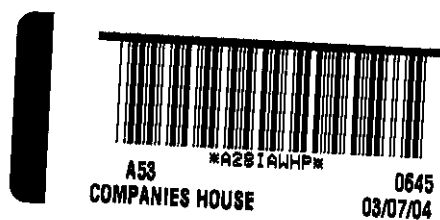


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Report of the Director and
Unaudited Financial Statements for the Year Ended 31 December 2003
for
Denet Limited



**Contents of the Financial Statements
for the Year Ended 31 December 2003**

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Denet Limited

**Company Information
for the Year Ended 31 December 2003**

| | |
|---------------------------|--|
| DIRECTOR: | Ms S L Petre-Mears |
| SECRETARY: | IMC Company Secretarial Services Ltd |
| REGISTERED OFFICE: | Thurston House 80 Lincoln Road Peterborough Cambridgeshire PE1 2SN |
| REGISTERED NUMBER: | 4027513 (England and Wales) |
| ACCOUNTANTS: | Sean R O'Donovan 2 Market Place Brigg N.Lincolnshire DN20 8LH |

Denet Limited

**Report of the Director
for the Year Ended 31 December 2003**

The director presents her report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a management consultancy.

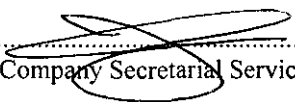
DIRECTOR

Ms S L Petre-Mears was the sole director during the year under review.

The director holding office at 31 December 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 31 December 2003.

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:


.....
IMC Company Secretarial Services Ltd - Secretary

Date:30/6/2004.....

Denet Limited

Profit and Loss Account
for the Year Ended 31 December 2003

| | | Year Ended 31.12.03 | Period 1.7.02 to 31.12.02 |
|--|-------|------------------------|------------------------------------|
| | Notes | £ | £ |
| TURNOVER | | 287,880 | 159,600 |
| Cost of sales | | 45,668 | 30,615 |
| GROSS PROFIT | | 242,212 | 128,985 |
| Administrative expenses | | 57,093 | 27,930 |
| OPERATING PROFIT | 2 | 185,119 | 101,055 |
| Interest receivable and similar income | | 1,913 | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 187,032 | 101,055 |
| Tax on profit on ordinary activities | | 35,807 | 9,821 |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | 151,225 | 91,234 |
| Dividends | | 26,000 | 215,000 |
| | | 125,225 | (123,766) |
| Retained profit brought forward | | 45,240 | 169,006 |
| RETAINED PROFIT CARRIED FORWARD | | <u>£170,465</u> | <u>£45,240</u> |

The notes form part of these financial statements

Denet Limited

**Balance Sheet
31 December 2003**

| | | 31.12.03 | | 31.12.02 | |
|---|-------|----------------|-----------------|----------------|----------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS: | | | | | |
| Tangible assets | 3 | | 1,197 | | 147 |
| CURRENT ASSETS: | | | | | |
| Debtors | 4 | 33,000 | | 51,554 | |
| Cash at bank | | 199,182 | | 72,387 | |
| | | <u>232,182</u> | | <u>123,941</u> | |
| CREDITORS: Amounts falling due within one year | 5 | <u>62,913</u> | | <u>78,847</u> | |
| NET CURRENT ASSETS: | | | <u>169,269</u> | | <u>45,094</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | | <u>£170,466</u> | | <u>£45,241</u> |
| CAPITAL AND RESERVES: | | | | | |
| Called up share capital | 6 | | 1 | | 1 |
| Profit and loss account | | | <u>170,465</u> | | <u>45,240</u> |
| SHAREHOLDERS' FUNDS: | | | <u>£170,466</u> | | <u>£45,241</u> |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2003.


The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges her responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


Ms S L Petre-Mears - Director

Approved by the Board on 30/6/2004

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2003**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, 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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. OPERATING PROFIT

The operating profit is stated after charging:

| | Year Ended 31.12.03 £ | Period 1.7.02 to 31.12.02 £ |
|--|-----------------------------|---|
| Depreciation - owned assets | 399 | - |
| | <u> </u> | <u> </u> |
| Director's emoluments and other benefits etc | - | - |
| | <u> </u> | <u> </u> |

3. TANGIBLE FIXED ASSETS

| | Plant and machinery etc £ |
|------------------------|--|
| COST: | |
| At 1 January 2003 | 196 |
| Additions | 1,449 |
| | <u> </u> |
| At 31 December 2003 | 1,645 |
| | <u> </u> |
| DEPRECIATION: | |
| At 1 January 2003 | 49 |
| Charge for year | 399 |
| | <u> </u> |
| At 31 December 2003 | 448 |
| | <u> </u> |
| NET BOOK VALUE: | |
| At 31 December 2003 | 1,197 |
| | <u> </u> |
| At 31 December 2002 | 147 |
| | <u> </u> |

Denet Limited

**Notes to the Financial Statements
for the Year Ended 31 December 2003**

**4. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | 31.12.03 | 31.12.02 |
|---------------|---------------|---------------|
| | £ | £ |
| Trade debtors | <u>33,000</u> | <u>51,554</u> |

**5. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | 31.12.03 | 31.12.02 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 7,650 | 14,751 |
| Directors current accounts | - | 4,017 |
| V.A.T. | 18,691 | 40,060 |
| Taxation | 35,503 | 19,200 |
| Accrued expenses | 1,069 | 819 |
| | <u>62,913</u> | <u>78,847</u> |

6. CALLED UP SHARE CAPITAL

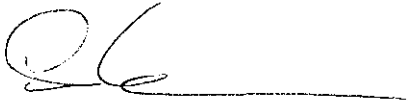
| | | | | |
|----------------------------------|----------|----------------|--------------|--------------|
| Authorised: | | | | |
| Number: | Class: | Nominal value: | 31.12.03 | 31.12.02 |
| | | | £ | £ |
| 1,000 | Ordinary | £1 | <u>1,000</u> | <u>1,000</u> |
| | | | | |
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 31.12.03 | 31.12.02 |
| | | | £ | £ |
| 1 | Ordinary | £1 | <u>1</u> | <u>1</u> |

Denet Limited

**Report of the Accountants to the Director of
Denet Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2003 set out on pages three to six and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Sean R O'Donovan
2 Market Place
Brigg
N.Lincolnshire
DN20 8LH

Date: 30.6.04

Denet Limited

**Trading and Profit and Loss Account
for the Year Ended 31 December 2003**

| | Year Ended 31.12.03 | | Period 1.7.02 to 31.12.02 | |
|--------------------------|------------------------|-----------------|------------------------------|-----------------|
| | £ | £ | £ | £ |
| Sales | | 287,880 | | 159,600 |
| Cost of sales: | | | | |
| Purchases | 10,000 | | 30,615 | |
| Denet bv costs | 35,668 | | - | |
| | | 45,668 | | 30,615 |
| GROSS PROFIT | | 242,212 | | 128,985 |
| Other income: | | | | |
| Deposit account interest | | 1,913 | | - |
| | | 244,125 | | 128,985 |
| Expenditure: | | | | |
| Wages | 50,000 | | 25,000 | |
| Telephone | 1,571 | | 392 | |
| Post & stationery | 255 | | - | |
| Travelling | 1,202 | | 407 | |
| Sundry expenses | 2 | | - | |
| Accountancy | 646 | | 755 | |
| Office Services | 2,468 | | 1,170 | |
| | | 56,144 | | 27,724 |
| | | 187,981 | | 101,261 |
| Finance costs: | | | | |
| Bank charges | | 550 | | 206 |
| | | 187,431 | | 101,055 |
| Depreciation: | | | | |
| Fixtures & fittings | | 399 | | - |
| NET PROFIT | | <u>£187,032</u> | | <u>£101,055</u> |