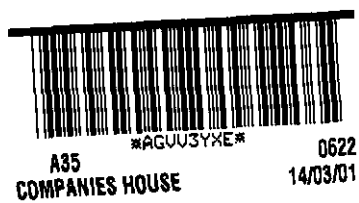


DAWNGEN LIMITED
COMPANY No. 2626519
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2000



DAWNGEN LIMITED

DIRECTORS AND ADVISERS

Date of incorporation:	4 July 1991
Company number:	2626519
Directors:	Maureen Denise McPhillips David Alan McPhillips
Company secretary:	Maureen Denise McPhillips
Registered office:	138 Crescent Drive North Brighton East Sussex BN2 6SF
Bankers:	Allied Trust Bank Plc Cannon Bridge 25 Dowgate Hill London EC4R 2AT

DAWNGEN LIMITED

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FOR THE YEAR ENDED ENDED 31 MAY 2000

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DAWNGEN LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2000

The directors have pleasure in presenting their report and financial statements for the year ended 31 May 2000

Principal activities and business review

The company's principal activity during the year was the provision of management consultancy services.

Directors and their interests

The directors who served the company throughout the year together with their interests (including family interests) in the share of the company at the beginning and end of the year, were as follows:

	Ordinary shares of £1 each	
	31 May 2000	31 May 1999
Maureen Denise McPhillips	1	1
David Alan McPhillips	1	1

Small company rules

Advantage has been taken in the preparation of this report of the special exemptions applicable to small companies.

By Order of the Board



Maureen Denise McPhillips
Secretary

138 Crescent Drive North
Brighton
East Sussex
BN2 6SF

1 February 2001

DAWNGEN LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2000

	<u>Notes</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
TURNOVER	2	125,331	93,036
COST OF SALES		(15,687)	(9,655)
GROSS PROFIT		109,644	83,381
Administrative expenses		(57,672)	(48,645)
OPERATING PROFIT	3/4	51,972	34,736
Interest receivable		815	447
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		52,787	35,183
Tax on ordinary activities	6	(10,541)	(7,517)
PROFIT FOR THE YEAR		42,246	27,666
Dividends	7	(38,000)	(28,000)
RETAINED PROFIT/(LOSS) FOR THE YEAR		4,246	(334)
Retained (deficit) brought forward		503	837
RETAINED PROFIT CARRIED FORWARD		<u>£ 4,749</u>	<u>£ 503</u>

The profit on ordinary activities before interest arises entirely from continuous operations.

There are no recognised gains and losses in the year other than the profit for the year.

DAWNGEN LIMITED
BALANCE SHEET
AS AT 31 MAY 2000

	<u>Notes</u>	£	2000	£	£	1999	£
FIXED ASSETS							
Tangible assets	8			1,752			2,227
CURRENT ASSETS							
Debtors	10	15,381			7,063		
Cash at bank and in hand		7,987			4,093		
		23,368			11,156		
CREDITORS - amounts falling due within one year	11	(20,369)			(12,878)		
NET CURRENT ASSETS/(LIABILITIES)				2,999			(1,722)
NET ASSETS				£ 4,751			£ 505

Financed by:

CAPITAL AND RESERVES

Called up share capital	2	2
Profit and loss account	4,749	503
	£ 4,751	£ 505

The directors confirm that:

- (a) for the year in question the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985.
- (b) no notice has been deposited under section 249B(2) in relation to its accounts for the financial year, and
- (c) they acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221, and
 - (ii) preparing accounts which 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 for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

In preparing these financial statements we have taken advantage of the special exemptions applicable to small companies conferred by sections 246 and 247 of the Companies Act 1985 on the grounds that the company is entitled to those exemptions as a small company.

Approved by the Board on 1 February 2001

Maureen Denise McPhillips

David Alan McPhillips

)
) Directors
)

DAWNGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MAY 2000

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

This represents the invoiced value of goods sold and services provided, net of value added tax.

1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery: 25.00 % per annum on reducing balance

1.4 Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2. TURNOVER

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

DAWNGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED ENDED 31 MAY 2000

3. NET OPERATING EXPENSES AND COMPARATIVE DETAILS

	<u>2000</u> £	<u>1999</u> £
Turnover	125,331	93,036
Cost of Sales	15,687	9,655
Administrative expenses	<u>57,672</u>	<u>48,645</u>
Operating profit	<u>51,972</u>	<u>34,736</u>

The total net figure of operating expenses relates entirely to continuous operations. There were no acquisitions or operations that were discontinued in the year.

4 INTEREST RECEIVABLE

	<u>2000</u> £	<u>1999</u> £
Bank interest	£ 725	£ 447
Other interest	<u>£ 90</u>	<u>£ -</u>
	<u>£ 815</u>	<u>£ 447</u>

5 DIRECTORS EMOLUMENTS

	<u>2000</u> £	<u>1999</u> £
Fees and salaries	28,640	37,488
Pension contributions	<u>9,900</u>	<u>589</u>
	<u>£ 38,540</u>	<u>£38,077</u>

DAWNGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED ENDED 31 MAY 2000

6. TAXATION

	<u>2000</u> £	<u>1999</u> £
6.1 The tax charge on the profit on ordinary activities for the year was as follows:		
U.K corporation tax at 20% (1999: 21%)	8,784	6,311
20% (2000: 20%)	1,757	1,206
	<u>£ 10,541</u>	<u>£ 7,517</u>

7. DIVIDENDS

	<u>2000</u> £	<u>1999</u> £
Paid	<u>£ 38,000</u>	<u>£28,000</u>

8. TANGIBLE FIXED ASSETS

	<u>Plant and equipment</u> £
Cost:	
At 1 June 1999	6,884
Additions	840
At 31 May 2000	<u>7,724</u>
Depreciation:	
At 1 June 1999	4,656
Charge for year	1,316
At 31 May 2000	<u>5,972</u>
Net book value at 31 May 2000	<u>£ 1,752</u>

DAWNGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED ENDED 31 MAY 2000

9. SHAREHOLDERS FUNDS

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 June 1999	2	503	505
Transfer to/from profit and loss account	-	4,246	4,246
	<u>2</u>	<u>4,749</u>	<u>4,751</u>

	<u>2000</u>	<u>1999</u>
The authorised share capital comprises:		
Authorised:		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<u>£ 1,000</u>	<u>£ 1,000</u>
Called up, allotted and fully paid:		
2 Ordinary shares of £1 each	£ 2	£ 2
	<u>£ 2</u>	<u>£ 2</u>

10. DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	15,381	7,063
	<u>£ 15,381</u>	<u>£ 7,063</u>

**11. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>2000</u>	<u>1999</u>
	£	£
Trade creditors	991	34
Corporation tax	10,541	6,517
Other taxes and social security costs	8,157	6,327
Other creditors	680	-
	<u>£ 20,369</u>	<u>£12,878</u>

DAWNGEN LIMITED

DETAILED TRADING PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2000

	<u>2000</u>		<u>1999</u>	
	£	£	£	£
SALES		125,331		93,036
COST OF SALES				
Disbursements	15,687	(15,687)	9,655	(9,655)
GROSS PROFIT	87.5%	109,644	89.6%	83,381
ADMINISTRATIVE EXPENSES				
Establishment and general expenses:				
Wages and salaries	15,961		6,653	
Directors' remuneration	28,640		37,488	
Directors' pension scheme	9,900		589	
Light, heat and rates	386		213	
Printing, postage and stationery	105		120	
Telephone	743		939	
Computer supplies	139		172	
Journals, library and subscriptions	431		627	
Travelling expenses	-		91	
Sundry expenses	51		15	
	<u>56,356</u>		<u>46,907</u>	
Financial expenses:				
Interest on overdue tax - not allowable	-		97	
Depreciation:				
Plant and equipment	1,316		1,641	
	<u>1,316</u>		<u>1,738</u>	
		57,672		48,645
		<u>51,972</u>		<u>34,736</u>
OTHER INCOME				
Interest receivable:				
Bank interest	725		447	
Other interest	90		-	
	<u>815</u>		<u>447</u>	
PROFIT ON ORDINARY ACTIVITIES				
BEFORE TAXATION		<u>£52,787</u>		<u>£35,183</u>