CIELO.NET LIMITED

COMPANY NUMBER 3729568

DIRECTORS REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2003

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CIELO.NET LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2003

The Directors present their report and accounts for the year ended 31/03/2003.

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 consultants.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31/03/2003 are set out in the attached financial statements. The directors recommend the payment of a dividend for the year of £ nil (2002 - £ 8,000).

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 YEAR ENDED 31 MARCH 2003

DIRECTORS AND THEIR SHARE INTEREST

	Ordinary Shares of £1 each fully paid	
	2003	2002
G.Leeb	100	100

By order of the Board

G.Leeb .....
Director
14/11/.....2003

1, Approach Road
Raynes Park
London SW20 8BA

AUDIT

The director has taken advantage of the exemption conferred by s.249A(1) not to have these accounts audited and confirms that no notice has been deposited under s.249B(2) of the Companies Act 1985.

CIELO.NET LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Note	2003	2002
TURNOVER-Continuing operations	1	10,037	21,510
Administration Expenses		(8,918)	(15,252)
Interest Received		6	33
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,125	6,291
Taxation	3	-	(649)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,125	5,642
Dividend		-	(8,000)
		1,125	(2,358)
Accumulated profit brought forward		1,590	3,948
Accumulated Profit carried forward		£ 2,715	1,590

There are no recognised gains and losses in 2003 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 2003

	Note	2003	2002
TANGIBLE FIXED ASSETS	4	860	1,147
CURRENT ASSETS			
Debtors		2,108	7,780
Bank		289	1,607
		2,397	9,387
LESS CREDITORS: Amounts falling due within one year	5	442	8,844
NET CURRENT ASSETS (LIABILITIES)		1,955	543
TOTAL ASSETS LESS CURRENT LIABILITIES		£2,815	1,690
CAPITAL AND RESERVES			
Called up Share Capital	6	100	100
Profit and Loss Account		2,715	1,590
		£ 2,815	1,690

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.....14/11/.....2003
and signed on its behalf

.....G.Leeb - Director

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

CIELO.NET LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

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:-

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

	2003	2002
Stated after charging:-		
Depreciation	287	282
Director's emoluments	4,615	4,536
STAFF COSTS (including directors)		
Wages and salaries	4,615	4,536
Social security costs	-	-
	£ 4,615	4,536

The average number of employees including the Director was 1.

Directors emoluments fell within the following :-

	Number	Number
£ 1 – 5,000	1	1

The highest paid director received £ 4,615 (2002 - £ 4,536).

CIELO.NET LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

3. TAXATION

	2003	2002
Corporation tax based on the profit for the year on ordinary activities at10%.	£ 649	649

4. TANGIBLE FIXED ASSETS

		2003	2002
	Office Equip	Total	Total
At Cost	2,439	2,439	2,439
less: Depreciation	1,579	1,579	1,292
Net book value at 31/03/2003	860	860	1,147

5. CREDITORS: Amounts falling due within one year

Accruals	180	180
Taxation and social security costs	-	649
Directors Loan Account	262	8,015
	£ 442	8,844

6. SHARE CAPITAL

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

CIELO.NET LIMITED

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	2003	2002
ADMINISTRATION EXPENSES		
Directors Remuneration	4,615	4,536
Travelling & Subsistence	569	721
Telephone and Mobile	466	1,049
Internet Exp	293	310
Subcontractors Fees	-	5,460
Stationery & Postage	160	80
Books & Subscription	63	85
Office Expenses	1,150	1,044
Computer Consumables	354	574
Accountancy Fees	720	720
Sundry Expenses	241	291
Depreciation	287	382
	£ 8,918	15,252

This page does not form part of the statutory Accounts.

ACCOUNTANTS REPORT TO THE SHAREHOLDERS OF CIELO.NET LIMITED

FOR THE YEAR ENDED 31 MARCH 2003

In accordance with instructions given to us, we have prepared, without carrying out an audit, the financial statements for the year ended 31/03/2003 set out on pages 3 to 6 from the accounting records of Cielo.net Limited and from the information and explanations supplied to us by the management of the company.

PARK ACCOUNTS

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.....14/11.....2003

1 Approach Road
Raynes Park
London SW20 8BA.