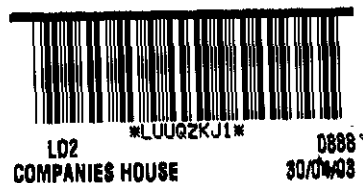


to House

NEWSNET CORPORATION LIMITED
FINANCIAL STATEMENTS

30TH JUNE 2002



Company Registration Number 3814021

HARE WILSON ASSOCIATES

Chartered Accountants
Redmead House,
Uxbridge Road,
Hillingdon Heath,
Uxbridge
Middlesex
UB 10 0LT

NEWSNET CORPORATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2002

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NEWSNET CORPORATION LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director Mr P R Dodd-Noble

Company secretary Julia Dodd-Noble

Registered office Readmead House
Uxbridge Road
Hillingdon Heath
Uxbridge
Middlesex
UB10 0LT

Accountants Hare Wilson Associates
Chartered Accountants
Redmead House,
Uxbridge Road,
Hillingdon Heath,
Uxbridge
Middlesex
UB 10 0LT

NEWSNET CORPORATION LIMITED**THE DIRECTOR'S REPORT****YEAR ENDED 30TH JUNE 2002**

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 30th June 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was in the field of telecommunications. The company did not trade during the year.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At	At
	30 June 2002	1 July 2001
Mr P R Dodd-Noble	<u>51</u>	<u>51</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Readmead House
Uxbridge Road
Hillingdon Heath
Uxbridge
Middlesex
UB10 OLT

Signed by order of the director

Julia Dodd-Noble

JULIA DODD-NOBLE
Company Secretary

Approved by the director on 16th April 2003

NEWSNET CORPORATION LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2002**

	Note	2002 £	2001 £
TURNOVER		—	427,621
Cost of sales		—	457,412
GROSS LOSS		—	(29,791)
Distribution Costs		—	4,404
Administrative expenses		13,715	329,610
Other operating income		—	(516,109)
OPERATING (LOSS)/PROFIT	2	(13,715)	152,304
Interest receivable		3	1,454
Interest payable		—	(65)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(13,712)	153,693
Tax on (loss)/profit on ordinary activities	3	—	37,523
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(13,712)	116,170
Equity dividends paid		60,000	40,000
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(73,712)	76,170
Balance brought forward		91,768	15,598
Balance carried forward		<u>18,056</u>	<u>91,768</u>

The notes on pages 5 to 7 form part of these financial statements.

NEWSNET CORPORATION LIMITED

BALANCE SHEET

30TH JUNE 2002

	Note	2002 £	£	2001 £	£
FIXED ASSETS					
Tangible assets	4		40,500		54,000
CURRENT ASSETS					
Debtors	5	243,396		455,267	
Cash at bank		17,327		525	
		<u>260,723</u>		<u>455,792</u>	
CREDITORS: Amounts falling due within one year	6	<u>283,066</u>		<u>417,923</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(22,343)</u>		<u>37,869</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,157</u>		<u>91,869</u>
CAPITAL AND RESERVES					
Called-up equity share capital	9		101		101
Profit and Loss Account			18,056		91,768
SHAREHOLDERS' FUNDS			<u>18,157</u>		<u>91,869</u>

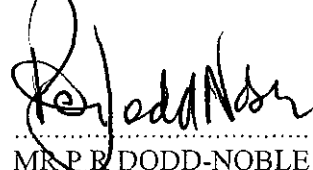
The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

These financial statements were approved and signed by the director on 16th April 2003


 MR P R DODD-NOBLE

NEWSNET CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2002

1. ACCOUNTING POLICIES**Basis of accounting**

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

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 25% reducing balance

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2002 £	2001 £
Director's emoluments	—	15,000
Staff pension contributions	—	4,532
Depreciation	13,500	18,000
Profit on disposal of fixed assets	—	(516,109)
	<u> </u>	<u> </u>

3. TAX ON LOSS OR PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
Current tax:		
UK Corporation tax based on the results for the year at -% (2001 - 26%)	—	37,523
Total current tax	<u> </u>	<u>37,523</u>

NEWSNET CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2002

4. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1st July 2001 and 30th June 2002	<u>72,000</u>
DEPRECIATION	
At 1st July 2001	18,000
Charge for the year	<u>13,500</u>
At 30th June 2002	<u>31,500</u>
NET BOOK VALUE	
At 30th June 2002	<u>40,500</u>
At 30th June 2001	<u>54,000</u>

5. DEBTORS

	2002 £	2001 £
Trade debtors	19,830	80,734
VAT recoverable	21,484	16,420
Associated company: Adz Online Limited	117,737	—
Associated company: Elidax Limited	—	8,439
Other debtors	19,666	101
Directors current accounts	<u>64,679</u>	<u>349,573</u>
	<u>243,396</u>	<u>455,267</u>

6. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	16,717	7,986
Trade creditors	—	51,976
Other creditors including taxation and social security:		
Corporation tax	37,523	42,265
PAYE and social security	—	4,056
Other creditors	223,611	306,640
Accruals and deferred income	<u>5,215</u>	<u>5,000</u>
	<u>266,349</u>	357,961
	<u>283,066</u>	<u>417,923</u>

7. TRANSACTIONS WITH THE DIRECTOR

Mr P Dodd-Noble owes the company £64,679 (2001:£349,573) at the balance sheet date.

NEWSNET CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2002

8. RELATED PARTY TRANSACTIONS

The company was under the control of Mr P Dodd-Noble throughout the year. Mr P Dodd-Noble is the managing director and majority shareholder.

Mr P Dodd-Noble is a director of Telelogic Limited which provide specialist IT consultancy services. Fees amounting to £Nil (2001: £100,000) were paid in the ordinary course of the business.

Mr P Dodd-Noble is also a director of Elidax Limited which provides estate development services. Fees amounting to £Nil (2001:£27,750) were paid in the ordinary course of the business.

Mr P Dodd-Noble is also a director of Noble House (London) Limited which provides financial management services. Fees amounting to £Nil (2001:£8,250) was paid in the ordinary course of the business.

9. SHARE CAPITAL**Authorised share capital:**

	2002	2001
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>101</u>	<u>101</u>	<u>101</u>	<u>101</u>