

EUROWEB LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31st JANUARY 2000

COMPANY NO. 1095259



GOWERS

CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO EUROWEB LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 2 to 4 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31st January 2000.

Respective responsibilities of the directors and accountants

The directors are responsible for preparing abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 have been properly prepared in accordance with those provisions.

The Old School House,
Bridge Road,
Hunton Bridge,
Kings Langley,
Herts. WD4 8SZ

21st August 2000



GOWERS

Chartered Accountants and
Registered Auditors

EUROWEB LIMITED

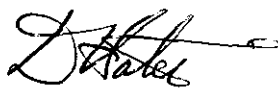
ABBREVIATED BALANCE SHEET

31st JANUARY 2000

	(Notes)	2000 £	1999 £
Fixed assets			
Tangible assets	(2)	11,534	13,569
		<u> </u>	<u> </u>
Current assets			
Stocks		63,552	65,064
Debtors		95,744	120,629
Bank		91,532	143,910
		<u> </u>	<u> </u>
		250,828	329,603
Creditors: amounts falling due within one year		125,208	189,641
		<u> </u>	<u> </u>
Net current assets		125,620	139,962
		<u> </u>	<u> </u>
Total assets less current liabilities		137,154	153,531
Provisions for liabilities and charges			
Deferred taxation	(3)	1,354	1,515
		<u> </u>	<u> </u>
		135,800	152,016
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	(4)	5,000	5,000
Profit and loss account		130,800	147,016
		<u> </u>	<u> </u>
Shareholders' funds		135,800	152,016
		<u> </u>	<u> </u>

The directors have taken advantage of the exemptions conferred on small companies by the Companies Act 1985, Schedule 8 Part IIIA. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the exemptions.

The financial statements were approved by the board on 16th August 2000 and were signed on its behalf by:


D E Bates


T M O'Donnell

EUROWEB LIMITED

NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31st JANUARY 2000

1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Tangible fixed assets

Depreciation is provided at the following annual rates, on a reducing balance basis in order to write off each asset over its estimated useful life:

Furniture and office equipment - 15%

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transactions.

Exchange differences are taken into account in arriving at the operating profit.

Pension costs

The company operates a defined contribution pension scheme for the directors and the obligations of the company are charged to the profit and loss account in the year in which they become payable.

Leases

The lease on the premises occupied by the company is regarded as an operating lease and the total payments made under it are charged to the profit and loss account on a straight line basis over the lease term.

Turnover

Turnover represents net invoiced sales of goods, excluding Value Added Tax.

Commissions received are accounted for as other operating income.

EUROWEB LIMITED

NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31st JANUARY 2000

2. Tangible fixed assets

	Furniture and Office equipment £
Cost	
1st February 1999	53,717
Additions	-
31st January 2000	53,717
Depreciation	
1st February 1999	40,148
Provided for the year	2,035
31st January 2000	42,183
Net book value	
31st January 2000	11,534
31st January 1999	13,569

3. Deferred taxation

The amount provided and the total potential liability for deferred taxation is as follows:-

	2000 £	1999 £
Accelerated capital allowances	1,354	1,515

4. Called up share capital

	2000 £	1999 £
5,000 ordinary shares of £1 each		
Authorised, allotted, issued and fully paid	5,000	5,000