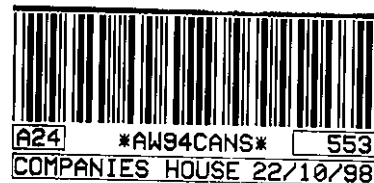


Company Registration No. 2444764 (England and Wales)

EUROWEB (S.W.) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998



CONTENTS

	Page
Auditors' report	1
Balance sheet	2
Notes to the abbreviated accounts	3 - 4

EUROWEB (S.W.) LIMITED

**AUDITORS' REPORT TO EUROWEB (S.W.) LIMITED
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1998.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of that Act, in respect of the year ended 31 March 1998 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with that section.



Lindsey Francis Ferguson

Chartered Accountants
Registered Auditor

20th October, 1998

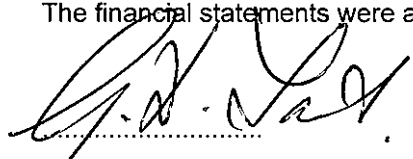
North House
198 High Street
Tonbridge
Kent
TN9 1BE

**ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 1998**

	Notes	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	2		2,981		2,289
Current assets					
Stocks		49,998		24,862	
Debtors		61,751		70,862	
Cash at bank and in hand		69		-	
		<u>111,818</u>		<u>95,724</u>	
Creditors: amounts falling due within one year	3	<u>(103,200)</u>		<u>(86,720)</u>	
Net current assets			8,618		9,004
Total assets less current liabilities			<u>11,599</u>		<u>11,293</u>
Capital and reserves					
Called up share capital	4		10,002		10,002
Profit and loss account			1,597		1,291
Shareholders' funds			<u>11,599</u>		<u>11,293</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 20/10/98


.....
Director

.....
Director

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	33% straight line

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Fixed assets

	Total £
Cost	
At 1 April 1997	13,997
Additions	1,895
	<hr/>
At 31 March 1998	15,892
	<hr/>
Depreciation	
At 1 April 1997	11,708
Charge for the year	1,203
	<hr/>
At 31 March 1998	12,911
	<hr/>
Net book value	
At 31 March 1998	2,981
	<hr/> <hr/>
At 31 March 1997	2,289
	<hr/> <hr/>

3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £7,226 (1997 - £2,206).

4 Share capital	1998	1997
	£	£
Authorised		
21,000 Ordinary of £1 each	21,000	21,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,002 Ordinary of £1 each	10,002	10,002
	<u> </u>	<u> </u>

5 Ultimate parent company

The ultimate parent company is GT Factors Limited, a company registered in England and Wales.