

D7 ENTERPRISES LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 1997
COMPANY REGISTERED NUMBER: 3042136

JPC Financial Limited
Dukes Court
Duke Street
Woking



D7 ENTERPRISES LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED
30TH APRIL 1997

C O N T E N T S

Page

1	Company Particulars
2 to 4	Report of the Directors
5	Profit and Loss Account
6	Balance Sheet
7 to 13	Notes to the Accounts

D7 ENTERPRISES LIMITED

COMPANY PARTICULARS

BANKERS

THE CO-OPERATIVE BANK
14 NEW BROADWAY
EALING
LONDON
W5 2XL

FINANCIAL ADVISERS

JPC FINANCIAL LIMITED
DUKES COURT
DUKE STREET
WOKING
SURREY
GU21 5BH

D7 ENTERPRISES LIMITED

REPORT OF THE DIRECTORS **YEAR ENDED 30TH APRIL 1997**

Directors: R C E Clarke
Mrs B Hutchins
Mr B Hutchins
Mr A Crompton

Secretary: Mrs C S Clarke

Registered Office: 56 Warwick Road, Ealing, London W5 5PX

The Directors present their Annual Report to the members together with the accounts for the year ended 30th April 1997.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENT

The principal activity of the Company in the year under review continued to be that of computer consultancy services and the running of an internet café.

A summary of the results is given in the Profit and Loss Account on page 5 of these Accounts.

FIXED ASSETS

Movements in fixed assets are shown in Note 10 to these Accounts.

DIRECTORS

The Directors who held office during the year ended 30th April 1997 were as noted above. Directors are not required to retire by rotation under the terms of the Memorandum and Articles of Association of the Company.

D7 ENTERPRISES LIMITED

REPORT OF THE DIRECTORS - (CONTINUED) **YEAR ENDED 30TH APRIL 1997**

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985, the Directors' interests in the Share Capital of the Company were as follows:-

	Ordinary Shares of £1 Each	
	<u>1997</u>	<u>1996</u>
R C E Clarke	1000	1000
Mrs B Hutchins	100	100
Mr B Hutchins	100	100
Mr A Crompton	<u>100</u>	<u>100</u>

DIRECTORS' RESPONSIBILITY FOR THE ACCOUNTS

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 and loss of the Company for that year. In preparing these Accounts, the Directors are required to:-

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- 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 to enable them to ensure that the Accounts comply with Section 221 of the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

D7 ENTERPRISES LIMITED

REPORT OF THE DIRECTORS - (CONTINUED)
YEAR ENDED 30TH APRIL 1997

AUDITORS

No auditors were appointed.

During the year ended 30th April 1997 the Company was entitled to the exemption conferred by subsection (1) of Section 249A of the Companies Act 1985 and have not appointed auditors. No notice has been deposited under subsection (2) of Section 249B in relation to its Accounts for the financial year. In the opinion of the Directors the Company is entitled to these exemptions on the basis that it qualifies as a small Company.

By Order of the Board,

..... RCE Chah
Secretary/Director*

* Delete as appropriate

DATE: 14/8/98

D7 ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 1997

	<u>Notes</u>	Continuing Operations <u>1997</u> <u>£</u>	Continuing Operations <u>1996</u> <u>£</u>
TURNOVER	2	121,166	57,419
Cost of Sales		<u>(28,829)</u>	<u>(17,821)</u>
GROSS PROFIT		92,337	39,598
Administrative expenses		(62,992)	(32,248)
Other operating expenses		<u>(66,673)</u>	<u>(35,468)</u>
OPERATING LOSS	3	(37,328)	(28,118)
Interest payable and similar charges	4	<u>(489)</u>	<u>(335)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(37,817)	(28,453)
TAXATION ON ORDINARY ACTIVITIES	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(37,817)</u>	<u>(28,453)</u>

Movements on reserves are set out in Note 15.

The Company has no recognised gains and losses other than those included in the above results, and therefore no separate statement of total recognized gains and losses has been presented.

The notes on pages 7 to 13 form an integral part of these accounts.

D7 ENTERPRISES LIMITED

BALANCE SHEET AS AT 30TH APRIL 1997

	<u>Notes</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
FIXED ASSETS			
Tangible Assets	8	43,856	60,580
Investments	9	<u>2,000</u>	<u>2,000</u>
		45,856	62,580
CURRENT ASSETS			
Debtors	10	10,205	6,919
Bank and cash balances		<u>1,069</u>	<u>-</u>
		11,274	6,919
CREDITORS: Amounts falling due within one year	11	<u>(84,398)</u>	<u>(57,450)</u>
NET CURRENT LIABILITIES		<u>(73,124)</u>	<u>(50,531)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(27,268)	12,049
PROVISION FOR LIABILITIES AND CHARGES	12	<u>-</u>	<u>-</u>
TOTAL ASSETS LESS LIABILITIES		<u>(27,268)</u>	<u>12,049</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,392	1,407
Share Premium Account	14	37,610	39,095
Profit & Loss Account	15	<u>(66,270)</u>	<u>(28,453)</u>
Shareholders Funds	16	<u>(27,268)</u>	<u>12,049</u>

The notes on pages 7 to 13 form an integral part of these accounts.

- i) The Directors acknowledge their responsibility for keeping accounting records which comply with Section 221 of the Companies Act 1985.
- ii) The Directors acknowledge their responsibility for preparing accounts which give a true and fair view of the company and of its results for the year ended 30th April 1997 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 this company.

During the year ended 30th April 1997 the Company was entitled to the exemption conferred by subsection (1) of Section 249A of the Companies Act 1985 and have not appointed auditors. No notice has been deposited under subsection (2) of Section 249B in relation to its Accounts for the financial year. In the opinion of the Directors the Company is entitled to these exemptions on the basis that it qualifies as a small Company.

..... *RCE Choh* Director.
14/8/98
..... Date.

D7 ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS **YEAR ENDED 30TH APRIL 1997**

1. ACCOUNTING POLICIES

(a) Accounting Convention

The Accounts have been prepared under the historical cost convention.

(b) Tangible Fixed Assets

Depreciation is provided to write off the cost of each asset over its expected useful life by annual instalments. The rates of depreciation are as follows:-

Fixtures & Fittings	25% per annum
Office Equipment	25% per annum
Computer Equipment	50% per annum

(c) Turnover

Turnover represents amounts invoiced in respect of goods and services provided during the year, exclusive of Value Added Tax.

(d) Deferred Taxation

Deferred Taxation is provided at current tax rates on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the Accounts, except where the tax reduction is expected to continue for the foreseeable future.

(e) Cash Flow Statements

The Company satisfies the requirements of a small company under S.246 - S.249 of the Companies Act 1985 and has taken advantage of the exemption detailed in paragraph 8 of FRS1 in not preparing a cash flow statement.

2. TURNOVER

The turnover and profit before taxation are wholly attributable to the principal activity of the Company and arose wholly within the United Kingdom.

D7 ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS **YEAR ENDED 30TH APRIL 1997 - (CONTINUED)**

3. OPERATING PROFIT

This is stated after charging:

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Equipment hire	1,105	410
Depreciation of owned assets	23,114	9,738
Director's remuneration (note 5)	<u>10,992</u>	<u>11,076</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable on bank overdrafts repayable within 5 years	<u>489</u>	<u>335</u>
---	------------	------------

5. DIRECTOR'S REMUNERATION

Management remuneration	6,000	6,500
Pension contributions	<u>4,992</u>	<u>4,576</u>
	<u>10,992</u>	<u>11,076</u>
Chairman and highest paid Director	<u>10,992</u>	<u>11,076</u>

D7 ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1997 - (CONTINUED)

6. EMPLOYEES

The average number of employees (including Directors) during the year was as follows:-

	<u>1997</u>	<u>1996</u>
Sales and consultancy	1	1
Administration	<u>4</u>	<u>4</u>
	<u>5</u>	<u>5</u>

The aggregate payroll costs of these employees were as follows:-

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Wages and salaries	41,092	19,839
Social security costs	2,856	1,090
Other pension costs	<u>-</u>	<u>-</u>

7. TAXATION ON ORDINARY ACTIVITIES

The taxation charge for the year comprises:

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
No UK Corporation taxation is due based on the results for the year	-	-
Deferred taxation	<u>-</u>	<u>-</u>

D7 ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1997 - (CONTINUED)

8.	<u>TANGIBLE ASSETS</u>	<u>OFFICE EQUIPMENT</u>	<u>COMPUTER EQUIPMENT</u>	<u>FIXTURES & FITTINGS</u>	<u>TOTAL</u>
		£	£	£	£
	<u>COST</u>				
	As at 1st May 1996	8,679	30,249	31,390	70,318
	Additions	<u>510</u>	<u>4,626</u>	<u>1,254</u>	<u>6,390</u>
	As at 30th April 1997	<u>9,189</u>	<u>34,875</u>	<u>32,644</u>	<u>76,708</u>
	<u>DEPRECIATION</u>				
	As at 1st May 1996	850	5,991	2,897	9,738
	Charge for the year	<u>2,000</u>	<u>13,829</u>	<u>7,285</u>	<u>23,114</u>
	As at 30th April 1997	<u>2,850</u>	<u>19,820</u>	<u>10,182</u>	<u>32,852</u>
	<u>NET BOOK VALUES</u>				
	As at 30th April 1997	<u>6,339</u>	<u>15,055</u>	<u>22,462</u>	<u>43,856</u>
	As at 30th April 1996	<u>7,829</u>	<u>24,258</u>	<u>28,493</u>	<u>60,580</u>
9.	<u>INVESTMENTS</u>		<u>1997 Unlisted Shares at Cost</u>	<u>1996 Unlisted Shares at Cost</u>	
			£	£	
	Shares in Easynet		<u>2,000</u>	<u>2,000</u>	

D7 ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1997 - (CONTINUED)

10. <u>DEBTORS</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade debtors	6,539	-
Prepayments	3,666	5,000
Other debtors	-	1,919
	<u>10,205</u>	<u>6,919</u>

All debtors are recoverable within one year

11. **CREDITORS:** Amounts falling due within one year

Bank overdraft	1,464	146
Taxation and social security	5,798	2,349
Other creditors - Director's Loan	77,136	52,638
Accruals	-	2,317
	<u>84,398</u>	<u>57,450</u>

12. **DEFERRED TAXATION**

Analysis of provision and amount unprovided:

	1997		1996	
	Provision made £	Amount Unprovided £	Provision made £	Amount Unprovided £
Short term timing differences	NIL	NIL	NIL	NIL
Accelerated Capital Allowances	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>1,960</u>
	£ <u>NIL</u>	£ <u>NIL</u>	£ <u>NIL</u>	<u>£1,960</u>

D7 ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1997 - (CONTINUED)

13.	<u>CALLED UP SHARE CAPITAL</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>
	Authorised:		
	1500 Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
	Issued and fully paid:		
	1392 Ordinary shares of £1 each	<u>1,392</u>	<u>1,407</u>

During the year 15 Ordinary shares at £1 each were re-purchased by the company.
The total consideration paid for these shares was £1,500.

14.	<u>SHARE PREMIUM ACCOUNT</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>
	Balance brought forward	39,095	-
	Premium arising on shares issued during year	-	39,095
	Deficit arising on shares re-purchased during year	<u>(1,485)</u>	<u>-</u>
		<u>37,610</u>	<u>39,095</u>

15.	<u>PROFIT AND LOSS ACCOUNT</u>		
	Balance brought forward	(28,453)	-
	Loss for year	<u>(37,817)</u>	<u>28,453</u>
	Balance carried forward	<u>(66,270)</u>	<u>(28,453)</u>

D7 ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1997 - (CONTINUED)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Opening shareholders funds	12,049	-
(Loss) for financial year	(37,817)	(28,453)
Share capital purchased	(1,500)	40,502
Closing shareholders' funds	<u>(27,268)</u>	<u>12,049</u>

17. SUBSEQUENT EVENTS AND GOING CONCERN CONCEPT

The Accounts disclose an excess of current liabilities over assets but in view of discussions about future financial forecasts for the business with the Director it has been determined that the going concern concept remains appropriate.