

Intelligent Environments Limited

Directors' report for the year ended 31 December 1997

The directors present their report and the unaudited financial statement for the year ended 31 December 1997.

Review of business

The company has not traded during the year.

Directors

The directors of the company at 31 December 1997, all of whom have been directors for the whole year ended on that date, except where stated otherwise, were:

Dr T M Cooke
L T Shafe
E J Panczak
R C Willcocks

On 24 April 1998 Mr E J Panczak resigned as a director and company secretary and Mr P R Blundell was appointed as a director and company secretary.

Directors' interests

No director had any beneficial interest in the shares of the company during the year.

Details of the directors' interests in the shares of the ultimate parent company, Intelligent Environments Group plc, are disclosed in the financial statements of that company.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year 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 the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company, and to prevent and detect fraud and other irregularities.



Intelligent Environments Limited

Auditors

The company has been dormant throughout the financial year. In accordance with Section 250 of the Companies Act 1985 (as amended by Section 14 of the Companies Act 1989) the company has resolved not to appoint auditors.

By order of the board

A handwritten signature in black ink, appearing to read 'P R Blundell', written in a cursive style.

P R Blundell
Company Secretary

Intelligent Environments Limited

Balance sheet at 31 December 1997

	Notes	1997 £	1996 £
Current assets			
Debtors	2	100	100
		<u> </u>	<u> </u>
Capital and reserves			
Called-up share capital	3	100	100
		<u> </u>	<u> </u>

The company was dormant within the meaning of Section 250 of the Companies Act 1985 through the financial year ended 31 December 1997.

The financial statement was approved by the board of directors on _____ and
was signed on its behalf by:



T M Cooke
Director

Notes

1 Profit and loss account

The company was dormant throughout the financial periods ended 31 December 1996 and 31 December 1997, there having been no significant accounting transactions of the company required to be entered in its accounting records. Accordingly, no profit and loss account has been prepared.

2 Debtors

	1997 £	1996 £
Called-up share capital not paid	100	100
	<u> </u>	<u> </u>

3 Called-up share capital

	1997 £	1996 £
Authorised		
1,000 (1996: 1,000) ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted and called-up		
100 (1996: 100) ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

Intelligent Environments Limited

4 Ultimate and immediate parent company

The ultimate holding company is Intelligent Environments Group plc which is registered in England and Wales. Copies of the consolidated financial statements of Intelligent Environments Group plc may be obtained from 8 Windmill Business Village, Brooklands Close, Sunbury-on-Thames, Middlesex TW16 7DY.

The immediate parent company is Intelligent Environments Europe Limited. Intelligent Environments Limited does not trade in its own right but acts as agent in managing discrete activities of its parent company with no transaction being entered into other than as an agent for Intelligent Environments Europe Limited. All transactions are reflected in the financial statements of the parent company and not in the financial statements of Intelligent Environments Limited which, as set out in note 1, is regarded as a dormant company.