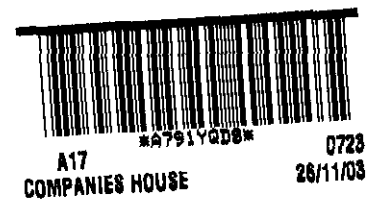


NEWSNET UK LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2003



Company Number 2577144

ROBERT HUGH
Chartered Accountants
CARDIFF

NEWSNET UK LIMITED

ABBREVIATED FINANCIAL STATEMENTS 31 JANUARY 2003

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ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS OF

NEWSNET UK LIMITED

YEAR ENDED 31 JANUARY 2003

The following reproduces the text of the Accountants' Report prepared for the purposes of section 249A(2) Companies Act 1985 in respect of the company's annual financial statements, from which the abbreviated financial statements (set out on pages 2 to 5) have been prepared.

We report on the financial statements for the year ended 31 January 2003.

Respective responsibilities of directors and accountants

As described on page 1, the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

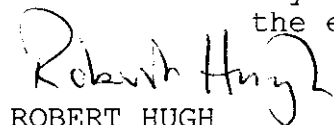
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



ROBERT HUGH
Chartered Accountants
CARDIFF

25 November 2003

NEWSNET UK LIMITED**ABBREVIATED BALANCE SHEET****31 JANUARY 2003**

2003

2002

	£	£	£	£
FIXED ASSETS				
Tangible assets		5,506		7,233
INVESTMENTS				
Investments in subsidiary company		2		2
CURRENT ASSETS				
Debtors and prepayments	11,615		1,866	
Cash at bank and in hand	24,042		50,171	
	-----		-----	
	35,657		52,037	
LESS: CREDITORS - AMOUNTS				
FALLING DUE WITHIN ONE YEAR	(2,457)		(19,230)	
	-----		-----	
NET CURRENT ASSETS		33,200		32,807
		-----		-----
NET ASSETS		38,708		40,042
		=====		=====
CAPITAL AND RESERVES				
Called up share capital		2		2
Reserves		38,706		40,040
		-----		-----
SHAREHOLDERS' FUNDS		38,708		40,042
		=====		=====

For the financial year ended 31 January 2003, the company was entitled to exemption from audit under section 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit and loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors.

.....
Mr D Morris Jones - Director

25/4/2003
.....
Date

NEWSNET UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2003

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Depreciation of tangible fixed assets

Fixed assets are stated at cost and all repairs are written off as incurred. Depreciation is provided on the cost of tangible fixed assets at the following annual rates in order to write off the cost of each asset, less estimated residual value, over its estimated useful life as follows:-

Plant and equipment - 15% on written down value.

(c) Deferred taxation

Deferred taxation is provided on timing differences where a liability for the payment of such taxation is expected to arise in the foreseeable future.

NEWSNET UK LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31 JANUARY 2003**

2. TANGIBLE FIXED ASSETS	Plant equipment fixtures and fittings £	Total £
Cost:		
At 1 February 2002	25,570	25,570
Additions	108	108
Disposals	-	-
	-----	-----
At 31 January 2003	25,678	25,678
	=====	=====
Accumulated depreciation:		
At 1 February 2002	18,337	18,337
Provision for the year	1,835	1,835
On disposals	-	-
	-----	-----
At 31 January 2003	20,172	20,172
	=====	=====
Net book value:		
At 31 January 2003	5,506	5,506
	=====	=====
At 31 January 2002	7,233	7,233
	=====	=====

3. INVESTMENTS

	Subsidiary Undertaking £	Total £
Cost		
At 1 February 2002 and at 31 January 2003	2	2
	=====	=====

The company's investment in its subsidiary undertaking represents the cost of acquisition of the whole of the ordinary share capital of Merlin Broadcast Ltd.

4. AUTHORISED & CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised:		
Ordinary shares of £1 each	1,000,000	1,000,000
	=====	=====
Issued and fully paid:		
Ordinary shares of £1 each	2	2
	=====	=====

NEWSNET UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JANUARY 2003

5. CAPITAL COMMITMENTS

There were no capital commitments at 31 January 2003
(31 January 2002 fnil).

6. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 January 2003
(31 January 2002 fnil).