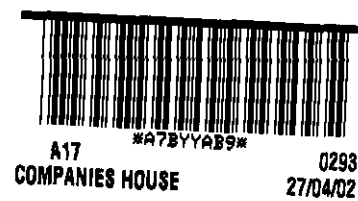


DIGI-DISC LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 18 MAY 2000
TO 31 OCTOBER 2001

REGISTRATION NUMBER: 3996765



DIGI-DISC LIMITED
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FOR THE PERIOD 18 MAY 2000 TO 31 OCTOBER 2001

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DIGI-DISC LIMITED
DIRECTORS' REPORT
FOR THE PERIOD 18 MAY 2000 TO 31 OCTOBER 2001

DIRECTORS: Miss L Fasser (appointed 30 October 2000)
Wyken International Ltd (appointed 28 July 2000)
Wildman & Battell Ltd (appointed 18 May 2000)
(resigned 28 July 2000)

SECRETARY: Sameday Company Services Ltd

REGISTERED OFFICE: 59 Union Street, Dunstable, Beds., LU6 1EX.

The directors present their report and financial statements for the period ended 31 October 2001.

INCORPORATION

The company was incorporated on 18 May 2000 and has not traded in the period ended 31 October 2001.

RESULTS AND DIVIDENDS

The directors do not recommend payment of dividends for the period ended 31 October 2001.

The directors propose that the loss for the period, after taxation and dividends, amounting to £1672, be transferred to reserves.

REVIEW OF BUSINESS

The company's principal activity during the period was that of financial consultancy. The directors consider the development of the business of the company and the state of affairs at the balance sheet date to be satisfactory.

FUTURE DEVELOPMENTS

The company intends to continue its present management policies for the foreseeable future.

FIXED ASSETS

Details of changes in fixed assets are given in note 4 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors and their respective interests (including beneficial and family interests) in the ordinary shares of the parent company, Blue Sapphire Limited were as follows:-

	2001
Ms L Fasser	10

AUDITORS

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited.

DIGI-DISC LIMITED
DIRECTORS' REPORT
FOR THE PERIOD 18 MAY 2000 TO 31 OCTOBER 2001

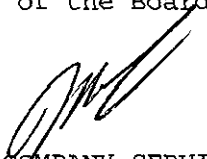
DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS:-

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

By Order of the Board



SAMEDAY COMPANY SERVICES LIMITED
SECRETARY

DIGI-DISC LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE PERIOD 18 MAY 2000 TO 31 OCTOBER 2001

	NOTES	2001 £
Turnover	2	-
Administrative Expenses		1897
		<hr/>
OPERATING LOSS	3	(1897)
Bank Interest Received		225
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1672)
Tax on Loss on Ordinary Activities		-
		<hr/>
LOSS FOR THE FINANCIAL PERIOD		(1672)
Dividends		-
		<hr/>
DEFICIT FOR THE FINANCIAL PERIOD		(1672)
Retained profit brought forward		-
		<hr/>
Deficit carried forward		£(1672)
		<hr/> <hr/>

There are no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding period. The company has not yet commenced trade.

DIGI-DISC LIMITED
BALANCE SHEET
AS AT 31 OCTOBER 2001

	NOTES	2001
		£
FIXED ASSETS		
Investments	4	31799
CURRENT ASSETS		
Bank		784
CREDITORS - Amounts Falling Due Within One Year	5	33255
NET CURRENT LIABILITIES		(32471)
TOTAL ASSETS LESS CURRENT LIABILITIES		£(672)
CAPITAL AND RESERVES		£
Called Up Share Capital	6	1000
Profit and Loss Account		(1672)
SHAREHOLDERS' FUNDS	7	£(672)

AUDIT EXEMPTION STATEMENT

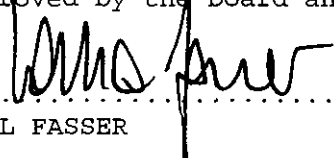
For the period ended 31 October 2001 the company was entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985.

No notice has been deposited with the company under section 249B(2) of that act requiring an audit to be carried out.


The directors acknowledge their responsibility for:

- (a) ensuring the company keeps accounting records in accordance with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its loss for that financial period in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to financial statements so far as they are applicable to the company.

Approved by the board and signed on its behalf by


.....
MS L FASSER

DIRECTOR

 15th April 2002
.....
DATE

1. STATEMENT OF ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

(b) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2. TURNOVER

Turnover represents the invoiced amount of services supplied by the company, stated net of value added tax.

The turnover, which all arises within the United Kingdom, and pre-tax profit is attributable to one activity, that of financial consultancy.

3. OPERATING LOSS

2001
£

This is stated after charging:
Directors' Remuneration

NIL

4. FIXED ASSET INVESTMENTS

2001
£

Cost of Unlisted Investments

31799

Included in unlisted investments is a 50% interest in the ordinary shares of Universo SpA, a company registered in Italy.

The capital and reserves and profit and loss for the subsidiary as at its financial year end were as follows:

	2001 £
Profit for the year	£70739
Capital & Reserves	£217073

DIGI-DISC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 18 MAY 2000 TO 31 OCTOBER 2001

6

5.	CREDITORS - Amounts Falling Due Within One Year		£
	Corporation Tax		-
	Directors' Current Accounts		799
	Amounts Owed to Parent Company		32206
	Accruals		250
			<hr/>
			£33255
			<hr/>
6.	SHARE CAPITAL	Authorised	Allotted, called up and fully paid
		2001	2001
		No	£
	Ordinary shares of £1 each	1000	1000
		<hr/>	<hr/>
7.	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		2001
			£
	At 18 May 2000		-
	Share Issue		1000
	Loss for the period		(1672)
	Dividends		-
			<hr/>
	At 31 October 2001		(672)
			<hr/>
8.	ULTIMATE PARENT COMPANY		
	The Ultimate Controlling party of Digi-Disc Ltd is Blue Sapphire Ltd, a company incorporated in England and Wales (Registration No. 4026255).		