

CIELO.NET LIMITED

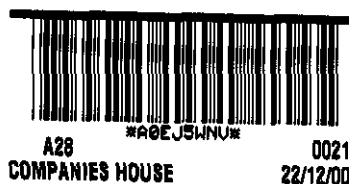
COMPANY NUMBER 3729568

**DIRECTORS REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2000**

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CIELO.NET LIMITED

REPORT OF THE DIRECTORS

FOR THE PERIOD ENDED 31 MARCH 2000

The Directors present their report and accounts for the period 10 March 1999 to 31 March 2000. The company started trading on 1 April 1999.

STATEMENT OF 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 of the company for the 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 the 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 to 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.

ACTIVITIES

The principle activity of the company is that of computer software consultancy.

RESULTS AND DIVIDENDS

The results of the company for the period ended 31 March 2000 are set out in the attached financial statements. The directors recommend the payment of a dividend of £10,000 for the period.

BUSINESS REVIEW

The level of business and period end financial position were as expected, and the directors do not anticipate any material changes in the current year.

FIXED ASSETS

The significant changes in fixed assets are given in Note 4.

CIELO.NET LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 31 MARCH 2000

DIRECTORS AND THEIR SHARE INTEREST

	<u>Ordinary Shares of £1 each</u> <u>fully paid</u>	<u>2000</u>
G.K.Leeb		100

13, Dagmar Road
Kingston upon Thames
Surrey KT2 6DP

By order of the Board

G.K.Leeb.....
Director

5/12/.....2000

CIELO.NET LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2000

TURNOVER-Continuing operations	1	24,492
Administration Expenses		(7,681)
Interest Received		22
		—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	16,833
Taxation	3	(3,319)
		—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		13,514
Dividend		(10,000)
		—
		3,514
Accumulated Profit brought forward		-
		—
Accumulated Profit carried forward		£ 3,514
		—

There are no recognised gains and losses in 2000 other than the profit for the year.

The Notes on pages 5 to 6 form part of these Accounts.

CIELO.NET LIMITED

BALANCE SHEET AS AT 31 MARCH 2000

	<u>Note</u>	
TANGIBLE FIXED ASSETS	4	1,198
CURRENT ASSETS		
Bank		2,255
Debtors		3,662
		<u>5,917</u>
LESS CREDITORS: Amounts falling due within one year	5	<u>3,501</u>
NET CURRENT ASSETS		2,416
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 3,614</u>
CAPITAL AND RESERVES		
Called up Share Capital	6	100
Profit and Loss Account		3,514
		<u>£ 3,614</u>

For the year in question the company was entitled to the exemption under section (1) of section 249A of the Companies Act 1985 (according to the turnover and balance sheet total of the company).

No member or members have requested an audit under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (a) ensuring the company keeps accounting records which comply with section 221, and:
- (b) preparing accounts that 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 this Act relating to accounts.

The directors in preparing the accounts have relied upon the exemptions for individual accounts provided by section 246 of the Act (or schedule 8 paragraph 23).

Approved by the Board on
and signed on its behalf

5/12/ 2000

..... G.K.Leeb - Director

The Notes on pages 5 to 6 form part of these Accounts

CIELO.NET LIMITED**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2000****1. ACCOUNTING POLICIES**

Basis of Accounting- The financial statements are prepared under the historical cost convention.

Turnover- Turnover represents the total invoice value, excluding value added tax, of fees received.

Depreciation- Depreciation is provided using the following rate to reduce by annual instalments the cost of the tangible assets over their estimated useful lives:-

Computer and Office Equipment - 25% reducing balance

Cash Flow Statement- The company is entitled to the exemptions available in Sections 246 and 247 of the Companies Act 1985 as a small company and therefore is excepted from Financial Reporting Standard No 1.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2000</u>
Stated after charging:-	
Depreciation	400
Director's emoluments	3,400
STAFF COSTS (including directors)	
Wages and salaries	3,400
Social security costs	-
	3,400

The average number of employees including the Director was 1.

Directors emoluments fell within the following :-

	<u>Number</u>
£ 1 - £5,000	1

The highest paid director received £ 3,400

CIELO.NET LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2000

3. TAXATION

2000

Corporation tax based on the profit for the year on ordinary activities at 20%.	£ 3,319
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4. TANGIBLE FIXED ASSETS

	<u>Office Equip</u>	<u>Total</u>
At Cost	1,598	1,598
less: Depreciation	400	400
Net book value at 31/03/00	<u>£ 1,198</u>	<u>1,198</u>

5. CREDITORS: Amounts falling due within one year

Accruals	120
Taxation and social security costs	3,319
Directors Loan Account	62
	<u>£ 3,501</u>

6. SHARE CAPITAL

Authorised 1000 ordinary shares of £1 each	£ 1,000
	<u> </u>
Allotted, called up and fully paid- 100 ordinary shares of £1 each	£ 100
	<u> </u>