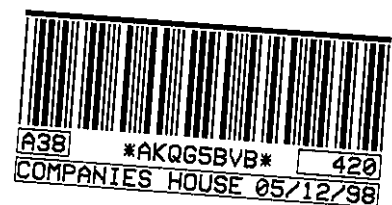




Company Registration No. 3277032 (England and Wales)

UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 1998



**UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION**

Directors	A G Maclean	(Appointed 12 November 1996)
	A R D Norman	(Appointed 12 November 1996)
	R Sheath	(Appointed 12 November 1996)
	R J Stubbs	(Appointed 12 November 1996)
	D Wright	(Appointed 12 November 1996)
	W Thomson	(Appointed 19 June 1997)
	M M Hussain	(Appointed 12 November 1996)
	S Coleman	(Appointed 12 November 1996)
	J H Mitchell	(Appointed 12 November 1996)
	C A W Pickup	(Appointed 19 June 1997)
Secretary	Mawlaw Secretaries Limited	
Company number	3277032	
Registered office	20 Blackfriars Lane London EC4V 6HD	
Accountants	Greenback Alan The Mall Camden Passage London N1 0PD	
Business address	5 St Barnabas Road London E17 8JZ	
Bankers	Midland Bank Plc 31 Holborn London EC1N 2HR	

UK CITIZENS ONLINE DEMOCRACY

(A COMPANY LIMITED BY GUARANTEE)

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**UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 1998**

The directors present their report and financial statements for the period ended 31 March 1998.

Principal activities

The principal activity of the company was the provision of consultancy services relating to the world wide web and other electronic communication media. The company is currently applying for charitable status.

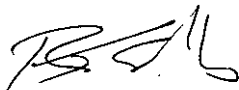
Directors

The following directors have held office since 12 November 1996:

A G Maclean	(Appointed 12 November 1996)
A R D Norman	(Appointed 12 November 1996)
R Sheath	(Appointed 12 November 1996)
R J Stubbs	(Appointed 12 November 1996)
D Wright	(Appointed 12 November 1996)
W Thomson	(Appointed 19 June 1997)
M M Hussain	(Appointed 12 November 1996)
S Coleman	(Appointed 12 November 1996)
J H Mitchell	(Appointed 12 November 1996)
C A W Pickup	(Appointed 19 June 1997)

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

By order of the board



R J Stubbs

Director

10 September 1998

**UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
UNAUDITED ACCOUNTS OF UK CITIZENS ONLINE DEMOCRACY**

As described on the balance sheet you are responsible for the preparation of the accounts for the period ended 31 March 1998, set out on pages 3 to 7 and you consider that the company is exempt from an audit and a report under section 249A(2) 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.



Greenback Alan

10 September 1998

Chartered Accountants
Reporting Accountants

The Mall
Camden Passage
London
N1 0PD

**UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 1998**

	Notes	Period ended 31 March 1998 £
Turnover		84,529
Administrative expenses		(80,904)
Operating surplus	2	3,625
Other interest receivable and similar income		1,450
Surplus on ordinary activities before taxation		5,075
Tax on surplus on ordinary activities	4	(305)
Surplus on ordinary activities after taxation	8	4,770

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income and expenditure account.

**UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 1998**

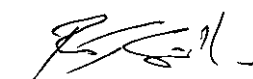
	Notes	1998 £	£
Fixed assets			
Tangible assets	5		583
Current assets			
Debtors	6	588	
Cash at bank and in hand		10,846	
		<hr/>	
		11,434	
Creditors: amounts falling due within one year	7	(7,247)	
		<hr/>	
Net current assets			4,187
Total assets less current liabilities			<hr/> 4,770 <hr/>
Capital and reserves			
Income and expenditure account	8		4,770
			<hr/>
Shareholders' funds - equity interests	9		4,770 <hr/>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, 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 surplus or deficit for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements 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 on 10 September 1998



R J Stubbs
Director



C A W Pickup
Director

**UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 1998**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for services net of VAT together with grants received.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	50% straight line
--------------------------------	-------------------

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 Status of the Company

The company is limited by guarantee without a share capital. Each member of the company undertakes to contribute an amount not exceeding £1 in the event of the winding up of the company.

2 Operating surplus	1998
	£
Operating surplus is stated after charging:	
Depreciation of tangible assets	417
	<hr/>
Other interest receivable and similar income	1998
	£
Bank interest	1,450
	<hr/>
4 Taxation	1998
	£
U.K. current year taxation	
U.K. corporation tax at 21%	305
	<hr/>

**UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 1998**

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 12 November 1996	-
Additions	1,000
	<hr/>
At 31 March 1998	1,000
	<hr/>
Depreciation	
At 12 November 1996	-
Charge for the period	417
	<hr/>
At 31 March 1998	417
	<hr/>
Net book value	
At 31 March 1998	583
	<hr/> <hr/>

6 Debtors

	1998 £
Other debtors	588
	<hr/> <hr/>

7 Creditors: amounts falling due within one year

	1998 £
Trade creditors	4,832
Taxation and social security	305
Other creditors	2,110
	<hr/>
	7,247
	<hr/> <hr/>

8 Statement of movements on income and expenditure account

	Profit and loss account £
Retained surplus for the period	4,770
	<hr/> <hr/>

**UK CITIZENS ONLINE DEMOCRACY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 1998**

9	Reconciliation of movements in shareholders' funds	1998
		£
	Surplus for the financial period	4,770
	Opening shareholders' funds	-
		<hr/>
	Closing shareholders' funds	4,770
		<hr/>