

Company Number 4251635



Active Europe Network Ltd
Financial Statements for 12 Months Ended June 30, 2003



Active Europe Network Ltd
Alder Castle, 10 Nobel Street, 5th Floor
London EC2V 7QJ England

ACTIVE EUROPE NETWORK LTD
Balance Sheet at June 30, 2003 and 2002

	Amounts in Euros	Amounts in Euros	Amounts in GBP	Amounts in GBP
	Balance at June 30, 2003	Balance at June 30, 2002	Balance at June 30, 2003	Balance at June 30, 2002
Cash In Banks	€ 86,791	€ 36,109	£60,395	£23,345
Investment in SA Active	€ 25,369	€ 6,000	£17,653	£3,879
Fixed Assets			£0	£0
TOTAL ASSETS	€ 112,160	€ 42,109	£78,048	£27,224
Amounts Due Events	€ 96,637	€ 36,109	£67,246	£23,345
Consultants Payable	€ 411,839	€ 119,081	£286,586	£76,987
Commission Payable	€ 3,063		£2,131	£0
Trade Payable	€ 25,946	€ 5,000	£18,055	£3,233
Legal Payable	€ 206,577	€ 182,095	£143,750	£117,726
Payable for SA Active Acquisition	€ 25,369		£17,653	£0
License Fee Payable	€ 44,260		£30,799	£0
Total Payables	€ 717,053	€ 306,176	£498,974	£197,945
Debt to Founders	€ 1,862	€ 361,185	£1,296	£233,509
Bridge Loans	€ 312,273	€ 0	£217,301	£0
TOTAL LIABILITIES	€ 1,127,825	€ 703,470	£784,817	£454,799
Paid in Capital	€ 310,456	€ 310,456	£216,036	£200,712
Retained Earnings	(€ 971,817)		-£676,256	£0
Net Income	(€ 354,304)	(€ 971,817)	-£246,549	-£628,287
TOTAL EQUITY	(€ 1,015,665)	(€ 661,361)	-£706,769	-£427,575
TOTAL LIABILITIES AND EQUITY	€ 112,160	€ 42,109	£78,048	£27,224

DIRECTOR'S STATEMENT

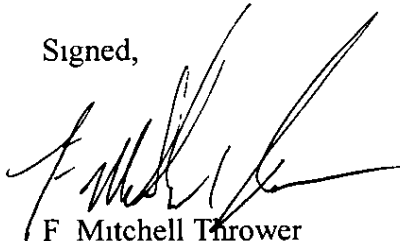
The Company is entitled to the exemption from audit conferred by subsection (1) of Section 249A of the Companies Act 1985 ('the Act') and no notice has been deposited under subsection (2) of Section 249B of the Act requiring an audit of its accounts for the financial year

The directors acknowledge their responsibilities for

- (a) ensuring the Company keeps accounting records which comply with Section 221 of the Act and
- (b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Act and which comply with the provisions of the Act applicable to small companies

The directors have taken advantage in the preparation of the financial statements of the special provisions of Part VII of the Act on the grounds that, in their opinion the Company qualifies as a small Company

Signed,



F Mitchell Thrower
Director and CEO

ACTIVE EUROPE NETWORK LTD**Income Statement for 12 Months Ended June 30, 2003 and 2002**

	Amounts in Euros 12 Months Ended June 30, 2003	Amounts in Euros 12 Months Ended June 30, 2002	Amounts in GBP 12 Months Ended June 30, 2003	Amounts in GBP 12 Months Ended June 30, 2002
Registration Revenue	€ 135,950	€ 1,208	£94,603	£781
Commerce Revenue	€ 0	€ 0	£0	£0
Marketing Income	€ 35,000	€ 0	£24,355	£0
Total Revenue	€ 170,950	€ 1,208	£118,959	£781
Bank Fees	€ 40,579	€ 0	£28,238	£0
License Fees	€ 44,260	€ 0	£30,799	£0
Server and Management Expenses	€ 7,907	€ 0	£5,502	£0
Marketing Commissions	€ 12,250	€ 0	£8,524	£0
Total Cost of Sales	€ 104,996	€ 0	£73,063	£0
Gross Margin	€ 65,954	€ 1,208	£45,895	£781
Consultant Expenses	€ 151,008	€ 377,796	£105,081	£244,248
Marketing & Advertising	€ 30,291	€ 0	£21,079	£0
Legal and Professional Fees	€ 52,433	€ 228,338	£36,486	£147,622
Travel	€ 30,186	€ 155,693	£21,005	£100,657
Office Equipment	€ 1,675	€ 35,515	£1,166	£22,961
Rent	€ 6,897	€ 35,407	£4,799	£22,891
Car Rental and Expenses	€ 2,548	€ 26,062	£1,773	£16,849
Telephone	€ 12,677	€ 34,464	£8,822	£22,281
Relocation	€ 0	€ 10,863	£0	£7,023
Postage & Delivery	€ 736	€ 7,203	£512	£4,657
Office Supplies	€ 1,746	€ 6,325	£1,215	£4,089
Utilities	€ 260	€ 1,638	£181	£1,059
All Other	€ 129,803	€ 53,721	£90,326	£34,731
Total Expenses	€ 420,259	€ 973,025	£292,444	£629,068
Operating Income	(€ 354,304)	(€ 971,817)	-£246,549	-£628,287
Interest Expense	€ 0	€ 0	£0	£0
Net Income	(€ 354,304)	(€ 971,817)	-£246,549	-£628,287

Active Europe Network Ltd

Notes to Financial Statements

Currency

The functional currency for Active Europe Network Ltd is the Euro.

The Company conducts business in Euros (function currency) and British Pounds, South African Rand, US Dollars, and Swiss Francs (Local Currencies).

Rates used for Conversions from Local Currencies into Euros are gathered from the US Federal Reserve Bank of New York (representing the 12 noon buying rates) and the International Monetary Fund (according to their availability) as published by www.x-rates.com.

Local Currency Income Statement amounts are converted to Euros at the Average Daily Exchange Rate for the 12 month period.

Local Currency Balance Sheet amounts are converted into Euros using the "All Current Rate" Method. Under this method, all amounts are converted at the ending period spot rate.

Income Statement Amounts shown in this report in British Pounds represent the Euro amount converted at the rate in effect at the end of the period. (1 Euro = 0.6958680 British Pounds)

Accounting Method

Amounts are recorded on the accrual method of accounting. The company follows US Generally Accepted Accounting Procedures (US GAAP).

Revenues

Revenues comprise the service fee charged by AEN in connection with on-line registrations and charges for marketing fees charged to sponsoring companies.

Cash in Banks

Cash in Banks includes separate accounts for amounts collected and forwarded to Event Directors and banking accounts for the operations of the company. Amounts Due Event Directors are shown as a Current Liability.

Debt to Founders

Debt to Founders comprise amounts spent on behalf of the company by the founders for consultant expenses, travel, and other items.

Bridge Loans

Bridge Loans comprises amounts from various shareholders and individuals carrying an interest rate and payable upon a Company funding event.