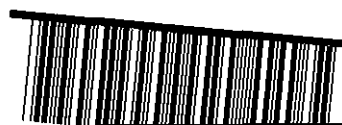


STREAM UK MEDIA SERVICES LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004**

**S H LANDES & CO
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS**

Company number: 4206916



STREAM UK MEDIA SERVICES LIMITED
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FOR THE YEAR ENDED 31 MARCH 2004

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STREAM UK MEDIA SERVICES LIMITED**COMPANY INFORMATION**

DIRECTORS	Joseph Bray Duncan Burbidge
SECRETARY	Duncan Burbidge
BUSINESS ADDRESS	522 Highgate Studio 53-79 Highgate Road Highgate, London NW5 1TL
REGISTERED OFFICE	522 Highgate Studio 53-79 Highgate Road Highgate, London NW5 1TL
AUDITORS	S H Landes & Co Chartered Accountants and Registered Auditors 5th Floor, Walmar House 288 Regent Street London W1B 3AL
PRINCIPAL BANKERS	HSBC Bank Plc 196 Oxford Street London. W1A 1EZ National Westminster Bank Plc Highbury & Islington Branch 218 Upper Street London. N1 1SA

STREAM UK MEDIA SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2004.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity was that of an internet service company.

RESULTS AND DIVIDENDS

The company made a profit after tax of £39,410 (2003: profit £39,444).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the company's share capital were as follows:

	Ordinary shares	
	31 March 2004	31 March 2003
Joseph Bray	1	1
Duncan Burbidge	1	1

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 financial statements 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.

STREAM UK MEDIA SERVICES LIMITED**DIRECTORS' REPORT**
(continued)**SMALL COMPANY RULES**

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

AUDITORS

The auditors, S H Landes & Co, will be proposed for re-appointment in accordance with S385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Duncan Burbidge
SECRETARY

Date: 19 May 2005

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
STREAM UK MEDIA SERVICES LIMITED

We have audited the financial statements of Stream UK Media Services Limited for the year ended 31 March 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

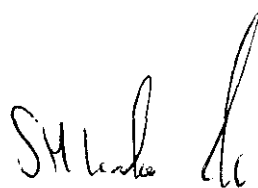
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
STREAM UK MEDIA SERVICES LIMITED
(continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

S H LANDES & CO
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS

5th Floor, Walmar House
288 Regent Street
London
W1B 3AL



Date: 20 May 2005

STREAM UK MEDIA SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004**

	Notes	2004 £	2003 £
TURNOVER	2	174,742	143,005
Cost of sales		33,511	27,842
		-----	-----
GROSS PROFIT		141,231	115,163
Administrative expenses		79,785	75,785
		-----	-----
OPERATING PROFIT	3	61,446	39,378
Interest payable		(192)	-
Interest received		540	66
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		61,794	39,444
Tax on profit on ordinary activities	5	22,384	-
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		39,410	39,444
Dividends		42,227	-
		-----	-----
RETAINED (LOSS)/PROFIT FOR THE YEAR	10	(2,817)	39,444
		=====	=====

The attached notes form part of these financial statements

STREAM UK MEDIA SERVICES LIMITED

BALANCE SHEET AT 31 MARCH 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		9,557		17,732
CURRENT ASSETS					
Debtors	7	80,029		9,133	
Cash at bank		55,654		18,397	
		-----		-----	
		135,683		27,530	
CREDITORS: amounts falling due within one year	8	108,347		5,552	
		-----		-----	
NET CURRENT ASSETS			27,336		21,978
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			36,893		39,710
			-----		-----
NET ASSETS			36,893		39,710
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	9		2		2
Profit and loss account	10		36,891		39,708
			-----		-----
SHAREHOLDERS' FUNDS	11		36,893		39,710
			=====		=====

The financial statements which have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 19 May 2005 and signed on its behalf:

J. Bray
Director



D. Burbidge
Director



The attached notes form part of these financial statements

STREAM UK MEDIA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004**

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less the estimated residual value on a straight line basis over their expected useful lives as follows:

Office equipment	25%
Fixtures and fittings	25%

(c) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange ruling at that time. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account as an exchange gain or loss for the year.

(d) Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

2. TURNOVER AND PROFIT

The turnover and profit before taxation is attributable to the one principal activity of the company.

In the year to 31 March 2004 25% (2003: 25%) of the company's turnover was derived from markets outside the United Kingdom.

3. OPERATING PROFIT

	2004	2003
	£	£
This is stated after charging:		
Depreciation	9,097	-
Auditors' remuneration	2,500	-
	=====	=====

STREAM UK MEDIA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004
(continued)**

4. DIRECTORS REMUNERATION

	2004	2003
	£	£
Salaries	-	-
	=====	=====

5. TAXATION

	2004	2003
	£	£
UK corporation tax at current rates	10,162	-
Underprovision in prior year	12,222	-
	-----	-----
	22,384	-
	=====	=====

6. TANGIBLE ASSETS

	Office equipment £	Fixtures & fittings £	Total £
Cost:			
At 1 April 2003	16,990	742	17,732
Additions	922	-	922
	-----	-----	-----
At 31 March 2004	17,912	742	18,654
	-----	-----	-----
Depreciation:			
At 1 April 2003	-	-	-
Charge for the year	8,726	371	9,097
	-----	-----	-----
At 31 March 2004	8,726	371	9,097
	-----	-----	-----
Net book value:			
At 31 March 2004	9,186	371	9,557
	=====	=====	=====
At 31 March 2003	16,990	742	17,732
	=====	=====	=====

STREAM UK MEDIA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004
(continued)**

7. DEBTORS

	2004	2003
	£	£
Trade debtors	31,059	9,133
Other debtors and prepayments	45,810	-
VAT	3,160	-
	<u>80,029</u>	<u>9,133</u>

Included within other debtors is an amount due from the directors of £42,227, this amount was repaid after the year end. The maximum amount outstanding during the year was £42,227.

8. CREDITORS: amounts falling due within one year

	2004	2003
	£	£
Bank overdraft	11,490	-
Trade creditors	7,819	2,202
Corporation tax	17,763	-
Dividends	42,227	-
Accruals and deferred income	17,470	-
Other creditors	1,851	3,350
Other taxation and social security	9,727	-
	<u>108,347</u>	<u>5,552</u>

9. SHARE CAPITAL

	2004	2003
	£	£
Authorised:		
1,000 shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
2 shares of £1 each	2	2

STREAM UK MEDIA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004
(continued)**

10. REVENUE RESERVES

	2004	2003
	£	£
Profit and loss account brought forward	39,708	264
Retained (loss)/profit for the year	(2,817)	39,444
	<hr/>	<hr/>
Profit and loss account carried forward	36,891	39,708
	<hr/>	<hr/>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Opening shareholders' funds	39,710	266
(Loss)/profit for the year	(2,817)	39,444
	<hr/>	<hr/>
Closing shareholders' funds	36,893	39,710
	<hr/>	<hr/>

12. CONTROLLING PARTY

The company is controlled by its directors.