



VIGECOM LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2001

Company No: 1770090

VIGECOM LIMITED
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FOR THE PERIOD ENDED 30 SEPTEMBER 2001

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VIGECOM LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Company registration number: 1770090

Registered office: Viglen House
Alperton Lane
Alperton
Middlesex
HA0 1DX

Directors: Sir Alan Sugar
Bordan Tkachuk
Michael Ray

Secretary: Michael Ray

Auditors: Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

VIGECOM LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the period ended 30 September 2001.

Principal activities

The company's principal activities are as an investment holding company.

Review of Business

The company continues to look for strategic investment and to assist in the growth of its current investments.

Dividends

No dividends were paid or declared during the period (2000: £nil)

Directors and their interests

The current membership of the board is set out on page 1. No director has or had, during the period, any interest in the shares of the company. The interests held by Messers Tkachuk, Ray and Sugar in the shares and share options of the ultimate parent company are disclosed in the financial statements of Learning Technology plc. On 25 August 2000 Rajiv Bhatia resigned as a director.

Directors' responsibilities for the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company as at the end of the financial period and of the profit or loss of the company for that 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.

Political and charitable donations

No charitable donations were made during the period (2000:£nil). No political donations were made during the period (2000:£nil).

VIGECOM LIMITED

REPORT OF THE DIRECTORS

Auditors

Deloitte & Touche were appointed as auditors and have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


M.E. Ray
Secretary
11 March 2002

VIGECOM LIMITED

AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIGECOM LIMITED

We have audited the financial statements of Vigecom Limited for the period ended 30 September 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

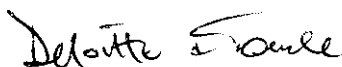
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2001 and of its profit for the fifteen months then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

13 March 2002

VIGECOM LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 30 SEPTEMBER 2001**

	Note	15 months ended 30 September 2001	Year ended 30 June 2000
		£	£
OPERATING COSTS	2	<u>(24,801)</u>	<u>(81,850)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(24,801)	(81,850)
TAX ON LOSS ON ORDINARY ACTIVITIES	5	<u>106,651</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>81,850</u>	<u>(81,850)</u>

There were no recognised gains or losses other than the profit for the financial period.
The accompanying accounting policies and notes form an integral part of the financial statements.
All amounts relate to continuing activities.

VIGECOM LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2001

	Note	At 30 September 2001	At 30 June 2000
		£	£
FIXED ASSETS			
Tangible assets	6	-	28,186
Investments	7	1,514,875	1,500,000
		<u>1,514,875</u>	<u>1,528,186</u>
			1,528,186
CREDITORS: amounts falling due within one year	8	<u>(1,504,973)</u>	<u>(1,600,134)</u>
		<u>9,902</u>	<u>(71,948)</u>
CAPITAL AND RESERVES			
Share capital	9	9,902	9,902
Profit and loss account	10	<u>-</u>	<u>(81,850)</u>
EQUITY SHAREHOLDERS FUNDS		<u>9,902</u>	<u>(71,948)</u>

These financial statements were approved by the Board of Directors on 11 March 2002.



M. E. Ray
Director

The accompanying accounting policies and notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2001

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

The financial statements are prepared under the historical cost convention.

Depreciation is provided on tangible fixed assets, on a straight line basis from the time they are bought into use so as to write off their historical cost or valuation over their estimated useful lives as follows:

Motor vehicles	25% per annum
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Investments are held at cost.

15 Months Ended 30 September 2001	Year Ended 30 June 2000
£	£

Staff costs	(33,728)	(25,179)
Other operating charges	-	(36,000)
Other external charges	14,067	(18,792)
Depreciation	(5,140)	(1,879)
	<hr/>	<hr/>
	(24,801)	(81,850)

The remuneration in respect directors was as follows

15 Months Ended 30 September 2001	Year Ended 30 June 2000
£	£

Wages and salaries	31,590	23,077
Social security costs	<u>2,138</u>	<u>2,102</u>
	33,728	25,179

The average number of employees of the company during the period was nil (2000:one).

VIGECOM LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is after charging:

	15 Months Ended 30 September 2001	Year Ended 30 June 2000
	£	£
Auditor's remuneration – audit fees	<u>-</u>	<u>3,500</u>

The audit fee was borne by another group company.

5 TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	15 Months Ended 30 September 2001	Year Ended 30 June 2000
	£	£
Group relief	<u>(106,651)</u>	<u>-</u>

6 FIXED ASSETS

	Motor vehicles
	£
Cost	
At 1 July 2000	30,065
Addition	-
Disposals	<u>(30,065)</u>
At 30 September 2001	<u>-</u>
Depreciation	
At 1 July 2000	1,879
Charge for the period	5,140
Disposals	<u>(7,019)</u>
At 30 September 2001	<u>-</u>
Net book value	
At 30 September 2001	<u>-</u>
At 30 June 2000	<u>28,186</u>

VIGECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

7 FIXED ASSETS INVESTMENTS

	£
Cost	
At 1 July 2000	1,500,000
Addition	<u>14,875</u>
At 30 September 2001	<u>1,514,875</u>

The company's associated undertaking at 30 September 2001 was a 26 % shareholding in Intelligent Network Technology Limited, a company incorporated in the Great Britain. Intelligent Network Technology Limited has total capital and reserves deficit of £536,389 as at 31 August 2001 and it made a loss of £1,079,415 in the year to 31 August 2001. The Directors are of the opinion that the value of the investment in Inty exceeds its cost.

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 Sept 2001 £	30 June 2000 £
Amounts owed to group companies	1,504,973	1,596,634
Accruals	<u>-</u>	<u>3,500</u>
	<u>1,504,973</u>	<u>1,600,134</u>

9 CALLED UP SHARE CAPITAL

	Number	2001 £	Number	2000 £
Authorised:				
ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
ordinary shares of £1 each				
At 1 July	9,902	9,902	2	2
Shares issued in year	<u>-</u>	<u>-</u>	<u>9,900</u>	<u>9,900</u>
At 30 June	<u>9,902</u>	<u>9,902</u>	<u>9,902</u>	<u>9,902</u>

VIGECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

10 PROFIT AND LOSS ACCOUNT

	Profit and loss account
	£
At 1 July 2000	(81,850)
Loss for the period	81,850
	<hr/>
At 30 September 2001	-
	<hr/>

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Shareholders' funds at 1 July	(71,948)	2
Shares issued in period	-	9,900
Profit/(Loss) for the financial period	81,850	(81,850)
Shareholders' funds at 30 September	<hr/> 9,902 <hr/>	<hr/> (71,948) <hr/>

12 PARENT COMPANY AND CONTROLLING PARTY

Learning Technology plc, incorporated in Great Britain, is the company's parent company. The ultimate parent company and controlling party is Amshold Group Limited, a company incorporated in Great Britain. Copies of the accounts for both of these companies can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

The company has taken advantage of the exemptions conferred by Financial Reporting Standard Number 8 "Related Party Transactions", in respect of transactions with group undertakings.