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Company Registration No. 03973257 (England and Wales)

AXIOMLAB
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005



AXIOMLAB

COMPANY INFORMATION

Director	AJ Aubrey
Company Secretary	JD Bamforth
Company number	03973257
Registered office	Yorkshire Technology Park Armitage Bridge Huddersfield HD4 7NR
Auditors	Lopian Gross Barnett & Co Chartered Accountants 6 th Floor, Cardinal House 20 St Mary's Parsonage Manchester M3 2LG

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DIRECTORS' REPORT

For the year ended 30 April 2005

The directors present their report and the financial statements for the year ended 30 April 2005.

Principal activities and review of the business

The principal activity of the company during the year continued to be that of managing a portfolio of investments.

On 23 December 2004 the company transferred its entire business, assets and liabilities, with the exception of its investment in Techtran Group Limited, to its parent undertaking, Inhoco 2835 Limited.

On 10 January 2005, the company sold part of its investment in Techtran Group Limited to IP2IPO Group plc in consideration for cash of £1,308,249 and shares in IP2IPO Group plc with a market value of £3,959,729. On 20 January 2005, Axiomlab was sold by its parent company, Inhoco 2835 Limited to IP2IPO Group plc. On the same day, Axiomlab paid a dividend in specie of its remaining investment in Techtran Group Limited to IP2IPO Group plc. Immediately following this transaction, IP2IPO Group plc sold its shares in Axiomlab to Scissor Search Limited, the company's new parent undertaking.

Results and dividends

The results for the period are set out on page 4.

Directors and directors' interest in shares

The following directors have held office during the year:

FW Mendelsohn	(resigned 12 January 2005)
AJ Aubrey	
RS Ingleby	(resigned 12 January 2005)
D Norwood	(appointed 12 January 2005, resigned 19 January 2005)
J Davies	(appointed 12 January 2005, resigned 19 January 2005)

None of the directors holding office at the end of the year had a direct interest in the share capital of the company. The directors' interests in the ultimate parent company are shown in that company's accounts.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Lopian Gross Barnett & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

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DIRECTORS' REPORT (continued) For the year ended 30 April 2005


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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

On behalf of the board


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JD Bamforth
Company Secretary


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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AXIOMLAB

We have audited the financial statements of Axiomlab for the year ended 30 April 2005 on pages 4 to 13 which have been prepared under the accounting policies set out on pages 6 to 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

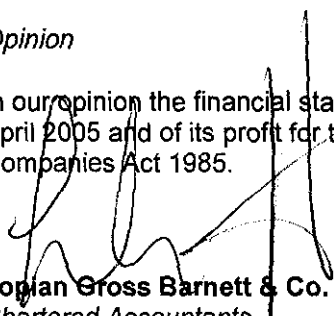
Basis of audit opinion

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 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 30 April 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Logan Gross Barnett & Co.
Chartered Accountants
Registered Auditor

27TH FEBRUARY 2006

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6th Floor, Cardinal House
20 St Mary's Parsonage
Manchester
M3 2LG

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PROFIT AND LOSS ACCOUNT For the year ended 30 April 2005

	Notes	2005 £	2004 £
Turnover	2	202,088	270,237
Administrative expenses		(761,262)	(1,045,414)
Exceptional items			
- Group reorganisation costs		-	(122,026)
- Unwinding of restricted stock		-	(594,563)
Operating loss before impairment provision	3	(559,174)	(1,491,766)
Impairment provision	4	104,972	(1,244,390)
Operating loss after impairment provision		(454,202)	(2,736,156)
Profit on sale of investments		4,857,218	-
Dividends received from group companies		12,000	-
Other interest receivable and similar income		42,422	99,852
Interest payable and similar charges		(468)	-
Profit/(loss) on ordinary activities before taxation		4,456,970	(2,636,304)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation	12	4,456,970	(2,636,304)
Dividends paid	6	(10,600,742)	-
Loss for the year		(6,143,772)	(2,636,304)

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.

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BALANCE SHEET As at 30 April 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Tangible assets	7	-	-	8,549	
Investments	8	-	-	4,430,360	
			-	4,438,909	
Current assets					
Debtors	9	-	222,780		
Cash at bank and in hand		1	1,643,574		
		1	1,866,354		
Creditors: amounts falling due within one year	10	-	(161,490)		
Net current assets			1	1,704,864	
Net assets			1	6,143,773	
Capital and reserves					
Called up share capital	11	1	1,278,477		
Profit and loss account	12	-	4,865,296		
Shareholders' funds – equity interests	13	1	6,143,773		

The financial statements were approved by the board on 22/2/2006

AJ Aubrey
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2005

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 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent of more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Preparation of consolidated accounts

The financial statements contain information about Axiomlab as an individual company and do not contain consolidated financial information as a parent of a group. The company is exempt by virtue of section 228 from the requirement to prepare group accounts on the basis that the parent company is included in the accounts of a larger group.

1.4 Turnover

Turnover represents amounts receivable for services net of VAT.

1.5 Tangible fixed assets

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:

Office equipment	25% - 33% straight line
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1.6 Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

The directors consider that the company's equity investments do not generally fall within the Companies Act 1985 definitions of subsidiary or associated undertakings on the basis that the company does not exercise control or significant influence over the operating and financial policies of the investees.

1.8 Related party transactions

Under FRS8 – Related Party Disclosures, the company discloses details of material transactions between the reporting entities and related parties. However transactions between the company and other group companies have not been disclosed in accordance with the exemption under FRS8 paragraph 3(e).

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2005

1 Accounting policies (continued)

1.9 Deferred taxation

Deferred tax has been calculated according to the requirements of FRS 19 – Deferred Tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2005 £	2004 £
Operating loss is stated after charging:		
Depreciation of tangible assets	1,957	10,041
Exceptional items – Group reorganisation costs	-	122,026
– Unwinding of restricted stock	-	594,563
Operating lease rentals	25,005	62,423
Auditors' remuneration	2,000	15,000
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4 Impairment provision

	2005 £	2004 £
Amounts written off fixed asset investments		
- Impairment (credit)/provision	(104,972)	1,244,390
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The impairment credit of £104,972 (2004 – provision of £1,244,390) reflects the directors' view of the carrying value of certain investments within the portfolio.

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2005

5 Taxation

There is no corporation tax charge for the current or prior year. The tax assessed for the period is lower than the standard rate of corporation tax in the UK at 30% (2004-30%). The differences are explained below:

	2005 £	2004 £
Profit/(loss) on ordinary activities before tax	4,456,970	(2,636,304)
Profit(loss) on ordinary activities multiplied by standard corporation tax rate – 30%	1,337,091	(790,891)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	14,972	449,441
Capital allowances in excess of depreciation	(10,764)	(492)
Non-deductible consideration on disposal of investment	(1,237,453)	-
Surplus/(utilisation) of tax losses	(103,846)	341,942
Current tax charge for the year	-	-

6 Dividends

	2005 £	2004 £
Interim dividends paid	10,600,742	-

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2005

7 Tangible fixed assets

	Office equipment £
Cost	
At 1 May 2004	61,869
Disposals	(61,869)
	<hr/>
At 30 April 2005	-
	<hr/>
Depreciation	
At 1 May 2004	53,320
Charge for the year	1,957
On disposals	(55,277)
	<hr/>
At 30 April 2005	-
	<hr/>
Net book value	
At 30 April 2005	-
	<hr/>
Net book value	
At 1 May 2004	8,549
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NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2005

8 Fixed asset investments

	Unlisted investments £	Shares in group undertakings £	Total £
Cost			
At 1 May 2004	8,576,747	3,098,027	11,674,774
Transfers to group undertakings	(6,314,798)	(2,097,933)	(8,412,731)
Disposals	(2,261,949)	(1,000,094)	(3,262,043)
	<hr/>	<hr/>	<hr/>
At 30 April 2005	-	-	-
	<hr/>	<hr/>	<hr/>
Impairment provision			
At 1 May 2004	5,236,481	2,007,933	7,244,414
Transfers to group undertakings	(3,171,229)	(2,007,933)	(5,179,162)
Credit for the period	(104,972)	-	(104,972)
On disposals	(1,960,280)	-	(1,960,280)
	<hr/>	<hr/>	<hr/>
At 30 April 2005	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 April 2005	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 April 2004	3,340,266	1,090,094	4,430,360
	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2005

9 Debtors

	2005 £	2004 £
Trade debtors	-	117,890
Amounts owed by group undertakings	-	76,875
Other debtors	-	9,043
Prepayments and accrued income	-	18,972
	<u>-</u>	<u>222,780</u>

10 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	-	47,802
Accruals and deferred income	-	75,315
Amounts owed to group undertakings	-	20,000
Other taxes and social security	-	18,373
	<u>-</u>	<u>161,490</u>

11 Share capital

	2005 £	2004 £
Authorised:		
750,000,000 Ordinary shares of 0.25p each	1,875,000	1,875,000
400,037,451 "A" Ordinary shares of 0.25p each	1,000,094	-
	<u>2,875,094</u>	<u>1,875,000</u>
Allotted, called up and fully paid:		
1 Ordinary shares of 0.25p each (2004 – 511,390,652)	-	1,278,477
399 "A" Ordinary shares of 0.25p each (2004 – nil)	1	-
	<u>1</u>	<u>1,278,477</u>

On 23 December 2004 the company reduced its share capital by £278,383 following a written resolution of shareholders. 111,353,200 Ordinary shares of 0.25p each were subsequently cancelled. This reduction was credited to the profit and loss reserve.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2005

11 Share capital (continued)

On 10 January 2005, 400,037,451 Ordinary shares of 0.25p each were converted into 400,037,451 "A" Ordinary shares of 0.25p each.

On 10 January 2005, the company further reduced its share capital by £1,000,093 following a written resolution of shareholders. 400,037,052 "A" Ordinary shares of 0.25p each were subsequently cancelled. This reduction was credited to the profit and loss reserve.

12 Statement of movements on profit and loss account

	Profit and loss account £
At 1 May 2004	4,865,296
Loss for the financial year	(6,143,772)
Arising on reduction in share capital (note 11)	1,278,476
	<hr/>
At 30 April 2005	-
	<hr/> <hr/>

13 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Loss for the financial year	(6,143,772)	(2,636,304)
Proceeds from issue of shares	-	1,841,677
Purchase of own shares	-	(3,847,114)
	<hr/>	<hr/>
Net addition to/(depletion from) shareholders' funds	(6,143,772)	(4,641,741)
Opening shareholders' funds	6,143,773	10,785,514
	<hr/>	<hr/>
Closing shareholders' funds	1	6,143,773
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NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2005

14 Employees

The average monthly number of employees (including executive directors) during the period was:

	2005 £	2004 £
Administrative	6	8

	2005 £	2004 £
Employment costs		
Wages and salaries	272,263	499,960
Social security costs	58,333	62,270
	<u>330,596</u>	<u>562,230</u>

15 Directors' emoluments

	Salary / fees £	Other benefits £	Year ended 30 April 2005 £	Salary / fees £	Other benefits £	Year ended 30 April 2004 £
FW Mendelsohn	127,611	406	128,017	125,417	441	125,858
AJ Aubrey	47,500	1,017	48,517	129,167	121,041	250,208
RS Ingleby	19,500	406	19,906	33,081	441	33,522
	<u>194,611</u>	<u>1,829</u>	<u>196,440</u>	<u>287,665</u>	<u>121,923</u>	<u>409,588</u>

16 Financial commitments

At 30 April 2005 the company had no annual commitments under non-cancellable operating leases (2004 - £10,000).

17 Parent undertaking

The company's parent undertaking is Scissor Search Limited, a company registered in England and Wales.