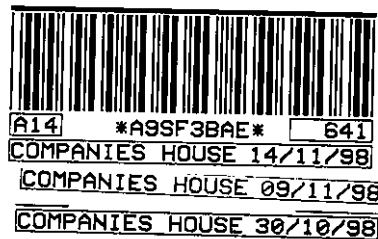


Company Registration No. 3370400 (England and Wales)

IMPARTA LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1997



IMPARTA LIMITED

COMPANY INFORMATION

Directors

R J B Barkey	(Appointed 14 May 1997)
D Stephen	(Appointed 17 September 1997)
M W Abell	(Appointed 23 March 1998)
A K Stewart	(Appointed 17 September 1997)
P J Williamson	(Appointed 17 September 1997)
M G Hay	(Appointed 17 September 1997)

Secretary

M A E Dennis

Company number

3370400

Registered office

14-16 Peterborough Road
London
SW6 3BN

Auditors

Nicholas Graham Associates
13 Rother Street
Stratford upon Avon
Warwickshire
Great Britain
CV37 6LU

Business address

14-16 Peterborough Road
London
SW6 3BN

IMPARTA LIMITED

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IMPARTA LIMITED**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 1997**

The directors present their report and financial statements for the period ended 31 December 1997.

Principal activities

The company was incorporated on 14 May 1997 to provide multimedia training solutions.

Directors

The following directors have held office since 14 May 1997:

R J B Barkey	(Appointed 14 May 1997)
D Stephen	(Appointed 17 September 1997)
M W Abell	(Appointed 23 March 1998)
A K Stewart	(Appointed 17 September 1997)
P J Williamson	(Appointed 17 September 1997)
M G Hay	(Appointed 17 September 1997)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary of 2.5 pence each	
	31 December 1997	14 May 1997
R J B Barkey	70,000	-
D Stephen	-	-
A K Stewart	-	-
P J Williamson	-	-
M G Hay	-	-

	Ordinary "A" of 2.5 pence each	
	31 December 1997	14 May 1997
R J B Barkey	-	-
D Stephen	-	-
A K Stewart	823	-
P J Williamson	1,828	-
M G Hay	914	-

Auditors

Nicholas Graham Associates were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

IMPARTA LIMITED**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 1997****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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



R J B Barkey
Director

9 September 1998

IMPARTA LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF IMPARTA LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 31 December 1997 and of its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Nicholas Graham Associates

23 October 1998

Chartered Accountants
Registered Auditor

13 Rother Street
Stratford upon Avon
Warwickshire
Great Britain
CV37 6LU

IMPARTA LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 1997**

	Notes	Period ended 31 December 1997 £
Turnover		15,873
Research & development costs		(59,534)
Administrative expenses		(43,536)
Other operating income		275
Operating loss	2	(86,922)
Other interest receivable and similar income	3	1,073
Loss on ordinary activities before taxation		(85,849)
Tax on loss on ordinary activities	4	-
Loss on ordinary activities after taxation	9	(85,849)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

IMPARTA LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1997

	Notes	1997 £	£
Fixed assets			
Tangible assets	5		12,720
Current assets			
Debtors	6	25,354	
Cash at bank and in hand		386,683	
		<u>412,037</u>	
Creditors: amounts falling due within one year	7	(8,856)	
		<u></u>	
Net current assets			<u>403,181</u>
Total assets less current liabilities			<u>415,901</u>
Capital and reserves			
Called up share capital	8		2,500
Share premium account	9		499,250
Profit and loss account	9		<u>(85,849)</u>
Shareholders' funds - equity interests	10		<u>415,901</u>

These financial statements 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 9 September 1998


R J B Barkey
Director


P J Williamson
Director

IMPARTA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1997

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

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:

Fixtures, fittings & equipment	10 - 33% straight line
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1.4 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 directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating loss

1997

£

Operating loss is stated after charging:

Depreciation of tangible assets	907
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Auditors' remuneration	1,250
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Directors' emoluments	10,000
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3 Other interest receivable and similar income

1997

£

Bank interest	1,073
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4 Taxation

The company has estimated losses of £73,865 available for carry forward against future trading profits.

IMPARTA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1997

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 14 May 1997	-
Additions	13,627
	<hr/>
At 31 December 1997	13,627
	<hr/>
Depreciation	
At 14 May 1997	-
Charge for the period	907
	<hr/>
At 31 December 1997	907
	<hr/>
Net book value	
At 31 December 1997	12,720
	<hr/> <hr/>

6 Debtors

	1997 £
Trade debtors	15,874
Other debtors	9,480
	<hr/>
	25,354
	<hr/> <hr/>

7 Creditors: amounts falling due within one year

	1997 £
Trade creditors	5,386
Other creditors	3,470
	<hr/>
	8,856
	<hr/> <hr/>

IMPARTA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1997

8 Share capital	1997
	£
Authorised	
70,000 Ordinary of 2.5 pence each	1,750
30,000 Ordinary "A" of 2.5 pence each	750
	<u>2,500</u>

Allotted, called up and fully paid	
70,000 Ordinary of 2.5 pence each	1,750
30,000 Ordinary "A" of 2.5 pence each	750
	<u>2,500</u>

9 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Retained loss for the period	-	(85,849)
Premium on shares issued during the period	499,250	-
Balance at 31 December 1997	<u>499,250</u>	<u>(85,849)</u>

10 Reconciliation of movements in shareholders' funds

	1997
	£
Loss for the financial period	(85,849)
Proceeds from issue of shares	501,750
Net addition to shareholders' funds	<u>415,901</u>
Opening shareholders' funds	-
Closing shareholders' funds	<u>415,901</u>

11 Control

The ultimate controlling party is Mr R J B Barkey who controls 70% of the company's ordinary share capital.