit on ordinary activities before interest	3	2,353
Interest receivable		-
		<hr/>
Profit on ordinary activities before taxation		2,353
Taxation on profit on ordinary activities	4	520
		<hr/>
Profit on ordinary activities after taxation		1,833
Dividends	5	-
		<hr/>
Retained profit for the period		1,833
Retained profit brought forward		-
		<hr/>
Retained profit carried forward		1,833
		<hr/> <hr/>

There were no recognised gains and losses for 1997 and 1998 other than those included in the profit and loss account.

The notes on pages 6 and 7 form part of these financial statements.

B.S. NET LIMITED

BALANCE SHEET at 31st July 1998

	Notes	£
CURRENT ASSETS		
Debtors	6	99
Cash at bank		3,232
		<u> </u>
		3,331
		<u> </u>
CREDITORS: amounts falling due within one year	7	1,399
		<u> </u>
Net current assets		1,932
CREDITORS: amounts falling due after more than one year		-
		<u> </u>
Net assets		1,932
		<u> </u>
CAPITAL AND RESERVES		
Called-up share capital	8	99
Profit and loss account		1,833
		<u> </u>
Shareholders' funds	9	1,932
		<u> </u>

B.S. NET LIMITED

BALANCE SHEET at 31st July 1998 (continued)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit under Section 249(B) of the Companies Act 1985. The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its result for the period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The directors have taken advantage, in the preparation of these financial statements, of the exemptions available under Part I of Schedule 8 of the Companies Act 1985, on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

The financial statements were approved by the board on
signed on its behalf.

4/5/ 1999 and

.....
R. Pearlman

directors

.....
C.M. Needham

The notes on pages 6 and 7 form part of these financial statements.

B.S. NET LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31st July 1998

1. Accounting policies

a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the directors' report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Turnover

Turnover comprises the invoiced value of services supplied by the company, net of Value Added Tax and trade discounts.

2. Turnover in the period to 31st July 1998

100% of the company's turnover was to markets within the United Kingdom.

3. Profit on ordinary activities before interest

The profit on ordinary activities before interest is stated after charging:-

	£
Company formation expenses	125
	===

4. Taxation

UK current period taxation

UK corporation tax at 21%	520
	===

5. Dividends

No dividend was paid for the period ended 31.7.1998.

6. Debtors: due within one year

Sundry debtors	99
	===

7. Creditors: amounts falling due within one year

Corporation tax	520
Directors' loan	350
Accruals	529

1,399
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B.S. NET LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31st July 1998 (continued)

8. Share capital

Authorised 1,000 ordinary shares of £1 each	1,000
	<u>=====</u>
Allotted, called-up and fully paid 99 ordinary shares of £1 each	99
	<u>=====</u>

9. Movement in shareholders' funds

Share capital issued	99
Profit for the period	1,833
	<u>1,932</u>
less: Dividend paid	<u>-</u>
	1,932
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	1,932
	<u>=====</u>