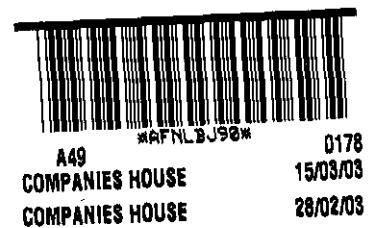


GOLFADS (UK) PLC
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2002



Frost & Company
Chartered Accountants
Magnolia House
24 West Street
Wimborne
Dorset
BH21 1JS

GOLFADS (UK) PLC

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GOLFADS (UK) PLC

COMPANY INFORMATION
for the Year Ended 31st July 2002

DIRECTORS:

P H B Pascoe
Mrs D M Pascoe

SECRETARY:

PHB Pascoe

REGISTERED OFFICE:

39 Filmer Road
London
SW6 7JJ

REGISTERED NUMBER:

2481206 (England and Wales)

AUDITORS:

Frost & Company
Chartered Accountants
Magnolia House
24 West Street
Wimborne
Dorset
BH21 1JS

BANKERS:

National Westminster Bank Plc
9 Belle Vue Way
Swansea
SA1 5BX

GOLFADS (UK) PLC

REPORT OF THE DIRECTORS for the Year Ended 31st July 2002

The directors present their report with the financial statements of the company for the year ended 31st July 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the promotion and marketing, including the selling of advertising media.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st July 2002.

DIRECTORS

The directors during the year under review were:

P H B Pascoe
Mrs D M Pascoe

The directors holding office at 31st July 2002 did not hold any beneficial interest in the issued share capital of the company at 1st August 2001 or 31st July 2002.

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

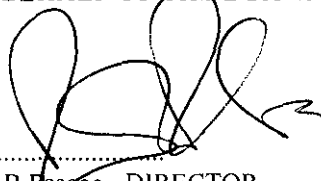
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

AUDITORS

The auditors, Frost & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
P H B Pascoe - DIRECTOR

Dated: 27/2/03

GOLFADS (UK) PLC

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF GOLFADS (UK) PLC

We have audited the financial statements of Golfads (UK) Plc for the year ended 31st July 2002 on pages four to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Going concern

In forming our opinion we also evaluate the overall adequacy of the presentation of the information in the financial statements regarding the going concern of the company. The company incurred losses during the year which have increased the overall deficit shown on the balance sheet. The accounts have been prepared on a going concern basis which assures the continuing support of its bankers, director's and holding company. We have no reason to assume that this support will not continue and therefore our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st July 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Frost & Company
Chartered Accountants
Magnolia House
24 West Street
Wimborne
Dorset
BH21 1JS

Dated:

27th February 2003

GOLFADS (UK) PLC

PROFIT AND LOSS ACCOUNT for the Year Ended 31st July 2002

	Notes	2002 £	2001 £
TURNOVER		125,111	131,945
Cost of sales		<u>17,848</u>	<u>22,421</u>
GROSS PROFIT		107,263	109,524
Administrative expenses		<u>123,762</u>	<u>103,637</u>
OPERATING (LOSS)/PROFIT	3	(16,499)	5,887
Interest payable and similar charges	4	<u>14,533</u>	<u>21,430</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(31,032)	(15,543)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(31,032)	(15,543)
Deficit brought forward		<u>(548,989)</u>	<u>(533,446)</u>
DEFICIT CARRIED FORWARD		<u>£(580,021)</u>	<u>£(548,989)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

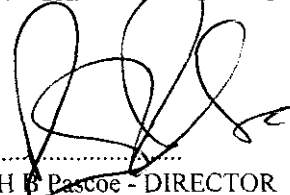
The company has no recognised gains or losses other than the losses for the current and previous years.

GOLFADS (UK) PLC

BALANCE SHEET 31st July 2002

	Notes	2002 £	2001 £
FIXED ASSETS:			
Intangible assets	6	287,000	328,000
Tangible assets	7	47,852	95,707
		<u>334,852</u>	<u>423,707</u>
CURRENT ASSETS:			
Debtors	8	16,034	25,310
Cash at bank and in hand		103	234
		<u>16,137</u>	<u>25,544</u>
CREDITORS: Amounts falling due within one year	9	<u>91,895</u>	<u>123,125</u>
NET CURRENT LIABILITIES:		<u>(75,758)</u>	<u>(97,581)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>259,094</u>	<u>326,126</u>
CREDITORS: Amounts falling due after more than one year	10	<u>826,613</u>	<u>862,613</u>
		<u>£(567,519)</u>	<u>£(536,487)</u>
CAPITAL AND RESERVES:			
Called up share capital	12	12,502	12,502
Profit and loss account		(580,021)	(548,989)
SHAREHOLDERS' FUNDS:	16	<u>£(567,519)</u>	<u>£(536,487)</u>

ON BEHALF OF THE BOARD:


P H B Pascoe - DIRECTOR

Approved by the Board on ...27/2/03

The notes form part of these financial statements

GOLFADS (UK) PLC

CASH FLOW STATEMENT for the Year Ended 31st July 2002

	Notes	2002 £	2001 £
Net cash inflow from operating activities	1	39,909	61,046
Returns on investments and servicing of finance	2	(14,533)	(21,430)
Capital expenditure	2	14,995	5,900
		<u>40,371</u>	<u>45,516</u>
Financing	2	(36,000)	(27,999)
Increase in cash in the period		<u>£4,371</u>	<u>£17,517</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		4,371	17,517
Cash outflow/(inflow) from decrease/(increase) in debt		<u>40,502</u>	<u>(903,779)</u>
Change in net debt resulting from cash flows		<u>44,873</u>	<u>(886,262)</u>
Movement in net debt in the period		44,873	(886,262)
Net debt at 1st August		<u>(908,711)</u>	<u>(22,449)</u>
Net debt at 31st July		<u>£(863,838)</u>	<u>£(908,711)</u>

The notes form part of these financial statements

GOLFADS (UK) PLC

NOTES TO THE CASH FLOW STATEMENT for the Year Ended 31st July 2002

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating (loss)/profit	(16,499)	5,887
Depreciation charges	45,100	47,851
Loss on sale of fixed assets	28,760	1,692
Decrease/(Increase) in debtors	9,276	(4,332)
(Decrease)/Increase in creditors	(26,728)	9,948
Net cash inflow from operating activities	39,909	61,046

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest paid	(14,533)	(21,430)
Net cash outflow for returns on investments and servicing of finance	(14,533)	(21,430)
Capital expenditure		
Purchase of tangible fixed assets	(4,995)	(600)
Sale of tangible fixed assets	19,990	6,500
Net cash inflow for capital expenditure	14,995	5,900
Financing		
Repayment of bank loan	(36,000)	(27,999)
Net cash outflow from financing	(36,000)	(27,999)

The notes form part of these financial statements

GOLFADS (UK) PLC

NOTES TO THE CASH FLOW STATEMENT for the Year Ended 31st July 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.01 £	Cash flow £	At 31.7.02 £
Net cash:			
Cash at bank and in hand	234	(131)	103
Bank overdraft	(5,166)	4,502	(664)
	<u>(4,932)</u>	<u>4,371</u>	<u>(561)</u>
Debt:			
Debts falling due within one year	(41,166)	4,502	(36,664)
Debts falling due after one year	(862,613)	36,000	(826,613)
	<u>(903,779)</u>	<u>40,502</u>	<u>(863,277)</u>
Total	<u>(908,711)</u>	<u>44,873</u>	<u>(863,838)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	234		103
Bank overdraft	(5,166)		(664)
Debts falling due within one year	(41,166)		(36,664)
Debts falling due after one year	(862,613)		(826,613)
	<u>(908,711)</u>		<u>(863,838)</u>

The notes form part of these financial statements

GOLFADS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, is being written off over its estimated useful life of 10 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 4% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 20% on reducing balance

Deferred tax

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

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	<u>12,030</u>	<u>19,416</u>

The average monthly number of employees during the year was as follows:

	2002	2001
Director	<u>2</u>	<u>2</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging:

	2002	2001
	£	£
Hire of plant and machinery	52	59
Depreciation - owned assets	4,100	6,851
Loss on disposal of fixed assets	28,760	1,692
Goodwill written off	41,000	41,000
Auditors' remuneration	1,500	1,500
Non-audit work	<u>225</u>	<u>438</u>
Directors' emoluments	<u>-</u>	<u>3,123</u>

GOLFADS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2002

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	59	1,149
Bank loan interest	14,474	20,281
	<u>14,533</u>	<u>21,430</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st July 2002 nor for the year ended 31st July 2001.

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1st August 2001 and 31st July 2002	<u>410,000</u>
AMORTISATION:	
At 1st August 2001	82,000
Charge for year	<u>41,000</u>
At 31st July 2002	<u>123,000</u>
NET BOOK VALUE:	
At 31st July 2002	<u>287,000</u>
At 31st July 2001	<u>328,000</u>

GOLFADS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2002

7. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1st August 2001	150,115	4,127	9,744	163,986
Additions	-	-	4,995	4,995
Disposals	(76,996)	-	(9,744)	(86,740)
At 31st July 2002	73,119	4,127	4,995	82,241
DEPRECIATION:				
At 1st August 2001	58,132	2,957	7,190	68,279
Charge for year	2,925	176	999	4,100
Eliminated on disposals	(30,800)	-	(7,190)	(37,990)
At 31st July 2002	30,257	3,133	999	34,389
NET BOOK VALUE:				
At 31st July 2002	42,862	994	3,996	47,852
At 31st July 2001	91,983	1,170	2,554	95,707

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	15,679	25,035
Prepayments	355	275
	<u>16,034</u>	<u>25,310</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank loans and overdrafts (see note 11)	36,664	41,166
Trade creditors	1,125	3,794
Other creditors	-	214
V.A.T.	5,288	11,259
Accrued expenses	48,818	66,692
	<u>91,895</u>	<u>123,125</u>

GOLFADS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2002

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Bank loans (see note 11)	173,000	209,000
Directors' loans (see note 11)	403,613	403,613
Other loans (see note 11)	250,000	250,000
	<u>826,613</u>	<u>862,613</u>

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	664	5,166
Bank loans	36,000	36,000
	<u>36,664</u>	<u>41,166</u>

Amounts falling due between one and two years:

Bank loans	173,000	209,000
Directors' loans	403,613	403,613
Other loans	250,000	250,000
	<u>826,613</u>	<u>862,613</u>

Included in creditors is a loan from Cymru Investments Limited of £250,000 (2001:£250,000). the director of Cymru Investments Limited have agreed that this loan will only be repaid when sufficient funds are available. Also included in creditors is a loan from Mr PHB Pascoe, a director of the company. Mr Pascoe has also agreed that this loan will not be called until sufficient funds are available.

GOLFADS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2002

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
		£1	£	£
50,000	Ordinary		<u>50,000</u>	<u>50,000</u>
Allotted and issued:				
Number:	Class:	Nominal value:	2002	2001
		£1	£	£
50,000	Ordinary shares		<u>12,502</u>	<u>12,502</u>

13. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Golfads Holding Limited, a company registered in Jersey.C.I.

14. TRANSACTIONS WITH DIRECTORS

Mr PHB Pascoe has a loan with the company and its balance at the 31st July 2002 was £403,613 (2001:£403,613).Mr PHB Pascoe has given his assurance that he will not call any of the balance to be repaid until sufficient funds are available.

15. RELATED PARTY DISCLOSURES

During the year the company made sales of £55,000 (2001: £55,000) to The Unique Group Limited. The director, Mr PHB Pascoe, is also a director of The Unique Group Limited.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Loss for the financial year	<u>(31,032)</u>	<u>(15,543)</u>
Net reduction of shareholders' funds	(31,032)	(15,543)
Opening shareholders' funds	<u>(536,487)</u>	<u>(520,944)</u>
Closing shareholders' funds	<u>(567,519)</u>	<u>(536,487)</u>
Equity interests	<u>(567,519)</u>	<u>(536,487)</u>

17. EARNINGS PER SHARE

Earning per share in the year ended 31st July 2002 were £(2.48)(2001:£(1.24)).