ITAO LIMITED

DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002



Company No. 03938721

ITAO LIMITED

COMPANY INFORMATION

Director	Mr R. Chan
Secretary	Mrs D.W. Chan
Company number	03938721
Registered office	9 Stewart Close Chislehurst Kent BR7 6TE

ITAO LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

The director presents his report and the accounts for the company for the period ended 31 st March 2001.

Incorporation

The company was incorporated on the 1st April 2001.

Principal activities

The company's principal activity during the year was to develop websites.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st March 2002	At 1st April 2001
Mr R. Chan (appointed 2nd March 2000)	Ordinary shares of £1 each	2	-
Energize Director Limited (resigned 2nd March 2000)	Ordinary shares of £1 each	-	2

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board

Mrs D.W. Chan, Secretary
9 Stewart Close
Chislehurst
Kent
BR7 6TE
Date: 20/1/2003

ITAO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2002

	Notes	2002	2001
		£	£
Turnover	2	**99,401**	76,577
Cost of sales		**(17,492)**	-
Gross profit		**81,909**	76,577
Administrative expenses		**(95,936)**	(72,638)
Operating loss/profit	3	**(14,027)**	3,939
Interest receivable		**6**	10
Loss/Profit on ordinary activities before taxation		**(14,021)**	3,949
Tax on loss/profit on ordinary activities	4	**3**	(375)
Loss/Profit for the financial year		**(14,018)**	3,574
Dividends		**-**	(3,500)
Retained loss/profit for the year		**(14,018)**	74
Retained profit brought forward		**74**	-
Retained loss/profit carried forward		**(13,944)**	74

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

ITAO LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2002

	Notes	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	5		**3,783**		3,865
			3,783		3,865
Current assets					
Debtors	6	**9,020**		7,519	
Cash at bank and in hand		**3,037**		1,298	
		12,057		8,817	
Creditors: amounts falling due within one year	7	**(29,782)**		(12,606)	
Net current liabilities			**(17,725)**		(3,789)
Total assets less current liabilities			**(13,942)**		76
Capital and reserves					
Share capital	8		**2**		2
Profit and loss account			**(13,944)**		74
Shareholders' funds			**(13,942)**		76

For the financial year ended 31st March 2002, the company was entitled to exemption from audit under Section 249A(1) Companies Act 1985.

No notice has been deposited under Section 249B(2) Companies Act 1985.

The directors acknowledge their responsibilities for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000)

These accounts were approved by the board on 20/1/2003 and signed on its behalf by:

Mr R. Chan
Director

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets by reducing balance method over their expected useful lives:

Computer equipment	at 25% per annun

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating loss

The operating loss is stated after charging or crediting:	**2002**	2001
	£	£
Depreciation of tangible fixed assets:		
-owned assets	**966**	1,435

4 Taxation

	2002	2001
	£	£
Based on the loss/profit for the year:		
UK corporation tax at 9.5%	**(3)**	375
	(3)	375

5 Tangible fixed assets

	Computer equipment	Total
Cost	**£**	**£**
At 1st April 2001	5,300	5,300
Additions	884	884
At 31st March 2002	**6,184**	**6,184**
Depreciation		
At 1st April 2001	1,435	1,435
Charge for the year	966	966
At 31st March 2002	**2,401**	**2,401**
Net book value		
At 31st March 2002	**3,783**	**3,783**

6 Debtors

	2002	2001
	£	£
Trade debtors	**7,717**	7,519
Other debtors	**1,303**	-
	9,020	7,519

7 Creditors: amounts falling due within one year

	2002	2001
	£	£
Other creditors	**12,195**	12,174
Directors' current accounts	**17,587**	432
	29,782	12,606

'Other creditors' include £7,945 in respect of taxation and social security.

8 Share capital

	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £1.00 each	**1,000**	1,000
Allotted		
2 Allotted, called up and fully paid ordinary shares of £1.00 each	**2**	2

9 Transactions with directors

During the year Mr R. Chan has incurred expenses on behalf of the company amounting to£10,331 (2001: £6,741). The amount due to him at the end of the period was 17,587 (2001: £432).