

HEMSCOTT INVESTMENT ANALYSIS LIMITED

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 1999

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS



Registered number: 3563522

HEMSCOTT INVESTMENT ANALYSIS LIMITED

Directors' report for the period ended 31st December 1999

The directors present their report, together with the financial statements and the auditors' report, for the period from 1st April 1999 to 31st December 1999.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit and 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 accounts 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 accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company does not trade but is regulated by the Personal Investment Authority to provide investment advice. In that capacity, it produces *Hemscott Invest* on behalf of hemscott.NET Limited, which since a group reorganisation on 4th January 2000 has been entitled to the beneficial interest in all of the Company's issued shares.

Results of activities

The Company did not trade during the period and, accordingly, no profit and loss account is presented.

During the period the Company's authorised share capital was increased from £1,000 to £100,000 and the Company allotted credited as fully paid an additional 9,000 ordinary shares of £1 each.

Change of accounting reference date

The Company has changed its accounting reference date from 31st March to 31st December in order that it be coterminous with that of other group companies. Accordingly, this report is in respect of the nine months to 31st December 1999.

Directors and their interests

The directors holding office during the period, and their interests (including family interests) in group companies at the end of the period as disclosed in the register maintained in accordance with Section 325 of the Companies Act 1985, were as follows:

HEMSCOTT INVESTMENT ANALYSIS LIMITED

Directors' report for the period ended 31st December 1999 (continued)

	<i>Ordinary shares of 50p In Hemscott Limited</i>		<i>Nominal value of convertible 'A' loan notes in Hemscott Limited</i>	
	<i>01.04.99</i>	<i>31.12.99</i>	<i>01.04.99</i>	<i>31.12.99</i>
P N Scott	672,307	738,975	£66,668	-
Ms J Meiring	672,307	738,973	£66,666	-

All of the above interests were beneficial.

Subsequent to the balance sheet date, on 27th June 2000, Mr K O'Byrne and Mrs R S Wilton were appointed as additional directors and both Mr Scott and Ms Meiring resigned.

Auditors

The Company has in place elective resolutions to dispense with the holding of annual general meetings, the laying of accounts before the shareholders in general meetings and the annual appointment of auditors. Accordingly, Arthur Andersen will remain in office as auditors until determined otherwise.

By order of the Board


Kevin O'Byrne
Secretary

25 October 2000

2nd Floor
Finsbury Tower
103-105 Bunhill Row
London EC1Y 8TY

HEMSCOTT INVESTMENT ANALYSIS LIMITED

Auditors' report for the period ended 31st December 1999

To the shareholder of Hemscott Investment Analysis Limited:

We have audited the accounts on pages 4 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practises Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1999 and of the company's profit for the period then ended and have been properly prepared in accordance the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

20 Old Bailey
London
EC4M 7AN

25 October 2000

HEMSCOTT INVESTMENT ANALYSIS LIMITED
Balance sheet as at 31st December 1999

	<i>Notes</i>	<i>31st December 1999 £</i>	<i>31st March 1999 £</i>
Current assets			
Debtors due within one year	2	10,000 <hr/>	1,000 <hr/>
Capital and reserves			
Share capital - all equity	3	10,000 <hr/>	1,000 <hr/>

Approved by the Board on 25 October 2000


K O'Byrne
Director

The notes on page 5 form an integral part of this balance sheet.

HEMSCOTT INVESTMENT ANALYSIS LIMITED

Notes to the financial statements for the period ended 31st December 1999

1. Accounting policies

Basis of preparation

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

The Company did not trade during the period and, accordingly, no profit and loss account has been prepared.

2. Debtors due within one year

	31st December 1999 £	31st March 1999 £
Amounts due from group undertakings	10,000	1,000
	<hr/>	<hr/>

3. Share capital - all equity

	31st December 1999 £	31st March 1999 £
<i>Authorised</i>		
Ordinary shares of £1 each	100,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	£10,000	£1,000
	<hr/>	<hr/>

During the year the company allotted 9,000 ordinary shares with a nominal value of £9,000 for cash consideration of £9,000.

4. Ultimate parent undertaking

At 1st April 1999 the Company's immediate parent undertaking was Hemmington Scott Limited (subsequently renamed HS Financial Publishing Limited). At 31st December 1999 the beneficial interest in all of the Company's issued shares was held by Hemscott Limited. Pursuant to a group reorganisation on 4th January 2000, the Company's immediate parent undertaking became hemscott.NET Limited. All of these companies are registered in England.

Since 4 January 2000, the Company's ultimate parent undertaking, which is its ultimate controlling party, is hemscott.NET Group plc (formerly Bridgend Group plc), a company registered in England.