

ANGLO DIGITAL LIMITED
COMPANY NUMBER: 3914022
DIRECTORS REPORT AND ACCOUNTS
For the Year to 31st December 2003



ANGLO DIGITAL LIMITED
COMPANY NUMBER: 3914022

DIRECTORS REPORT 2003


During 2003 Anglo Digital continued to develop its relationships with world-class sources of intellectual property and this resulted in the identification of a number of novel and emerging technologies worthy of commercialisation.

The company expects to create up to four new businesses per year from its existing contacts and was successful in raising a significant amount of funding for those already identified.

It is expected that 2004 will be the company's first year of profitable trading and this growth in its development is expected to continue through 2005 and beyond.

James Rolfe

Managing Director



ANGLO DIGITAL LIMITED

as at 31st December 2003

DIRECTORS OFFICERS AND ADVISORS

Directors: James Rolfe
Henry Hyde-Thomson
Douglas Dundonald

Secretary: Douglas Dundonald

Registered Office: Anglse House, 1 Worcester Road, Malvern WR14 4QY

Date of Incorporation: 26/01/00

Bankers: HSBC, 1 Church Street, Malvern WR14 2AB

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ANGLO DIGITAL LIMITED

Balance Sheet as at 31st December 2003

	2003	2004
ASSETS		
Fixed Assets		
Computer Equipment	2,142.71	2,411.19
Computer Software	0.00	329.00
Fixtures & Fittings	10,606.42	15,896.42
Total Fixed Assets	12,749.13	18,636.61
Other Assets		
Atmospheric Solutions Loan	0.00	21,466.63
Shares Held	6,450.00	25,100.00
Total Other Assets	6,450.00	46,566.63
Current Assets		
Accounts Receivable		
Scottish Accounts Receivable	142.02	0.00
UK Accounts Receivable	3,452.63	18,602.81
USA Accounts Receivable	6,839.90	9,531.60
Total Accounts Receivable	10,434.55	28,134.41
Current/Savings		
Current Account	-2,860.19	15,692.85
Savings Account	55,478.70	0.00
Total Current/Savings	52,618.51	15,692.85
Total Current Assets	63,053.06	43,827.26
Current Liabilities		
Accounts Payable		
Accounts Payable	17,153.79	21,870.43
Euro Accounts Payable	1,400.00	0.00
Scottish Accounts Payable	92.99	0.00
Total Accounts Payable	18,646.78	21,870.43
Credit Cards		
HSBC Mastercard	674.04	387.32
Total Credit Cards	674.04	387.32
Other Current Liabilities		
Loan Interest	6,577.51	14,939.92
Provision for Bad Debt	6,839.90	0.00
Tax Due on Loan Interest	1,710.00	0.00
VAT Control	3,924.50	-659.56
Total Other Current Liabilities	19,051.91	14,280.36
Total Current Liabilities	38,372.73	36,538.11
NET CURRENT ASSETS	24,680.33	7,289.15
TOTAL ASSETS LESS CURRENT LIABILITIES	43,879.46	72,492.39
Long Term Liabilities		
Loans Payable	229,687.00	235,000.00
Total Long Term Liabilities	229,687.00	235,000.00
NET ASSETS	-185,807.54	-162,507.61
Equity		
Opening Bal Equity	-247,281.07	-247,281.07
Retained Earnings	-116,831.54	-17,741.92
Share Capital At Par	4,800.00	4,000.00
Share Premium	342,118.00	197,605.00
Net Income	-168,612.93	-99,089.62
Total Equity	-185,807.54	-162,507.61

ANGLO DIGITAL LIMITED

Balance Sheet as at 31st December 2003 (cont...)

The Directors consider that for the period ended 31st December 2003, the Company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited notice requesting and audit for the current financial year under subsection 2 of section 249B of the Act.

The Directors acknowledge their responsibility for ensuring that the Company keep accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the Company.

The Directors have taken advantage of the exemptions conferred by Part 111 of Schedule 8 of the Companies Act, 1985, and in their opinion the Company is entitled to those exemptions on the basis that it qualifies as a small company.

The Directors have taken advantage in the preparation of these financial statements of the special exemptions provided by Part 1 of Schedule 8 of the Companies Act, 1985, on the basis that the Company qualifies as a small company.

The financial statements on pages 4 and 8 were approved by the Board of Directors on 04 October 2004



James Rolfe
Director



ANGLO DIGITAL LIMITED

Notes on the financial statements for the year ended 31st December 2003

1. ACCOUNTING POLICIES

- a. Basis of Accounting – the financial statements have been prepared under the historical cost accounting rules
- b. Cash Flow Statement – the Company has taken advantage of the exemption from preparing a cash flow statement conferred by the Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act, 1985, for small companies.
- c. Depreciation – depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives.
- d. Deferred Taxation – no deferred taxation has been provided because the Directors have concluded that on the basis of reasonable assumptions and the intentions of the management that it is improbable that any liability will crystallise.

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ANGLO DIGITAL LIMITED

Notes on the financial statements for the year ended 31st December 2003

2. FIXED ASSETS

Assets at Cost	2003	2002
	£	£
Balance as at 31 st December 2002	23,152	19,343
Additions during the year	1,874	3,809
Balance as at 31 st December 2003	<u>25,026</u>	<u>23,152</u>
Depreciation		
Balance as at 31 st December 2002	4,516	2,181
Charge for the year	7,761	2,335
Balance as at 31 st December 2003	<u>12,277</u>	<u>4,516</u>
Net Book Value	<u>12,749</u>	<u>18,636</u>



ANGLO DIGITAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st December 2003

Ordinary Income/Expense	2003	2002
Income		
Administration Services	12,120.00	15,747.67
Management Services	37,275.10	45,294.50
Reimbursed Expenses	2,990.44	3,383.01
Rental Income	5,500.00	12,000.00
Share Over Subscriptions	0.00	0.00
Total Income	<u>57,885.54</u>	<u>76,425.18</u>
Expense		
Advertising and Marketing	69.00	0.00
Bank Service Charges	358.74	463.73
Books and Publications	0.00	124.50
Dues and Subscriptions	1,336.84	172.66
Exchange Gain/Loss	231.70	44.60
Gifts and Donations	0.00	1,000.00
Insurance	802.29	3,048.82
Interest Expense	15,412.17	15,097.48
Internet & Websites	2,210.83	3,192.97
Losses on Investments	57,150.00	0.00
Maintenance	1,710.14	1,435.54
Market Research	234.04	0.00
Miscellaneous	15.31	92.56
Motor Expense	173.87	0.00
Office Equipment	9,131.63	0.00
Office Supplies	4,636.56	1,787.60
Outside Services	1,593.42	2,954.64
Payroll Expenses	79,824.08	81,519.06
Postage and Delivery	1,376.93	981.62
Printing and Reproduction	253.00	442.03
Professional Fees	10,661.50	24,505.17
Rent	9,200.00	10,207.50
Royal Mail	-28.80	0.00
Software Expense	2,548.47	302.86
Subscriptions	0.00	140.84
Taxes	3,169.80	2,320.78
Telephone	4,540.98	5,791.47
Travel Expenses	18,335.23	14,707.90
Uncategorised Expenses	100.00	6,070.94
Utilities	463.77	576.16
Total Expense	<u>225,511.50</u>	<u>176,981.43</u>
Net Ordinary Income	<u>-167,625.96</u>	<u>-100,556.25</u>
Other		
Income/Expense Other		
Income		
Interest Income	-986.97	1,466.63
Other Income	2,000.00	0.00
Total Other Income	<u>1,013.03</u>	<u>1,466.63</u>
Other Expense		
Other Expenses	2,000.00	0.00
Total Other Expense	<u>2,000.00</u>	<u>0.00</u>
Net Other Income	<u>-986.97</u>	<u>1,466.63</u>
Net Income	<u>-168,612.93</u>	<u>-99,089.62</u>