Registered number: 3074721

CIBERNET PLC

Unaudited Interim Accounts

for the 11 month period ended 30 April 2003



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for the 11 month period ended 30 April 2003

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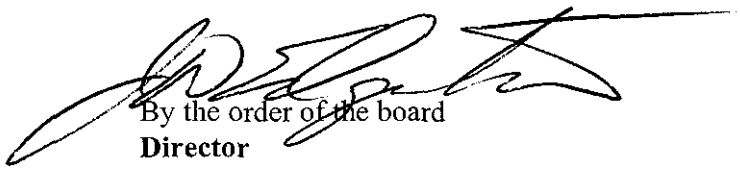
Directors' report
for the 11 month period ended 30 April 2003

Directors' responsibilities statement

The directors of Cibernet Plc are responsible for preparing interim accounts as defined by Section 272 of the Companies Act 1985, which, on the basis of preparation as disclosed in note 1, give a true and fair view of the state of affairs of the company at 30 April 2003.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the interim accounts for the period ended 30 April 2003 and that applicable accounting standards have been followed. The directors have prepared the interim accounts on the going concern basis.

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 interim accounts comply with Section 272 of 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.



By the order of the board
Director

Profit and loss account
for the 11 month period ended 30 April 2003

	Notes	Unaudited period ended 30 April 2003 £
Turnover	1,2	**3,896,363**
Net operating expenses	3	**(3,215,655)**
Operating profit		**680,708**
Interest receivable and similar income		**39,289**
Interest payable and similar charges	5	**(667)**
Profit on ordinary activities before taxation		**719,330**
Taxation	6	**(210,000)**
Profit on ordinary activities after taxation	11	**509,330**
Retained profit brought forward		**167,925**
Accumulated profit carried forward		**677,255**

The above results relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and profit for the year as stated above and their historical cost equivalents.

Balance sheet at 30 April 2003

	Notes	Unaudited As at 30 April 2003 £
Fixed assets		
Tangible assets	7	**268,824**
Current assets		
Debtors	8	**1,462,045**
Cash at bank and in hand		**1,987,698**
		3,449,743
Creditors: amounts falling due within one year	9	**(308,922)**
Net current assets		**3,140,821**
Total assets less current liabilities		**3,409,645**
Net assets		**3,409,645**
Capital and reserves		
Called up share capital	10	**78,125**
Share premium account	11	**2,654,265**
Profit and loss account	11	**677,255**
Equity shareholders' funds		**3,409,645**

The interim accounts on pages 2 to 9 were approved by the board of directors on and were signed on its behalf by:

Director

Notes to the financial statements for the 11 month period ended 30 April 2003

1 Principal accounting policies

The interim accounts as defined by Section 272 of the Companies Act 1985 have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies are set out below.

Accounting policies

The directors have reviewed the company's accounting policies and consider that the financial statements are prepared in accordance with FRS18.

Software costs

Externally purchased and developed software is capitalised. Internally developed software is expensed to the profit and loss account as incurred.

Fixed assets

The cost of fixed assets is their purchase cost together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of fixed assets, less their residual values, over the expected useful lives of the assets concerned. The rates used for this purpose are as follows:

Computer equipment and associated software	50% reducing balance basis
Fixtures and fittings	30% reducing balance basis
Leasehold property and improvements	Over length of lease

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Foreign currencies

Foreign currency transactions during the year are translated at the rates ruling on the dates of the transactions. Foreign currency balances at the year end are translated at the rate ruling at that date. Any exchange differences are charged to the profit and loss account in the period in which they arise.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not been reversed by the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred taxation assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date. The company does not discount deferred tax assets and liabilities.

Turnover

Turnover, which excludes value added tax and trade discounts, represents settlement, invoicing and consultancy fees for services provided to telephone operators and carriers. Deferred revenue arises from timing differences caused by invoicing quarterly for work not yet carried out at the year end.

2 Segmental reporting

All the results relate to the company's sole principal activity.

The geographical analysis of turnover is as follows:

	2003 £
UK	**241,591**
Africa	**257,922**
Asia	**426,201**
Europe	**1,722,474**
North America	**429,368**
Latin America	**651,971**
Rest of the world	**166,836**
	3,896,363

3 Net operating expenses

	2003 £
Continuing operations	
Selling costs	**676,897**
Distribution costs	**1,410,913**
Administrative expenses	**1,127,845**
	3,215,655

4 Employee information

The average monthly number of persons (including executive directors) employed by the company during the period was:

	2003 Number
By activity	
Selling, distributing and administration	31

	2003 £
Staff costs (for the above employees)	
Wages and salaries	966,067
Social security costs	94,101
Other pension costs	29,029
	1,089,197

5 Interest payable and similar charges

	2003 £
Interest payable to bank	667
	667

6 Taxation

Analysis of charge in the period

	2003 £
The charge for taxation is made up as follows:	
Current tax	
UK corporation tax at 30% (2002: 20%) on profits of the period	11,787
Adjustments in respect of previous periods	-
Total current tax	11,787
Deferred tax	
Origination of timing differences	-
Reversal of timing differences	198,213
Total deferred tax	198,213
Total tax charge/(credit) on profit on ordinary activities	210,000

7 Fixed assets

	Short leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computer equipment and associated software £	Total £
Cost					
At 1 June 2002	20,000	11,480	24,523	258,238	314,241
Additions in the period	-	4,860	7,588	206,166	218,614
At 30 April 2003	**20,000**	**16,340**	**32,111**	**464,404**	**532,855**
Depreciation					
At 1 June 2002	20,000	4,326	8,582	125,431	158,339
Charge for the period	-	2,337	7,076	96,279	105,692
At 30 April 2003	**20,000**	**6,663**	**15,658**	**221,710**	**264,031**
Net book value					
At 30 April 2003	-	**9,677**	**16,453**	**242,694**	**268,824**
At 31 May 2002	-	7,154	15,941	132,807	155,902

8 Debtors

	2003 £
Trade debtors	318,773
Amounts owed by group undertakings (see below)	617,781
Intercompany loan (see below)	118,980
Other debtors	18,101
Prepayments and accrued income	228,828
Deferred tax	159,582
	1,462,045

The above intercompany balance and loan are repayable on demand. Interest is charged at 6 months USD LIBOR + 3% per annum on the intercompany loan and at a variable US commercial rate on amounts owed by group undertakings, which was an average rate of 1.6% during the period.

9 Creditors: amounts falling due within one year

	2003 £
Trade creditors	149,843
UK Corporation tax payable	11,787
Taxation and social security	32,499
Accruals and deferred income	114,793
	308,922

10 Called up share capital

	2003 £
Authorised	
102,041 ordinary shares of £1 each	102,041
Allotted, called up and fully paid	
78,125 ordinary shares of £1 each	78,125

11 Reserves

	Share premium account £	Profit and loss account £
At 1 June 2002	2,654,265	167,925
Retained profit for the period	-	509,330
At 30 April 2003	**2,654,265**	**677,255**

12 Reconciliation of movement in shareholders' funds

	2003 £
Opening shareholders' funds	**2,900,315**
Profit after taxation	**509,330**
Closing shareholders' funds	**3,409,645**

13 Financial commitments

At 30 April 2003 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2003 Land and buildings £
Within one year	-
In one to two years	-
In two to five years	**132,482**
	132,482