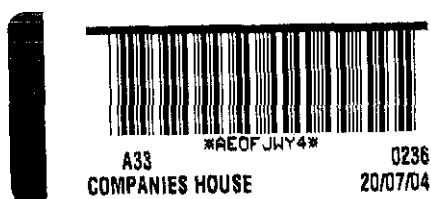


NET3 TECHNOLOGIES LIMITED

**ANNUAL REPORT AND
UNAUDITED ACCOUNTS
FOR THE PERIOD ENDED
31ST OCTOBER 2003**



COMPANY NUMBER : 04552287

NET3 TECHNOLOGIES LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report together with the unaudited accounts of the company for the period ended 31st October 2003.

Principal Activity

The company commenced trading as hardware and software consultants on 3rd October 2002.

Directors and their Interests

The directors who held office during the period and their interests in the company's ordinary share capital were as follows:

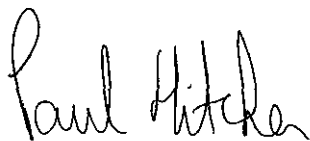
	31 st October 2003
M Dillon	1
P Hitchen	1
M Taylor	1

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



P HITCHEN
Director

Approved by the board: 16th July 2004

29 Harefield Rise
Burnley
Lancashire
BB12 0EZ

PROFIT AND LOSS ACCOUNT – PERIOD ENDED 31 OCTOBER 2003

	2003
	£
Turnover	4,858
Cost of sales	2,210
Gross Profit	<u>2,648</u>
Administrative expenses	5,003
Loss on ordinary activities before taxation	<u>(2,355)</u>
Taxation	-
Retained loss for the period	<u><u>(2,355)</u></u>

The company has no recognised gains or losses other than the loss for the period.

NET3 TECHNOLOGIES LIMITED

BALANCE SHEET – 31 OCTOBER 2003

	Notes	2003 £
CURRENT ASSETS		
Debtors	3	270
Cash at bank and in hand		403
		<u>673</u>
CURRENT LIABILITIES		
Creditors: Amounts falling due within one year	4	<u>(3,025)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>(2,352)</u></u>
CAPITAL AND RESERVES		
Share Capital	5	3
Profit and loss account	6	<u>(2,355)</u>
		<u><u>(2,352)</u></u>

For the financial period ended 31st October 2003, the company was entitled to exemption from audit under section 249AA(1) Companies Act 1985 and members have not required the company to obtain an audit of it's accounts under section 249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its loss for the financial period 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.

Signed on behalf of the board of directors by



M DILLON
Director

Approved by the board: 16th July 2004

NET3 TECHNOLOGIES LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 2003

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of Preparation

The financial statements have been prepared consistently under the historical cost convention and in accordance with applicable UK accounting standards.

Cash Flow Statements

The company is exempt from the requirements of FRS1 (revised) to prepare a cash flow statement.

Turnover

Turnover represents net invoiced sales, excluding VAT.

2. EMPLOYEES AND DIRECTORS

There were no persons employed by the company during the period other than directors. No remuneration was paid to directors during the period.

3. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003
	£
Trade debtors	270
	<u>270</u>
All debtors fall due within one year.	

NET3 TECHNOLOGIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31ST OCTOBER 2003 (Cont'd)

4. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £
Trade creditors	12
Other creditors	2,826
Taxation and social security	187
	<u>3,025</u>

5. SHARE CAPITAL

	2003 £
Authorised: 100 Ordinary Shares of £1 each	100
Called up, allotted and fully paid: 3 Ordinary Shares of £1 each	<u>3</u>

6. PROFIT AND LOSS ACCOUNT

	2003 £
Loss for the period	(2,355)
Balance as at 31 st October 2003	<u>(2,355)</u>