

PURE INTERACTIVE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL, 2002

Company Registration Number: 3968749



HAWES & CO
Chartered Certified Accountants
4 Buckingham Road
Harrow
Middlesex HA1 4TD

PURE INTERACTIVE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH APRIL, 2002

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30th April, 2002.

PRINCIPAL ACTIVITIES

The company's principal activity continues to specialise in new media development.

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:-

| | Ordinary Shares of £1 each | |
|------------------|----------------------------|-------------|
| | At 30.4.2002 | At 1.5.2001 |
| Mr D.M. Packer | 35 | 35 |
| Miss T.A. Morris | 5 | 5 |

SMALL COMPANY PROVISIONS

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

Signed on behalf of the directors



D.M. PACKER
Director

Registered Office:

24 Avondale Drive
Leigh-on-Sea
Essex
SS9 4HN

Approved by the directors on 20 June, 2002

PURE INTERACTIVE LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 30TH APRIL, 2002

| | Note | 2002 £ | 2001 £ |
|--|------|-----------|-----------|
| TURNOVER | 1 | 94991 | 71199 |
| Direct Costs | | 20175 | (3440) |
| | | ----- | ----- |
| GROSS PROFIT | | 74816 | 67759 |
| Administration Expenses | | 12351 | (14001) |
| | | ----- | ----- |
| OPERATING PROFIT | 2 | 62465 | 53758 |
| Interest Received | | 1430 | 535 |
| | | ----- | ----- |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 63895 | 54293 |
| Taxation | 3 | (12610) | (10086) |
| | | ----- | ----- |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 51285 | 44207 |
| Dividends | | (28000) | (27000) |
| | | ----- | ----- |
| RETAINED PROFIT FOR THE YEAR | | 23285 | 17207 |
| BALANCE BROUGHT FORWARD | | 17207 | - |
| | | ----- | ----- |
| BALANCE CARRIED FORWARD | | 40492 | 17207 |
| | | ===== | ===== |

The notes on pages 5 to 7 form part of these financial statements

PURE INTERACTIVE LIMITED

BALANCE SHEET AS AT 30TH APRIL, 2002

| | Note | 2002 £ | 2001 £ |
|--|------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible Assets | 4 | 4630 | 4034 |
| CURRENT ASSETS | | | |
| Work in Progress | 5 | 3625 | 2000 |
| Debtors | 6 | 352 | 17787 |
| Cash at Bank | | 69989 | 25473 |
| | | ----- | ----- |
| | | 73966 | 45260 |
| CREDITORS - Amounts Falling Due Within One Year | 7 | (38059) | (32042) |
| | | ----- | ----- |
| NET CURRENT ASSETS | | 35907 | 13218 |
| | | ----- | ----- |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 40537 | 17252 |
| | | ----- | ----- |
| | | 40537 | 17252 |
| | | ===== | ===== |
| CAPITAL AND RESERVES | | | |
| Called Up Share Capital | 8 | 45 | 45 |
| Profit and Loss Account | | 40492 | 17207 |
| | | ----- | ----- |
| | | 40537 | 17252 |
| | | ===== | ===== |

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

continued/

PURE INTERACTIVE LIMITED


BALANCE SHEET AS AT 30TH APRIL, 2002 (CONTINUED)

The directors acknowledge their responsibilities for:-

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, 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 profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March, 2000).

These financial statements were approved by the directors on the 20 June, 2002 and are signed on its behalf by:

...
D.M. PACKER
Director

The notes on pages 5 to 7 form part of these accounts.

PURE INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL, 2002

1. ACCOUNTING POLICES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000)

Turnover

Turnover comprises amounts received by the company in respect of services provided during the period excluding value added tax.

Depreciation

Depreciation is provided on all tangible assets at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis as follows:-

Office Equipment - over three and four years

Stocks and work in progress

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

2. OPERATING PROFIT

Operating profit is stated after charging:

| | 2002 | 2001 |
|-----------------------|-------|-------|
| | £ | £ |
| Directors' Emoluments | 4380 | 7914 |
| Accountancy charges | 430 | 575 |
| Depreciation | 2280 | 1321 |
| | ===== | ===== |

PURE INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL, 2002

| | | |
|---------------------------|-------|-------|
| 3. TAXATION | 2002 | 2001 |
| | £ | £ |
| UK current year taxation: | | |
| Corporation tax at 20% | 12610 | 10086 |
| | ===== | ===== |

4. TANGIBLE FIXED ASSETS

| | | |
|-------------------|------------------|-------|
| | Office Equipment | Total |
| | £ | £ |
| Cost: | | |
| Opening Balance | 5355 | 5355 |
| Additions | 2876 | 2876 |
| Disposals | - | - |
| | ----- | ----- |
| | 8231 | 8231 |
| | ===== | ===== |
| Depreciation: | | |
| Opening Balance | 1321 | 1321 |
| Charge for Year | 2280 | 2280 |
| Disposals | - | - |
| | ----- | ----- |
| | 3601 | 3601 |
| | ===== | ===== |
| Net Book Value: | | |
| At 30 April, 2002 | 4630 | 4630 |
| | ===== | ===== |
| Net Book Value: | | |
| At 30 April, 2001 | 4034 | 4034 |
| | ===== | ===== |

| | | |
|------------------|-------|-------|
| 5. STOCKS | 2002 | 2001 |
| | £ | £ |
| Work in Progress | 3625 | 2000 |
| | ===== | ===== |

6. DEBTORS

| | | |
|----------------------|-------|-------|
| | 2002 | 2001 |
| | £ | £ |
| Due within one year: | | |
| Trade Debtors | 352 | 17787 |
| Other Debtors | - | - |
| Prepaid Expenses | - | - |
| | ----- | ----- |
| | 352 | 17787 |
| | ===== | ===== |

PURE INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL, 2002

7. CREDITORS - Amounts Falling Due Within One Year

| | 2002 | 2001 |
|--|-------|-------|
| | £ | £ |
| Trade Creditors | 4500 | 30 |
| Corporation Tax | 12610 | 10086 |
| Other Taxes and Social Security Costs | - | - |
| Value Added Tax | 3732 | 6559 |
| Director's Loan Account | 16787 | 14792 |
| Other Creditors | 430 | 575 |
| | ----- | ----- |
| | 38059 | 32042 |
| | ===== | ===== |

8. SHARE CAPITAL

| | 2002 | 2001 |
|-------------------------------------|-------|-------|
| | £ | £ |
| Authorised: | | |
| Ordinary Shares of £1 each | 1000 | 1000 |
| | ===== | ===== |
| Allotted, Called Up and Fully Paid: | | |
| Ordinary Shares of £1 each | 45 | 45 |
| | ==== | ===== |

9. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under financial reporting standard 8.

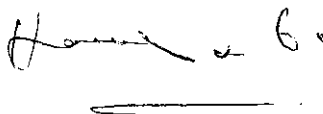
PURE INTERACTIVE LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS

FOR THE YEAR ENDED 30TH APRIL, 2002

As described on the Balance Sheet you are responsible for the preparation of the accounts for the year ended 30th April, 2002 set out on pages 2 to 7 and you consider that the company is exempt from an audit under 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.

HAWES & CO.
4 Buckingham Road
Harrow
Middlesex
HA1 4TD



Chartered Certified Accountants

20 June, 2002

PURE INTERACTIVE LIMITED
 DETAILED TRADING ACCOUNT
 FOR THE YEAR ENDED 30TH APRIL, 2002

| | 2002 £ | 2001 £ |
|---|--------------|--------------|
| WORK DONE | | |
| Web Development | 60760 | 45758 |
| Programming | 9600 | 11338 |
| Design and Multimedia | 18344 | 7133 |
| Consultancy/Presentations | 4662 | 2100 |
| 3D Modelling and Animation | - | 2070 |
| Training and Support | - | 800 |
| Work in Progress 30.4.2002 | 3625 | 2000 |
| | <u>96991</u> | <u>71199</u> |
| Less Work in Progress 1.5.2001 | 2000 | - |
| | <u>94991</u> | <u>71199</u> |
| LESS: Direct Charges: | | |
| Software, Typefaces, Stock Media etc | 4135 | 2640 |
| Sub-Contractor | 16040 | 800 |
| | <u>20175</u> | <u>3440</u> |
| GROSS PROFIT | 74816 | 67759 |
| LESS: | | |
| Directors Salaries | 4380 | 7914 |
| Directors National Insurance | - | 29 |
| Telephone, Fax and Internet Access | 1948 | 1107 |
| Printing, Postage and Stationery | 235 | 203 |
| Magazines and Library | 330 | 265 |
| Advertising | 112 | 519 |
| Insurance | 262 | 262 |
| Motor and Travel expenses | 971 | 830 |
| Accountancy charges | 430 | 575 |
| Sundry expenses | 254 | 138 |
| Use of Office | 1149 | 838 |
| Depreciation | 2280 | 1321 |
| | <u>12351</u> | <u>14001</u> |
| NET PROFIT FOR YEAR | 62465 | 53758 |
| | <u>=====</u> | <u>=====</u> |