CIELO.NET LIMITED

COMPANY NUMBER 3729568

DIRECTORS REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

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CIELO.NET LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2004

The Directors present their report and accounts for the year ended 31/03/2004.

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 31/03/2004 are set out in the attached financial statements. The directors recommend the payment of a dividend for the year of £ 2,200 (2003 - £ nil).

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 2004

DIRECTORS AND THEIR SHARE INTEREST

	Ordinary Shares of £1 each fully paid	
	2004	**2003**
G.Leeb	100	100

By order of the Board

1, Approach Road
Raynes Park
London SW20 8BA

G.Leeb.....
Director

.....24/08/....**2004**

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 2004

	Note	2004	2003
TURNOVER-Continuing operations	1	2,575	10,037
Administration Expenses		(2,530)	(8,918)
Interest Received		-	6
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	45	1,125
Taxation	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		45	1,1125
Dividend		(2,200)	-
		(2,155)	1,125
Accumulated profit brought forward		2,715	1,590
Accumulated Profit carried forward		£ 560	2,715

There are no recognised gains and losses in 2004 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 2004

	Note	2004	2003
TANGIBLE FIXED ASSETS	4	645	860
CURRENT ASSETS			
Debtors		-	2,108
Bank		19	289
		19	2,397
LESS CREDITORS: Amounts falling due within one year	5	4	442
NET CURRENT ASSETS (LIABILITIES)		15	1,955
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 660	2,815
CAPITAL AND RESERVES			
Called up Share Capital	6	100	100
Profit and Loss Account		560	2,715
		£ 660	2,815

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.....24/08/.....**2004**
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 2004

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

	2004	2003
Stated after charging:-		
Depreciation	287	287
Director's emoluments	4,615	4,615
STAFF COSTS (including directors)		
Wages and salaries	4,615	4,615
Social security costs	-	-
	£ 4,615	4,615

The average number of employees including the Director was 1.

Directors emoluments fell within the following :-

	Number	Number
£ 0 – 5,000	1	1

The highest paid director received £ nil (2003 - £ 4,615).

CIELO.NET LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

3. TAXATION

	2004	2003
Corporation tax based on the profit for the year on ordinary activities.	-	-

4. TANGIBLE FIXED ASSETS

		2004	2003
	Office Equip	Total	Total
At Cost	2,439	2,439	2,439
Less: Depreciation	1,794	1,794	1,579
Net book value at 31/03/2004	645	645	860

5. CREDITORS: Amounts falling due within one year

Accruals	-	180
Directors Loan Account	4	262
	£ 4	442

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 2004

	2004	2003
ADMINISTRATION EXPENSES		
Directors Remuneration	-	4,615
Travelling & Subsistence	94	569
Telephone and Mobile	144	466
Internet Expenses	293	293
Subcontractors Fees	610	-
Stationery & Postage	49	160
Books & Subscription	58	63
Office Rent	950	1,150
Computer Consumables	-	354
Accountancy Fees	100	720
Sundry Expenses	17	241
Depreciation	215	287
	£ 2,530	8,918

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 2004

In accordance with instructions given to us, we have prepared, without carrying out an audit, the financial statements for the year ended 31/03/2004 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

1 Approach Road
Raynes Park
London SW20 8BA.

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.....24/08/2004