

Company Number 3861966

CATER BARNARD (USA) PLC
(formerly Voyager Financial News.com plc)

ACCOUNTS

For The Period Ended

30 September 2001

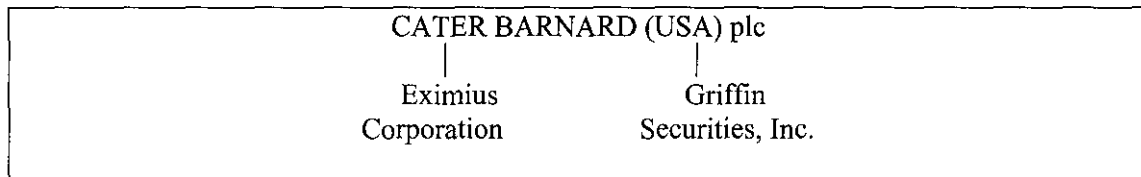


Contents

	Page
Corporate Profile	2
Directors and Advisers	3
Chairman's Statement	4
Directors' Report	5-7
Corporate Governance	8-10
Report on Directors' Remuneration	11-12
Independent Auditors' Report	13
Group Profit and Loss Account	14
Group Balance Sheet	15
Company Balance Sheet	16
Group Cash Flow Statement	17
Principal Accounting Policies	18-19
Notes to the Financial Statements	20-33

CORPORATE PROFILE

GROUP STRUCTURE



Cater Barnard (USA) plc

Cater Barnard (USA) plc is the holding company of the Group, as well as providing corporate financial advisory services. It has two subsidiaries: Eximius Corporation and Griffin Securities, Inc. The Company is under the ultimate control of Cater Barnard plc.

Eximius Corporation

Eximius Corporation ("Eximius") is a United States based provider of financial research to domestic and international companies.

Griffin Securities, Inc.

Griffin Securities, Inc. ("Griffin") is a member of the National Association of Securities Dealers and the Securities Investor Protection Corporation in the United States. Griffin was incorporated in 1997 and maintains offices in New York City near Wall Street. Griffin provides corporations, institutions and individuals worldwide with investment banking, financial advisory, brokerage and research services.

DIRECTORS AND ADVISERS

Company Number	3861966
Registered Office	Lloyd's Avenue House 6 Lloyd's Avenue London EC3N 3AX
Directors	Stephen Dean, Chairman Adrian Stecyk, Chief Executive Mark Garratt, Finance Director
Secretary	Philip Speer
Auditors	Spokes & Company Hilden Park House 79 Tonbridge Road Hildenborough Kent TN11 9BH
Registrar	Connaught St. Michaels Limited Cresta House Alma Street Luton Bedfordshire LU1 2PU
Nominated Adviser	Keith, Bayley, Rogers & Co Ebbark House 93/95 Borough High Street London SE1 1NL
Stockbroker	Seymour Pierce Limited 29-30 Cornhill London EC3V 3NF
Legal Advisers	Philip Speer & Co. 51 Cambridge Place Cambridge CB2 1NS
Bankers	Bank of Scotland plc 14 Friar Lane Leicester LE1 5RA

CHAIRMAN'S STATEMENT

I am pleased to report record levels of turnover and operating profits. Turnover for the 15-month period ending 30 September 2001 was £1,388,861 (nine months ending 30 June 2000: £638,516) and operating profits were £503,274 (2000: £10,843). Our operational successes were in the wake of a declining stock market, weakening economic conditions and the tragic events of September 11, 2001, which temporarily affected business in the New York office, located adjacent to the site of the World Trade Center.

As you know, on 16 July 2001, we completed a stock purchase of certain investment assets from Cater Barnard plc that bolstered our balance sheet and further united the two companies. Accordingly, we changed our name to Cater Barnard (USA) plc and together with Cater Barnard plc look forward to building shareholder value. At the same time, we also acquired the remaining 20% of Griffin Securities, Inc. we did not already own, which further enhances our earnings potential.

As a result of these transactions and our disciplined business approach, Cater Barnard (USA) plc is well positioned to take advantage of the difficult market conditions. Our overheads are low and business opportunities are increasing as more companies seek financial advisory and investment banking services. Our research analysts have increased our recognition by issuing quality research, providing interviews, and being quoted in numerous publications including *The Economist*, *The Washington Post*, *The Chicago Tribune*, *Investor's Business Daily* and *Bioworld*, as well as appearances on MSN and Bloomberg.

We are continually evaluating opportunities to profitably expand our business. The industry in which we operate is undergoing numerous changes. As a result, an increasing number of individuals and teams of professionals have contacted us about joining our ranks. We believe now is a good time to broaden our team efficiently by selectively adding income producers to our investment banking and brokerage services operations.

Our plan is to take advantage of the challenging market conditions, as well as our quality research capabilities, to continue to increase our book of business and profitability.

Thank you to all our staff, shareholders and advisers for your continued support.


Stephen Dean

Chairman

19 December 2001

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

The Directors present the annual report and the Group accounts for the period from 1 July 2000 to 30 September 2001.

Principal Activities, Review of the Business and Future Developments

The Company traded as public relations consultancy and specialist investment banking and research services until 8 June 2001 when it became a subsidiary of Cater Barnard plc. At that date it became purely a holding company for its investments in Eximius Corporation and Griffin Securities, Inc., the United States based investment banking and research businesses, and continued to provide specialist corporate financial advisory services.

On 20 July 2001 the Company's name was changed to Cater Barnard (USA) plc to reflect the new ultimate control of the parent and the re-focused business.

The Chairman's statement is set out on the preceding pages and contains details of the Group's progress during the period together with an indication of future developments.

Results and Dividends

The Group profit for the period after taxation amounted to £379,080 (2000: £13,919), after £199,422 loss on discontinued activities and £49,591 of goodwill amortisation. The operating profit from the continuing activities was £702,696.

The Directors do not propose the payment of a dividend for the period.

Directors

The following Directors have held office during the period.

Stephen Dean	
Adrian Stecyk	(appointed 19 July 2000)
Mark Garratt	(appointed 23 July 2001)
Peter Holmes	(resigned 30 July 2001)

DIRECTORS' REPORT (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

Directors' Shareholdings

At 30 September 2001 the Directors' interests in the share capital (beneficially held) of the Company at the dates stated were as follows:

	<u>30 Sept 01</u> <u>Ordinary</u> <u>5p shares</u>	<u>30 Sept 01</u> <u>Options</u>	<u>1 July 2000</u> <u>Ordinary</u> <u>5p shares</u>	<u>1 July 2000</u> <u>Options</u>
Stephen Dean	-	-	610,000	-
Mark Garratt	-	-	-	-
Adrian Stecyk	-	-	-	-

Cater Barnard plc, of which Stephen Dean, Mark Garratt and Adrian Stecyk were Directors as at 30 September 2001, held 16,730,389 (2000: 6,670,921) Ordinary shares and 400,000 warrants.

Substantial Shareholders

At 18 December 2001 the Company has been notified of the following interests in its issued share capital pursuant to Part VI of the Companies Act 1985:

	Ordinary 5p shares	
	Number	%
Cater Barnard plc	16,730,389	86.75%

Creditors Payment Policy

Group operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with all relevant terms and conditions. Creditor days for the trading members of the Group have been calculated at 28 days (2000: 43 days).

Introduction of the Euro

The Directors have considered the introduction of the euro and do not anticipate any directly attributable impact on the Company's business or expect to incur any significant costs as a result of that introduction.

DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2001

The Annual General Meeting

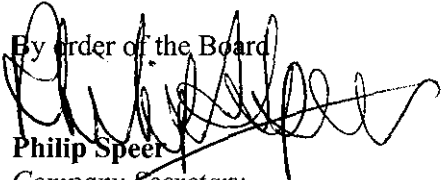
The Annual General Meeting of the Company will be held at Lloyd's Avenue House, 6 Lloyd's Avenue, London, EC3N 3AX on Wednesday, 6 February 2002 at 10am. Notice of the Annual General Meeting is separately enclosed with the distribution of the Annual Report and Accounts.

Auditors

R J Cooper & Company resigned as auditors following the acquisition by Cater Barnard plc. The Directors appointed Spokes & Company to fill the vacancy.

A resolution to reappoint Spokes & Company as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Philip Speer
Company Secretary

19 December 2001

CORPORATE GOVERNANCE

The Directors' acknowledge the importance of the Principles set out in The Combined Code issued by the Committee on Corporate Governance. Although the Combined Code is not compulsory for OFEX companies, the Directors have applied the principles as far as practicable and appropriate for a relatively small public company as follows:

The Board of Directors

At 30 September 2001 the Board comprised an Executive Chairman, a Finance Director, and an Executive Director. Due to the size of the Company, there are currently no Non-Executive Directors on the Board.

The Board meets regularly and is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. The Board has a formal schedule of matters specifically reserved to it for decision. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

A nominations committee is not considered appropriate because of the small size of the Board but all appointments or potential appointments are fully discussed by all Board members. All new directors and senior management are given a comprehensive introduction to the Group's business, including meetings with senior management. Any training necessary will be provided at the Company's expense.

Directors are subject to re-election by the shareholders at Annual General Meetings. The Articles of Association provide that Directors will be subject to re-election at the first opportunity after their appointment and the Board will voluntarily submit to re-election at intervals of three years.

Audit Committee

The Audit Committee currently consists of Stephen Dean, Executive Chairman and Mark Garratt, Finance Director, and meetings are also attended by other Executive Directors on invitation. The Audit Committee meets at least twice a year and considers the appointment and fees of the external auditors and discusses the scope of the audit and its findings. The Committee is also responsible for monitoring compliance with accounting and legal requirements and for reviewing the annual and interim financial statements prior to their submission for approval by the Board.

Remuneration Committee

The Remuneration Committee currently comprises Stephen Dean, Executive Chairman and Mark Garratt, Finance Director. The Committee's role is to consider and approve the remuneration and benefits of the Executive Directors. In framing the Company's remuneration policy, the Remuneration Committee has given full consideration to Section B of The Combined Code. The Report on Directors' Remuneration is set out on pages 11 and 12.

CORPORATE GOVERNANCE (continued)

Internal Financial Control

The Board is responsible for establishing and maintaining the Group's system of internal financial control and places importance on maintaining a strong control environment. The key procedures which the Directors have established with a view to providing effective internal financial control are as follows:

- The Group's organisational structure has clear lines of responsibility.
- The Group prepares a comprehensive annual budget that is approved by the Board. Monthly results are reported against the budget and variances are closely monitored by the finance departments and the Directors.
- The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate courses of action to manage those risks.
- Oversight of and involvement in regular subsidiary company board meetings, complete with structured operational reporting requirements.

The Directors recognise, however, that such a system of internal financial control can only provide reasonable, not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the system of internal financial control as it operated during the period to 30 September 2001.

Relations with Shareholders

Communications with shareholders are given high priority. There is a regular dialogue with shareholders including proposed presentations after the Company's preliminary announcement of the year end results and at the half year.

The Board uses the Annual General Meeting to communicate with investors and welcomes their participation. The Chairman aims to ensure that the Directors are available at Annual General Meetings to answer questions.

Established procedures ensure the timely release of share price sensitive information and the publication of financial results and regulatory financial statements.

Statement by Directors on Compliance with the Provisions of the Combined Code

The Board consider that they have complied with the provisions of The Combined Code, as far as practicable and appropriate for a public company of this size, in accordance with the recommendations on corporate governance of the City Group for Smaller Companies.

CORPORATE GOVERNANCE (continued)

Directors' Responsibilities for the Financial Statements

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 Group and of the profit or loss of the Group for that year. 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; and
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing these financial statements.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

REPORT ON DIRECTORS' REMUNERATION

The Remuneration Committee is responsible for determining and reviewing the terms of appointment and the remuneration of executive Directors. The Committee also review the remuneration of the other senior executives to ensure that reasonable and consistent criteria are applied to the management and review of all senior executive benefits packages. The Committee takes external advice, as appropriate, on remuneration issues and takes cognisance of major surveys covering all aspects of the pay and benefits of directors and senior executives in many companies.

The Committee aims to provide base salaries and benefits which are competitive in the relevant external market and which take account of Company and individual performance thus enhancing the Group's ability to recruit and to retain individuals of the calibre required for its continuing business success. It is the policy of the Committee to provide financial incentives and to reward superior performance over the medium and long term by creating opportunities to enable senior executives to earn cash bonuses and share-related payments which result from achievement of performance targets.

The Remuneration Committee currently consists of Stephen Dean, Executive Chairman and Mark Garratt, Finance Director.

Service Contracts

The Directors have service contracts, which require not more than 12 months notice of termination. The remuneration packages consist of basic salary or fees, plus performance-related bonus arrangements.

Directors' Remuneration

	<u>Notes</u>	<u>Salary & fees</u>	<u>Benefits</u>	<u>Pension contributions</u>	<u>Total for period ended 30 September 2001</u>
		£	£	£	£
Executives					
Stephen Dean	a	-	-	-	-
Mark Garratt	b	-	-	-	-
Adrian Stecyk	c	23,025	-	-	23,025
Peter Holmes	d	12,500	-	-	12,500
Total 2001 (15 months)		<u>35,525</u>	<u>-</u>	<u>-</u>	<u>35,525</u>
Total 2000 (8 months)		<u>83,250</u>	<u>3,333</u>	<u>4,801</u>	<u>91,384</u>

Notes

- Figures relate to the period from 1 July 2000 to 30 September 2001.
- Figures relate to the period from 23 July 2001 to 30 September 2001.
- Figures relate to the period from 19 July 2000 to 30 September 2001.
- Figures relate to the period from 1 July 2000 to 30 July 2001.

REPORT ON DIRECTORS REMUNERATION (continued)

Share Options

At 30 September 2001 there were no outstanding options due to the Directors.

Directors' Interests

The Directors' interests in the ordinary shares of the Company are set out in the Directors' Report on pages 5 to 7.

On behalf of the Remuneration Committee



Stephen Dean

19 December 2001

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CATER BARNARD (USA) PLC
(formerly Voyager Financial News.com plc)**

We have audited the financial statements of Cater Barnard (USA) plc for the period ended 30 September 2001, which comprise the Group Profit and Loss Account, the Group Balance Sheet, the Company Balance Sheet, the Group Cash Flow Statement, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibilities as independent auditors are established by statute, the Auditing Standards Board and by our profession's ethical guidance.

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 to you 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 is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with those provisions of the Combined Code specified for our review, and we report if it does not. We are not required to form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 Group'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.

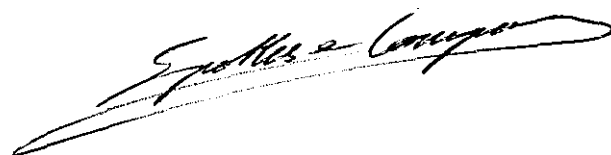
Opinion

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

Spokes & Company

Chartered Accountants

Registered Auditor
Hilden Park House
79 Tonbridge Road
Hildenborough
Kent TN11 9BH



19 December 2001

GROUP PROFIT & LOSS ACCOUNT

For The Period Ended 30 September 2001

	<u>Notes</u>	<u>Continuing Operations</u> £	<u>Discontinued Operations</u> £	<u>Total</u> £	<u>30 June 2000</u> £
TURNOVER	1				
Continuing operations - Existing		751,356	-	751,356	-
- Acquired		419,471	-	419,471	-
Discontinued activities		-	218,034	218,034	638,516
Group turnover		1,170,827	218,034	1,388,861	638,516
COST OF SALES		(254,636)	(170,559)	(425,195)	(167,046)
GROSS PROFIT		916,191	47,475	963,666	471,470
Administrative expenses		(163,904)	(246,897)	(410,801)	(449,525)
Goodwill amortisation		(49,591)	-	(49,591)	(11,102)
OPERATING PROFIT	1	702,696	(199,422)	503,274	10,843
- Continuing				478,944	-
- Acquired				224,752	-
- Discontinued				(199,422)	10,843
OTHER OPERATING INCOME					
Interest receivable & similar income				1,109	14,064
Interest payable				(3)	(5,102)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				504,380	19,805
Taxation	3			(125,300)	(5,886)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION				379,080	13,919
Equity minority interest				-	-
RETAINED PROFIT FOR THE PERIOD	14			379,080	13,919
Basic earnings per share	5			3.18p	0.32p
Diluted earnings per share	5			3.09p	0.27p

The Company made no recognised gains or losses other than the profit for the period.

GROUP BALANCE SHEET

As at 30 September 2001

	<u>Notes</u>	<u>30 September</u> <u>2001</u> £	<u>30 June</u> <u>2000</u> £
FIXED ASSETS			
Intangible fixed assets	6	888,016	321,958
Tangible fixed assets	7	1,639	67,305
Investments	8	1,166,898	95,330
		<u>2,056,553</u>	<u>484,593</u>
CURRENT ASSETS			
Stock and work in progress		-	49,909
Debtors	9	447,219	261,405
Cash at bank & in hand		31,556	81,730
		<u>478,775</u>	<u>393,044</u>
CREDITORS: Amounts falling due within one year	10	(363,050)	(307,646)
NET CURRENT ASSETS		<u>115,725</u>	<u>85,398</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,172,278</u>	<u>569,991</u>
CREDITORS: Amounts falling due after more than one year	11	-	(22,638)
PROVISION FOR LIABILITIES AND CHARGES	12	-	(4,684)
NET ASSETS		<u>2,172,278</u>	<u>542,669</u>
CAPITAL & RESERVES			
Called up share capital – equity	13	964,269	335,724
Share premium account	14	815,010	193,026
Profit & loss account	14	392,999	13,919
EQUITY SHAREHOLDERS' FUNDS	15	<u>2,172,278</u>	<u>542,669</u>

The financial statements were approved by the Board of Directors on 19 December 2001.



Mark Garratt
Director

COMPANY BALANCE SHEET

As at 30 September 2001

	Notes	30 September 2001	30 June 2000
		£	£
FIXED ASSETS			
Tangible fixed assets	7	-	2,032
Investments in subsidiaries	8	1,073,750	368,560
Trade investments	8	1,166,898	94,330
		<u>2,240,648</u>	<u>464,922</u>
CURRENT ASSETS			
Debtors	9	299,529	118
Cash at bank & in hand		11,779	56,855
		<u>311,308</u>	<u>56,973</u>
CREDITORS: Amounts falling due within one year	10	(343,628)	(8,089)
NET CURRENT (LIABILITIES)/ASSETS		<u>(32,320)</u>	<u>48,884</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,208,328	513,806
CREDITORS: Amounts falling due after more than one year	11	-	-
NET ASSETS		<u>2,208,328</u>	<u>513,806</u>
CAPITAL & RESERVES			
Called up share capital – equity	13	964,269	335,724
Share premium account	14	815,010	193,026
Profit & loss account	14	429,049	(14,944)
EQUITY SHAREHOLDERS' FUNDS		<u>2,208,328</u>	<u>513,806</u>

The financial statements were approved by the Board of Directors on 19 December 2001.



Mark Garratt
Director

GROUP CASH FLOW STATEMENT

For The Period Ended 30 September 2001

	<u>Notes</u>	<u>30 September</u> <u>2001</u> £	<u>30 June</u> <u>2000</u> £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	716,115	9,318
RETURNS ON INVESTMENTS & SERVICING OF FINANCE			
Interest received		1,109	14,064
Interest paid		(3)	(5,102)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS & SERVICING OF FINANCE		1,106	8,962
TAXATION			
UK corporation tax paid		(12,093)	-
CAPITAL EXPENDITURE & FINANCIAL INVESTMENT			
Sale of tangible fixed assets		67,138	7,000
Purchase of tangible fixed assets		-	(19,678)
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE & FINANCIAL INVESTMENT		67,138	(12,678)
ACQUISITIONS & DISPOSALS			
Purchase of subsidiary undertakings	16	(307,085)	(218,560)
Cash acquired with subsidiary undertakings		7,277	-
Purchase of investments	21	(626,454)	(94,330)
Disposal of subsidiary undertaking (net)	17	186,899	-
NET CASH (OUTFLOW) FROM ACQUISITIONS & DISPOSALS		(739,363)	(312,890)
EQUITY DIVIDENDS PAID		-	-
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		32,903	(307,288)
FINANCING			
Issue of ordinary share capital	21	38,750	378,750
Reduction to borrowings		(33,805)	(15,864)
NET CASH INFLOW FROM FINANCING		4,945	362,886
INCREASE IN CASH	19/20	37,848	55,598

ACCOUNTING POLICIES

Basis of accounting

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results could differ from those estimates. Estimates are used principally when accounting for provisions for doubtful debts, depreciation, amortisation and taxes.

Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings for the period ended 30 September 2001.

The results of businesses acquired or disposed of during the period have been included from the effective date of acquisition or up until the date of disposal. Profits or losses on intra-group transactions are eliminated in full.

Turnover

Turnover represents fees invoiced, excluding trade discounts, other sales taxes and VAT. Turnover arises in both the United Kingdom and the United States of America.

Taxation

The charge for taxation is based on the profit for the period and takes into account deferred taxation. Provision is made for material deferred taxation.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Leasehold improvements	-	50% per annum on the straight line basis
Motor vehicles	-	25% per annum on the straight line basis
Fixtures, fittings and equipment	-	25% per annum on the straight line basis

ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising from the purchase of subsidiary undertakings, represents the excess of the fair value of the purchase consideration over the fair value of the net assets acquired.

The goodwill arising on acquisitions is capitalised as an intangible asset. The goodwill is amortised on a straight line basis from the time of acquisition over its useful economic life. The economic life is normally presumed to be a maximum of 20 years. Impairment reviews are performed to ensure the carrying value of the goodwill is fairly presented and provision made as required.

If an undertaking is subsequently divested, the appropriate unamortised goodwill is dealt with through the profit and loss account in the period of disposal as part of the gain or loss on divestment.

Pensions

The Director operates a defined contributions pension scheme as further detailed in note 25 to the accounts.

Fixed asset investment

Investments in subsidiary undertakings and associates are stated at cost less amounts written off.

Foreign currencies

The assets and liabilities of foreign subsidiary companies are translated into sterling at the rates of exchange ruling at the year end. The historical currency cost of foreign subsidiary companies and investments held by the Company are translated into sterling at the rates of exchange ruling at the year end. Gains and losses resulting from the realignment of opening foreign currency balances to the year end rates including external loans and intra-group long term loans are treated as movements on reserves.

The results of foreign subsidiary companies are translated into sterling at the average rates of exchange for the accounting period. Gains or losses resulting from the translation of these results from the average rates to the year-end rates are treated as movements on reserves. All other exchange differences are dealt with through the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER & OPERATING PROFIT

Turnover is generated from the Group's activities within the United Kingdom and the United States of America.

The geographical analysis of turnover is as follows:

	<u>15 months ended 30 September 2001</u>	<u>9 months ended 30 June 2000</u>
	£	£
United Kingdom	218,034	638,516
United States of America	1,170,827	-
	<u>1,388,861</u>	<u>638,516</u>

The acquired operations relate to the purchase of Eximius Corporation and Griffin Securities, Inc.

The discontinued operations reflect the disposal of Boswell City Financial PR Limited, and other related subsidiaries, all involved in providing financial public relations services in the United Kingdom.

The operating profit is stated after charging the following:

	<u>30 September 2001</u>	<u>30 June 2000</u>
	Group £	Group £
Depreciation	462	12,139
Amortisation of goodwill	49,591	11,102
Directors' remuneration	35,525	3,250
Auditors' remuneration	20,612	9,375
Loss on disposal of investments	1,500	-
Loss on disposal of subsidiary	170,557	-
	<u>277,647</u>	<u>35,866</u>

2. DIRECTORS' REMUNERATION AND EMPLOYEES

Staff costs (including Directors) during the period were as follows:

	<u>30 September 2001</u>	<u>30 June 2000</u>
	Group £	Group £
Wages & salaries	146,998	112,459
Pension contributions	-	4,801
Social security costs	8,663	20,181
	<u>155,661</u>	<u>137,441</u>

NOTES TO THE FINANCIAL STATEMENTS

2. **DIRECTORS REMUNERATION AND EMPLOYEES (continued)**

	<u>30 September 2001</u>	<u>30 June 2000</u>
	Group £	Group £
Directors remuneration	-	-
Directors fees	35,525	3,250
	<u>35,525</u>	<u>91,384</u>

Details of remuneration for each Director are set out in the Report on Directors Remuneration.

The average number of employees of the Group during the period was as follows:

	<u>30 September 2001</u>	<u>30 June 2000</u>
	<u>Number</u>	<u>Number</u>
	Group	Group
Administration	4	11

3. **TAXATION**

	<u>30 September 2001</u>	<u>30 June 2000</u>
	£	£
Corporation tax charge at 30% based on the result for the period:	119,004	1,202
Foreign tax	10,980	-
Deferred tax	(4,684)	4,684
	<u>125,300</u>	<u>5,886</u>

4. **PROFIT FOR THE FINANCIAL PERIOD**

The Parent Company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The profit for the period, dealt with in the profit and loss account of the Company and after taking into account dividends from subsidiary undertakings, was £443,993 (2000: Loss £14,944).

NOTES TO THE FINANCIAL STATEMENTS

5. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the loss for the financial period attributable to shareholders by the weighted average number of shares in issue. In calculating the diluted earnings per share, share options and warrants outstanding have been taken into account.

The weighted average number of shares were:

	<u>30 September</u> <u>2001</u> <u>Number</u>	<u>30 June</u> <u>2000</u> <u>Number</u>
Weighted average number of shares	11,921,584	4,316,817
Effect of outstanding warrants	350,877	893,424
Adjusted weighted average number of ordinary shares	<u>12,272,461</u>	<u>5,210,241</u>
Basic earnings per share	3.18p	0.32p
Diluted earnings per share	3.09p	0.27p

6. INTANGIBLE FIXED ASSETS

Intangible fixed assets comprise goodwill arising on consolidation of businesses acquired as follows:

	<u>Group</u> £	<u>Company</u> £
Brought forward	333,060	-
Purchased goodwill	937,607	-
Disposals	(333,060)	-
Purchased goodwill at cost	<u>937,607</u>	<u>-</u>
Brought forward	11,102	-
Disposals	(11,102)	-
Amortisation charges for period	49,591	-
Amortisation carried forward	<u>49,591</u>	<u>-</u>
Net intangible fixed assets at 30 September 2001	<u>888,016</u>	<u>-</u>
Net intangible fixed assets at 30 June 2000	<u>321,958</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

7. **TANGIBLE FIXED ASSETS**

GROUP

	<u>Leasehold Improvements</u>	<u>Motor Vehicles</u>	<u>Fixtures, fittings & Equipment</u>	<u>Total</u>
COST	£	£	£	£
Brought forward	12,847	19,995	71,761	104,603
Acquired with subsidiary undertakings	-	-	1,966	1,966
Disposals	(12,847)	(19,995)	(71,761)	(104,603)
At 30 September 2001	-	-	1,966	1,966
DEPRECIATION				
Brought forward	2,854	4,999	29,445	37,298
Provided in the period	-	-	462	462
Acquired with subsidiary undertakings	-	-	32	32
Eliminated on disposal	(2,854)	(4,999)	(29,612)	(37,465)
At 30 September 2001	-	-	327	327
NET BOOK VALUE				
At 30 September 2001	-	-	1,639	1,639
At 30 June 2000	9,993	14,996	42,316	67,305

Assets held under finance leases originally cost £nil (2000: £38,738) and have a net book value of £nil (2000: £29,662). Depreciation provided in the period was £nil (2000: £9,076).

COMPANY

	<u>Fixtures, Fittings & Equipment</u>	<u>Total</u>
COST	£	£
Brought forward	2,665	2,665
Disposals	(2,665)	(2,665)
At 30 September 2001	-	-
DEPRECIATION		
Brought forward	633	633
Provided in the period	167	167
Eliminated on disposal	(800)	(800)
At 30 September 2001	-	-
NET BOOK VALUE		
At 30 September 2001	-	-
At 30 June 2000	2,032	2,032

NOTES TO THE FINANCIAL STATEMENTS

8. **FIXED ASSET INVESTMENTS**

	<u>Group</u>	<u>Company</u>
	£	£
Subsidiary undertakings		
Brought forward	-	368,560
Additions	-	1,073,750
Disposal	-	(368,560)
Balance carried forward	-	1,073,750

At 30 September 2001 the Company held the following interests in subsidiary undertakings all of which are included within the consolidated accounts.

<u>Name</u>	<u>Class of Share Capital Held</u>	<u>Proportion Held</u>	<u>Nature of Business</u>
Eximius Corporation	Ordinary	100%	Financial research
Griffin Securities, Inc.	Ordinary	100%	Investment banking and brokerage

Both the above companies are registered in United States of America. The accounts of these companies were audited by Alperin, Nebbia and Associates CPA, PA of New Jersey, United States of America, and the audit reports were unqualified.

	<u>Group</u>	<u>Company</u>
	£	£
Trade investments		
Brought forward	95,330	94,330
Additions	1,205,113	1,205,113
Impairment write-off	(38,215)	(38,215)
Disposals	(95,330)	(94,330)
Balance carried forward	1,166,898	1,166,898

9. **DEBTORS**

	<u>Group</u>		<u>Company</u>	
	<u>30 September 2001</u>	<u>30 June 2000</u>	<u>30 September 2001</u>	<u>30 June 2000</u>
	£	£	£	£
Trade debtors	419,156	226,097	286,300	-
Other debtors and prepayments	28,063	35,308	13,229	118
	447,219	261,405	299,529	118

NOTES TO THE FINANCIAL STATEMENTS

10. CREDITORS – Amounts falling due within one year:

	<u>Group</u>		<u>Company</u>	
	<u>30 September</u>	<u>30 June</u>	<u>30 September</u>	<u>30 June</u>
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	£	£	£	£
Bank loan and overdraft	-	88,022	-	-
Trade creditors	65,608	111,725	56,455	-
Amounts owed to subsidiary undertakings	-	-	7,200	-
Corporation tax	117,000	10,089	117,000	-
Social security & other taxes	-	29,695	-	-
Amounts owed to parent undertaking	149,473	56,948	149,473	8,089
Accruals & deferred income	30,969	-	13,500	-
Hire purchase	-	11,167	-	-
	<u>363,050</u>	<u>307,646</u>	<u>343,628</u>	<u>8,089</u>

11. CREDITORS – Amounts falling due after more than one year:

	<u>Group</u>		<u>Company</u>	
	<u>30 September</u>	<u>30 June</u>	<u>30 September</u>	<u>30 June</u>
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	£	£	£	£
Hire purchase	-	22,638	-	-

12. PROVISIONS FOR LIABILITIES AND CHARGES

Provision for deferred taxation has been made as follows:

	<u>Group</u>		<u>Company</u>	
	<u>30 September</u>	<u>30 June</u>	<u>30 September</u>	<u>30 June</u>
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	£	£	£	£
Full potential liability:				
Accelerated capital allowances	-	4,684	-	-
Amounts provided	<u>-</u>	<u>4,684</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

13. SHARE CAPITAL

	<u>30 September</u> <u>2001</u> £	<u>30 June</u> <u>2000</u> £
Authorised:		
20,000,000 ordinary shares of 5p each	1,000,000	1,000,000
	<u> </u>	<u> </u>
Allotted, called up & fully paid		
19,285,389 ordinary shares of 5p each (2000: 6,714,473)	964,269	335,724
	<u> </u>	<u> </u>

In the period ended 30 September 2001 the movements in Ordinary Shares issued were as follows:

	<u>Number</u>	<u>Issued</u> <u>Nominal</u> <u>Value</u> £	<u>Consideration</u> £
Warrants exercised at 5p	75,000	3,750	3,750
Acquisition of Eximius Corporation and Griffin Securities, Inc. at 12p	3,055,554	152,777	366,666
Warrants exercised at 5p	160,000	8,000	8,000
Warrants exercised at 5p	300,000	15,000	15,000
Acquisition of Griffin Securities, Inc at 12p	2,222,219	111,111	266,666
Acquisition of Griffin Securities Inc, at 12p	1,111,111	55,555	133,333
Purchase of investments at 8.55p	2,282,032	114,102	195,114
Purchase of investments at 8p	3,125,000	156,250	250,000
Warrants exercised at 5p	240,000	12,000	12,000
	<u>12,570,916</u>	<u>628,545</u>	<u>1,250,529</u>

At 30 September 2001 there were warrants outstanding in respect of 600,000 new Ordinary shares exercisable at 5p each, expiring on 31 December 2001.

NOTES TO THE FINANCIAL STATEMENTS

14. STATEMENT OF MOVEMENT ON RESERVES

	<u>Group</u>		<u>Company</u>	
	<u>Share Premium</u> <u>Account</u>	<u>Profit & Loss</u> <u>Account</u>	<u>Share</u> <u>Premium</u> <u>Account</u>	<u>Profit & Loss</u> <u>Account</u>
	£	£	£	£
Brought forward	193,026	13,919	193,026	(14,944)
Premium arising on issue of ordinary shares for acquisitions	621,984	-	621,984	-
Retained profit for the period	-	379,080	-	443,993
At 30 September 2001	<u>815,010</u>	<u>392,999</u>	<u>815,010</u>	<u>429,049</u>

15. RECONCILIATION OF SHAREHOLDERS' FUNDS

	<u>30 September</u> <u>2001</u>	<u>30 June</u> <u>2000</u>
	£	£
Profit for the period	379,080	13,919
Net proceeds of shares issued in period	1,250,529	528,750
Net movement in shareholders' funds	<u>1,629,609</u>	<u>542,669</u>
Opening shareholders' funds	542,669	-
Closing shareholders' funds (equity)	<u>2,172,278</u>	<u>542,669</u>

NOTES TO THE FINANCIAL STATEMENTS

16. ACQUISITION OF SUBSIDIARIES

Eximius Corporation

On 19 July 2000 the Group acquired 100% of the issued share capital of Eximius Corporation.

The acquisition has been accounted for using the acquisition method.

The summarised profit and loss account of Eximius Corporation for the period 1 January 2000, the beginning of its accounting period, to 19 July 2000, the date of acquisition, is as follows:

	£
Turnover	5,336
Operating loss	<u>(39,442)</u>
Loss on ordinary activities before taxation	<u>(39,442)</u>
Tax on ordinary activities	-
Loss on ordinary activities after taxation	<u>(39,442)</u>

The consolidated assets and liabilities of Eximius Corporation as at 19 July 2000 are set out below:

	<u>Book Value</u>	<u>Fair Value</u>	<u>Fair Value</u>
	£	£	£
Tangible fixed assets	-	-	-
Debtors	68,032	-	68,032
Bank	2,107	-	2,107
Creditors	(1,724)	-	(1,724)
Net assets acquired	<u>68,415</u>	<u>-</u>	<u>68,415</u>
Goodwill			213,337
			<u>281,752</u>
Satisfied by:			
Cash consideration			165,981
Issue of new ordinary shares			100,000
Acquisition expenses			15,771
			<u>281,752</u>

The goodwill has been carried forward as an intangible fixed asset.

NOTES TO THE FINANCIAL STATEMENTS

Griffin Securities, Inc.

On 27 July 2000 the Group acquired 80% of the issued share capital of Griffin Securities, Inc. On 24 May 2001 the Group acquired the remaining 20% of the issued share capital of Griffin Securities, Inc.

The acquisition has been accounted for using the acquisition method.

The summarised consolidated profit and loss account of Griffin Securities, Inc. for the period 1 January 2000, the beginning of its accounting period, to 27 July 2000, the date of acquisition, is as follows:

	£
Turnover	71,783
Operating loss	<u>(80,488)</u>
Loss on ordinary activities before taxation	<u>(80,488)</u>
Tax on ordinary activities	-
Loss on ordinary activities after taxation	<u>(80,488)</u>

The consolidated assets and liabilities of Griffin Securities, Inc. as at 27 July 2000 are set out below:

	<u>Book Value</u>	<u>Fair Value</u>	<u>Fair Value</u>
	£	£	£
Tangible fixed assets	1,934	-	1,934
Debtors	70,668	-	70,668
Bank	5,170	-	5,170
Creditors	(10,044)	-	(10,044)
Net assets acquired	<u>67,728</u>	<u>-</u>	<u>67,728</u>
Goodwill			724,270
			<u>791,998</u>
Satisfied by:			
Cash consideration			17,568
Issue of new ordinary shares			666,665
Acquisition expenses			107,765
			<u>791,998</u>

The goodwill has been carried forward as an intangible fixed asset.

The results for Griffin Securities, Inc. for the period ended 31 December 1999 showed a loss of £139,088.

NOTES TO THE FINANCIAL STATEMENTS

17. DISPOSAL OF SUBSIDIARIES

On 4 October 2000 the Director completed the sale of Boswell City Financial PR Limited. The disposal is analysed as follows:

Net assets disposed of:

	£
Goodwill	321,958
Debtors	72,050
Creditors	(36,550)
	<u>357,458</u>
Expenses of disposal	18,101
	<u>375,559</u>
Loss on disposal	(170,559)
Disposal proceeds	<u>205,000</u>

18. NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>30 September</u> <u>2001</u> £	<u>30 June</u> <u>2000</u> £
Operating profit	503,274	10,843
Loss on disposal of subsidiary	170,559	-
Depreciation	462	12,138
Amortisation	49,591	11,102
Decrease in stocks and work in progress	49,909	4,623
Increase in debtors	(119,164)	(52,976)
Increase in creditors	61,484	23,588
Net cash inflow from operating activities	<u>716,115</u>	<u>9,318</u>

NOTES TO THE FINANCIAL STATEMENTS

19. RECONCILIATION OF CHANGE IN CASH TO MOVEMENT IN NET FUNDS

	<u>2001</u>	<u>2000</u>
	£	£
Increase in cash in the period	37,848	55,598
Decrease in finance leases	33,805	15,864
Movement in net funds in the period	<u>71,653</u>	<u>71,462</u>

20. ANALYSIS OF NET CASH AND DEBT

	<u>30 June</u> <u>2000</u>	<u>Cashflow</u>	<u>30 September</u> <u>2001</u>
	£	£	£
Cash at bank	81,730	(50,174)	31,556
Overdraft	(88,022)	88,022	-
	<u>(6,292)</u>	<u>37,848</u>	<u>31,556</u>
Finance leases	(33,805)	33,805	-
Net funds (debt)	<u>(40,097)</u>	<u>71,653</u>	<u>31,556</u>

21. SIGNIFICANT NON CASH TRANSACTIONS

During the period Ordinary shares were issued at a deemed consideration of £445,114 (2000: £nil) to acquire investment and £766,665 (2000: £150,000) to acquire subsidiary undertakings. The cash flow statement has been adjusted accordingly.

22. FINANCIAL INSTRUMENTS

(a) Policies and risks

The Group's financial instruments comprise equity investments, cash and various items such as trade debtors and trade creditors that arise directly from its operations. Cash is used to raise finance for the Group's operations and acquisitions. The main purpose of holding equity investments is to achieve capital growth and realise profits on their disposal.

The main risk arising from the Group's financial instruments are interest rate risk, as all of the Director's borrowings are at floating rates of interest, and liquidity risk. The Group has not entered into any derivative transactions. The equity investments held by the Group are susceptible to changes in value arising from market factors. The performance of each investment is constantly monitored by the Directors and its advisers.

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS

(a) Policies and risks (continued)

The Group is also subject to foreign exchange risk in respect of its investments and trading in the United States of America. The Group does not undertake any foreign exchange hedging activities at present but keeps the risk exposure under review. The Directors consider that there is no significant interest rate risk.

Short-term debtors and creditors have been excluded from the disclosures.

(b) Interest rate risk profile of financial liabilities

	<u>Total</u>	<u>Fixed rate Financial Liabilities</u>	<u>Floating Rate Financial Liabilities</u>	<u>Weighted Average Interest Rate</u>	<u>Weighted Average Period for which Rate is Fixed Years</u>
Currency	£	£	£	%	
Sterling					
<u>30 September 2001</u>	-	-	-	-	-
<u>30 June 2000</u>					
Bank overdraft	88,022	-	88,022	-	-
Hire purchase	33,805	33,805	-	-	2

The Director's floating rate financial liabilities bear interest at rates based on Bank of Scotland plc base rate.

(c) Interest rate risk profile of financial assets

	<u>Total</u>	<u>Floating Rate Financial Assets</u>	<u>Equity Investments</u>	<u>Financial assets on which no interest is earned</u>
Currency	£	£	£	£
Sterling				
<u>30 September 2001</u>				
Cash at bank	31,556	17,241	-	14,315
Investments	1,166,898	-	1,166,898	-
<u>30 June 2001</u>				
Cash at bank	81,730	-	-	81,730
Investments	95,330	-	95,330	-

Floating rate financial assets comprise cash deposits on overnight deposit at variable short-term rates, ranging from 1.266% to 4.25%. The equity investments are held for long-term growth and will attract dividends when voted by the investment vehicle.

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS (continued)

(d) Fair value of financial liabilities and financial assets

	<u>30 September 2001</u>		<u>30 June 2000</u>	
	<u>Book value</u>	<u>Fair Value</u>	<u>Book value</u>	<u>Fair Value</u>
	£	£	£	£
Short-term borrowings	-	-	121,827	121,827
Long-term borrowings	-	-	-	-
Cash	31,556	31,556	81,730	81,730
Investments	1,166,898	1,166,898	95,330	95,330

The fair value of financial liabilities is based on market rates of interest.

(e) Borrowing facilities

The Group have agreed with their bankers, borrowing facilities, which were undrawn at the period end of:

	<u>30 September</u> <u>2001</u>	<u>30 June</u> <u>2000</u>
	£	£
Expiring within one year	-	-

23. CAPITAL COMMITMENTS

The Group had capital commitments of £nil at 30 September 2001.

24. RELATED PARTY TRANSACTIONS

On 16 July 2001, the Company acquired certain investments for £375,113 comprising cash and new Ordinary shares from Cater Barnard plc, its ultimate holding company. On the same date, the Company acquired the remaining 20% of Griffin Securities, Inc. from Adrian Stecyk, a Director and his wife, for 1,111,111 new Ordinary shares. Both transactions were negotiated at arms length.

On 22 August 2001, the Company acquired further investments from Cater Barnard plc for 3,125,000 new Ordinary shares, issued at 8p each (i.e. £250,000), based on external valuation.

25. PENSION CONTRIBUTIONS

The Group operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are invested and managed independently of the finances of the Company. There were no outstanding liabilities at the balance sheet date.