

THE WEBSITE CONSULTANCY LIMITED

FINANCIAL STATEMENTS

PERIOD ENDED 31ST MARCH 1997

Company registration number: 3119464

GARNER BLEASDALE CHANDLER

Chartered Accountants

Haydon House

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THE WEBSITE CONSULTANCY LIMITED

**FINANCIAL STATEMENTS
PERIOD ENDED 31ST MARCH 1997**

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The following pages do not form part of the financial statements.

Detailed trading, profit and loss account	Appendix 1
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THE WEBSITE CONSULTANCY LIMITED

THE DIRECTORS' REPORT
PERIOD ENDED 31ST MARCH 1997

The directors present their report and the company's financial statements for the period ended 31st March 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was website consulting. The company was incorporated on 30th October 1995, and commenced trading on 26th January 1996.

The results for the period, the company's financial position, and the amounts transferred to reserves are shown in the attached financial statements.

DIRECTORS

The directors who served in office during the period and their beneficial interests in the company's shares were as follows:

Ordinary shares held at:	31 Mar 1997	30 Oct 1995
J Stannard (appointed 30th October 1995)	50	50
S Beard (appointed 30th October 1995)	<u>50</u>	<u>50</u>

SMALL COMPANY EXEMPTIONS

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

Signed on behalf of the directors



J Stannard
Company secretary

Approved by the directors on

THE WEBSITE CONSULTANCY LIMITED

PROFIT AND LOSS ACCOUNT
PERIOD ENDED 31ST MARCH 1997

	Note	Period to 31 Mar 1997 £
Turnover	2	50,106
Cost of sales		(19,447)
Gross profit		<u>30,659</u>
Administrative expenses		(69,860)
Loss on ordinary activities before taxation		(39,201)
Tax on loss on ordinary activities	4	<u>-</u>
Retained Loss for the financial period		<u>(39,201)</u>

Total recognised gains and losses

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

Continuing Operations

All of the company's activities were acquired during the period.

THE WEBSITE CONSULTANCY LIMITED
BALANCE SHEET AS AT 31st MARCH 1997

	Note	£	At 31 Mar 1997 £
Current assets			
Debtors	5	19,142	
Cash at bank and in hand		<u>220</u>	
		19,362	
 Creditors: Amounts falling due within one year	 6	 <u>(58,463)</u>	
Net current liabilities			(39,101)
 Total assets less current liabilities, and Net liabilities			 <u>(39,101)</u>
			£
Capital and reserves:			
Called up equity share capital	7		100
Profit and loss account	8		<u>(39,201)</u>
Shareholders' funds			<u>(39,101)</u>

The directors are of the opinion that the company is entitled to take advantage of the exemptions conferred by subsection (1) of section 249A of the Companies Act 1985, and the financial statements have been prepared on that basis.

The directors confirm that no notice has been deposited under subsection (2) of section 249B of the Companies Act 1985 in relation to the company's accounts for the financial period ended 31st March 1997.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements that give a true and fair view of the state of affairs of the company as at the end of the financial 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 relating to the financial statements, so far as applicable to the company.

THE WEBSITE CONSULTANCY LIMITED
BALANCE SHEET AS AT 31st MARCH 1997

Continued

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the directors on

A handwritten signature in cursive script, appearing to read 'J Stannard'.

J Stannard

A handwritten signature in cursive script, appearing to read 'S Beard'.

S Beard

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

THE WEBSITE CONSULTANCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31ST MARCH 1997

1. ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention and on a going concern basis which assumes that Marbles (UK) Limited, another company owned by the Directors, will support the company. The following accounting policies are used:

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

3. OPERATING LOSS

The directors did not receive any remuneration or any other form of emoluments during the period.

4. TAXATION ON ORDINARY ACTIVITIES

There is no liability to Corporation Tax due to the loss incurred.

5. DEBTORS

	At 31 Mar 1997 £
Trade debtors	14,522
Customs and Excise	4,620
	<u>19,142</u>

All debtors are recoverable within one year of the balance sheet date.

THE WEBSITE CONSULTANCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31ST MARCH 1997

6. CREDITORS: Amounts falling due within one year

	At 31 Mar 1997 £
Trade creditors	55,449
Accruals	1,034
Directors loan account	1,980
	<u>58,463</u>

7. SHARE CAPITAL

Authorised share capital:

	At 31 Mar 1997 £
250,000 Equity ordinary shares of £1 each	<u>250,000</u>

Allotted, called up and fully paid:

	At 31 Mar 1997 £
Equity share capital:	
Ordinary shares	<u>100</u>

100 ordinary shares were issued at par in the period to form the capital base of the company.

8. PROFIT AND LOSS ACCOUNT

	At 31 Mar 1997 £
Loss for the financial period	(39,201)
Balance carried forward	<u>(39,201)</u>

THE WEBSITE CONSULTANCY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 PERIOD ENDED 31ST MARCH 1997

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	At 31 Mar 1997 £
Issue of shares	100
Loss for the financial period	(39,201)
Net reduction to funds and closing shareholders funds	<u>(39,101)</u>

10. RELATED PARTY TRANSACTIONS

Transactions with related parties:

- (a) J Stannard and S Beard own 100% of the share capital of Marbles (UK) Limited.

During the period ended 31st March 1997 Marbles (UK) Limited provided consultancy, office space and other related costs totalling £41,722. These fees are considered to be on normal business terms.

At 31st March 1997 The Website Consultancy Limited owed Marbles (UK) Limited £30,673.

During the period ended 31st March 1997 Website Consultancy Limited provided consultancy services totalling £4,554 to Marbles (UK) Limited. These fees are considered to be on normal business terms.

At 31st March 1997 The Website Consultancy Limited was owed £3,954 by Marbles (UK) Limited.

- (b) The husband of J Stannard controls a business called Matrix.

During the period ended 31st March 1997 Matrix provided project consultancy services totalling £27,473. These fees are considered to be on normal business terms.

At 31st March 1997 The Website Consultancy Limited owed Matrix £15,767.

11. CONTROL RELATIONSHIP

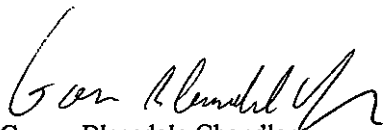
The company is under the joint control of J Stannard and S Beard who each own 50% of the business.

ACCOUNTANTS' REPORT TO THE DIRECTORS OF
THE WEBSITE CONSULTANCY LIMITED

PERIOD ENDED 31ST MARCH 1997

As described on the Balance Sheet you are responsible for the compilation of accounts for the period ended 31st March 1997 set out on pages 2 to 7 and you consider that the company is exempt from an audit and a report under Section 249(A)(2) of the Companies Act 1985.

In accordance with your instructions we have compiled the unaudited accounts from the accounting records and from information and explanations supplied to us.



Garner Bleasdale Chandler
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