

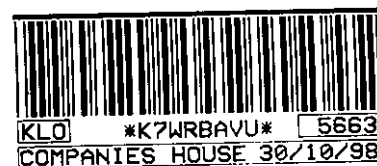
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INTERNATIONAL NETWORK COMMUNICATIONS LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 1997**

REGISTERED NUMBER: 264²⁷815



INTERNATIONAL NETWORK COMMUNICATIONS LIMITED

COMPANY INFORMATION
AS AT 31 DECEMBER 1997

DIRECTOR

A J Weisz

SECRETARY

N D Weisz

REGISTERED OFFICE

5 Carlton Hill
London
NW8 0JX

ACCOUNTANTS

Blinkhorns
14/16 Great Portland Street
London
W1N 6BL

INTERNATIONAL NETWORK COMMUNICATIONS LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

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INTERNATIONAL NETWORK COMMUNICATIONS LIMITED

**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE UNAUDITED ACCOUNTS
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 1997 set out on pages 3 to 5 and you consider that the company is exempt from an audit and a report under section 249A(1) of the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Blinkhorns

**14/16 Great Portland Street
London
W1N 6BL**

Date signed: 28 October 1998

INTERNATIONAL NETWORK COMMUNICATIONS LIMITED**ABBREVIATED BALANCE SHEET
AT 31 DECEMBER 1997**

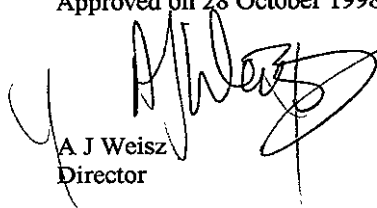
| | Notes | £ | 1997 £ | £ | 1996 £ |
|---|-------|--------------|-----------------|--------------|-----------------|
| FIXED ASSETS | 2 | | | | |
| Tangible assets | | | 1 | | 1 |
| Investments | | | 209,918 | | 35,585 |
| | | | <u>209,919</u> | | <u>35,586</u> |
| CURRENT ASSETS | | | | | |
| Debtors | | 2,305 | | 1,543 | |
| Cash at bank and in hand | | 4,379 | | 7,749 | |
| | | <u>6,684</u> | | <u>9,292</u> | |
| CREDITORS: amounts falling due within one year | 3 | (277,780) | | (69,576) | |
| NET CURRENT LIABILITIES | | | (271,096) | | (60,284) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>(61,177)</u> | | <u>(24,698)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 4 | | 10,000 | | 10,000 |
| Profit and loss account | | | (71,177) | | (34,698) |
| TOTAL SHAREHOLDERS' FUNDS | | | <u>(61,177)</u> | | <u>(24,698)</u> |

The director has taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirms that no notice has been deposited under section 249B(2) of the Companies Act 1985. The director acknowledges his responsibilities for ensuring that:

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 December 1997 and of its profit or loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved on 28 October 1998 and signed by:


A J Weisz
Director

The notes on pages 4 to 5 form part of these financial statements.

INTERNATIONAL NETWORK COMMUNICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

1. STATEMENT OF ACCOUNTING POLICIES

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

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Investment properties

Investment properties are valued at their open market value at the balance sheet date. Any surplus on revaluation is transferred to the investment property revaluation reserve. Any deficit is deducted from the investment property revaluation reserve, except for permanent diminutions in value, which are charged to the profit and loss account.

No amortisation or depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to expiry, in accordance with Statement of Standard Accounting Practice 19: "Accounting for investment properties". This treatment is contrary to the requirements of the Companies Act 1985 to provide for depreciation but is considered necessary to ensure the financial statements give a true and fair view. Depreciation is only one of the factors reflected at the balance sheet date valuation and the amount that might otherwise have been shown cannot be separately identified or quantified.

2. FIXED ASSETS

| | Tangible assets £ | Investments £ | Total £ |
|---|------------------------------|--------------------------|--------------------|
| Cost: | | | |
| At 1 January 1997 and at 31 December 1997 | 18,595 | 245,503 | 264,098 |
| Depreciation: | | | |
| At 1 January 1997 | 18,594 | - | 18,594 |
| Charge for year | - | 35,585 | 35,585 |
| At 31 December 1997 | 18,594 | 35,585 | 54,179 |
| Net book value: | | | |
| At 31 December 1997 | 1 | 209,918 | 209,919 |
| At 31 December 1996 | 1 | 35,585 | 35,586 |

3. CREDITORS: amounts falling due within one year

Included in creditors are bank loans and overdrafts payable within one year amounting to £139,206 (1996 £nil) which are secured.

INTERNATIONAL NETWORK COMMUNICATIONS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

4. SHARE CAPITAL

| | 1997 £ | 1996 £ |
|--|---------------|---------------|
| Authorised: | | |
| Equity interests: | | |
| Ordinary shares of £1 each | <u>10,000</u> | <u>10,000</u> |
| Allotted, called up and fully paid: | | |
| Equity interests: | | |
| Ordinary shares of £1 each | <u>10,000</u> | <u>10,000</u> |

5. GOING CONCERN

The financial statements have been prepared on the basis which assumes continued support from the directors.

The company has been actively trading since the balance sheet date and the directors are of the opinion that, although the company has net current liabilities, the financial statements should be drawn up on a going concern basis.

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amount and to provide for further liabilities which may arise.