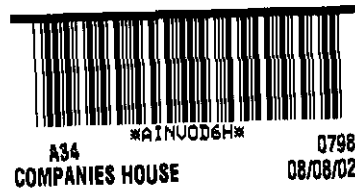


STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2001



WILLOW
WETHERDEN
ROAD
HAUGHLEY
GREEN
SUFFOLK
IP14 3RF
TELEPHONE:
(01449)
677797
FACSIMILE:
(01449)
677769

CHARTERED CERTIFIED ACCOUNTANTS AND REGISTERED AUDITORS
e-mail: enquiries@newlynware.com
Partners: Vivien Ware Graham Ware

STORM TECHNOLOGIES LIMITED

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STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT For the year ended 31 December 2001

The directors present their report and the financial statements for the year ended 31 December 2001.

STATEMENT OF 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity is the supply of computer systems and application software.

The business performed well for the first three quarters of the year. However, sales in the last quarter were significantly below expectations due, in part, to the lack of confidence following the attacks on the World Trade Centre and an industry wide slow down during December. The company also suffered two large bad debts at the end of the year. The Directors are pleased to report that sales have returned to expected levels in the new year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £14,426 (2000 - £153,165) .

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

| | Ordinary shares of £1 each | |
|--|-------------------------------|---------------|
| | <u>31/12/01</u> | <u>1/1/01</u> |
| J Brooker | 66 | 66 |
| S Hipkin (resigned 15 October 2001) | - | - |
| D Pownceby (resigned 15 October 2001) | - | - |
| Hipkin Holdings Ltd (resigned 15 October 2001) | 34 | 34 |
| L P Rutter (appointed 15 October 2001) | - | - |

EVENTS SINCE THE END OF THE YEAR

The company redeemed 34 ordinary shares during February 2002 utilising the retained profits.

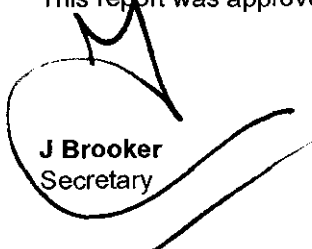
AUDITORS

The auditors, Newlyn Ware, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT
For the year ended 31 December 2001

This report was approved by the board on 10 June 2002 and signed on its behalf.



J Brooker
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STORM TECHNOLOGIES LIMITED

We have audited the financial statements of Storm Technologies Limited for the year ended 31 December 2001 set out on pages 4 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

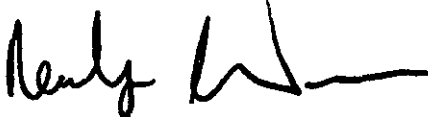
BASIS OF AUDIT OPINION

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 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Newlyn Ware

Chartered Certified Accountants
Registered Auditors

Haughley
Suffolk
IP14 3RF

10 June 2002

STORM TECHNOLOGIES LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2001

| | Note | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|--|------|--|--|
| TURNOVER | 1, 2 | 5,926,716 | 4,027,301 |
| Cost of sales | | <u>(4,910,085)</u> | <u>(3,389,818)</u> |
| GROSS PROFIT | | 1,016,631 | 637,483 |
| Administrative expenses | | <u>(984,368)</u> | <u>(437,928)</u> |
| OPERATING PROFIT | 3 | 32,263 | 199,555 |
| Interest receivable | | 84 | 82 |
| Interest payable | 6 | <u>(780)</u> | <u>(4,550)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 31,567 | 195,087 |
| TAX ON PROFIT ON ORDINARY ACTIVITIES | 7 | <u>(17,141)</u> | <u>(41,922)</u> |
| RETAINED PROFIT FOR THE FINANCIAL YEAR | 15 | <u><u>£ 14,426</u></u> | <u><u>£ 153,165</u></u> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 7 to 15 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

BALANCE SHEET
As at 31 December 2001

| | Note | 31 December 2001 | | 31 December 2000 | |
|--|------|---------------------|------------------|---------------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 8 | | 60,568 | | 61,047 |
| CURRENT ASSETS | | | | | |
| Stocks | 9 | 110,633 | | 38,784 | |
| Debtors | 10 | 748,612 | | 1,437,704 | |
| Cash at bank | | 2 | | 9 | |
| | | <u>859,247</u> | | <u>1,476,497</u> | |
| CREDITORS: amounts falling due within one year | 11 | <u>(748,137)</u> | | <u>(1,369,669)</u> | |
| NET CURRENT ASSETS | | | <u>111,110</u> | | <u>106,828</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>171,678</u> | | <u>167,875</u> |
| CREDITORS: amounts falling due after more than one year | 12 | | - | | (5,621) |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | | | |
| Deferred taxation | 13 | | (3,987) | | (8,989) |
| NET ASSETS | | | <u>£ 167,691</u> | | <u>£ 153,265</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 100 | | 100 |
| Profit and loss account | 15 | | 167,591 | | 153,165 |
| SHAREHOLDERS' FUNDS - All Equity | 16 | | <u>£ 167,691</u> | | <u>£ 153,265</u> |

The financial statements were approved by the board on 10 June 2002 and signed on its behalf.


J Brooker
Director


L P Rutter
Director

The notes on pages 7 to 15 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

CASH FLOW STATEMENT
For the year ended 31 December 2001

| | Note | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|--|-------------|--|--|
| Net cash flow from operating activities | 17 | 410,150 | (610,164) |
| Returns on investments and servicing of finance | 18 | (696) | (4,468) |
| Taxation | | (38,266) | - |
| Capital expenditure and financial investment | 18 | (15,714) | (69,348) |
| CASH INFLOW/(OUTFLOW) BEFORE FINANCING | | 355,474 | (683,980) |
| Financing | 18 | (4,500) | 10,206 |
| INCREASE/(DECREASE) IN CASH IN THE PERIOD | | £ 350,974 | £ (673,774) |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 19)
For the year ended 31 December 2001

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|---|--|--|
| Increase/(Decrease) in cash in the period | 350,974 | (673,774) |
| Cash decrease from decrease in debt and lease financing | 4,500 | (10,106) |
| MOVEMENT IN NET DEBT IN THE PERIOD | 355,474 | (683,880) |
| Net (debt)/funds at 1 January 2001 | (683,878) | 2 |
| NET DEBT AT 31 DECEMBER 2001 | £ (328,404) | £ (683,878) |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | | |
|-----------------------|---|-----|------------------|
| Plant and equipment | - | 25% | reducing balance |
| Fixtures and fittings | - | 25% | reducing balance |
| Office equipment | - | 25% | reducing balance |

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, 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 near future.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

2. TURNOVER

The whole of the turnover is attributable to the supply of computer systems.

A geographical analysis of turnover is as follows:

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|------------------------|--|--|
| United Kingdom | 5,897,023 | 3,964,402 |
| Rest of European Union | 29,693 | 62,899 |
| | £ 5,926,716 | £ 4,027,301 |

3. OPERATING PROFIT

The operating profit is stated after charging:

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|--|--|--|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 13,294 | 6,709 |
| - held under finance leases | 2,899 | 1,593 |
| Auditors' remuneration | 2,500 | 2,500 |
| Operating lease rentals: | | |
| - plant and machinery | 17,629 | 8,815 |
| - other operating leases | 33,885 | 19,250 |
| | £ 508,599 | £ 232,433 |

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|-----------------------|--|--|
| Wages and salaries | 440,205 | 206,899 |
| Social security costs | 52,845 | 25,534 |
| Other pension costs | 15,549 | - |
| | £ 508,599 | £ 232,433 |

The average monthly number of employees, including directors, during the year was as follows:

| Year ended 31 December 2001 | Period ended 31 December 2000 |
|--|--|
| 5 | 3 |

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

5. DIRECTORS' REMUNERATION

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|------------|--|--|
| Emoluments | £ 89,500 | £ 45,250 |

During the year retirement benefits were accruing to 1 director (2000 - nil) in respect of money purchase pension schemes.

6. INTEREST PAYABLE

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|---|--|--|
| On other loans | 47 | 4,000 |
| On finance leases and hire purchase contracts | 733 | 550 |
| | £ 780 | £ 4,550 |

7. TAXATION

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|---|--|--|
| UK corporation tax | | |
| Current tax on income for the period | 16,809 | 32,933 |
| Transfer (from)/to deferred taxation in respect of current period | (5,002) | 8,989 |
| Adjustments in respect of prior periods - corporation tax | 5,334 | - |
| | £ 17,141 | £ 41,922 |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

8. TANGIBLE FIXED ASSETS

| | Plant and machinery | Furniture, fittings and equipment | Total |
|-----------------------|------------------------|--|----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2001 | - | 69,348 | 69,348 |
| Additions | 5,809 | 9,905 | 15,714 |
| At 31 December 2001 | 5,809 | 79,253 | 85,062 |
| Depreciation | | | |
| At 1 January 2001 | - | 8,301 | 8,301 |
| Charge for the year | 726 | 15,467 | 16,193 |
| At 31 December 2001 | 726 | 23,768 | 24,494 |
| Net book value | | | |
| At 31 December 2001 | £ 5,083 | £ 55,485 | £ 60,568 |
| At 31 December 2000 | £ - | £ 61,047 | £ 61,047 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2001 £ | 2000 £ |
|-----------------------------------|-----------|-----------|
| Furniture, fittings and equipment | £ 8,696 | £ 11,595 |

9. STOCKS

| | 2001 £ | 2000 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | £ 110,633 | £ 38,784 |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

10. DEBTORS

| | 2001 £ | 2000 £ |
|--------------------------------|------------------|--------------------|
| Due within one year | | |
| Trade debtors | 703,441 | 1,387,836 |
| Other debtors | 19,844 | 13,868 |
| Prepayments and accrued income | 25,327 | 36,000 |
| | <u>£ 748,612</u> | <u>£ 1,437,704</u> |

Included within other debtors due within one year is a loan to J Brooker, a director, amounting to £8,043 (2000 - £nil). The maximum amount outstanding during the year was £8,043.

At the balance sheet date, £703,441 (2000 £1,387,836) of trade debtors were factored.

11. CREDITORS:**Amounts falling due within one year**

| | 2001 £ | 2000 £ |
|--|------------------|--------------------|
| Bank loans and overdrafts and proceeds of factored debt | 322,800 | 673,781 |
| Net obligations under finance leases and hire purchase contracts | 5,606 | 4,486 |
| Trade creditors | 279,914 | 559,691 |
| Corporation tax | 16,809 | 32,933 |
| Social security and other taxes | 40,680 | 48,425 |
| Other creditors | 7,427 | 43,078 |
| Accruals and deferred income | 74,901 | 7,275 |
| | <u>£ 748,137</u> | <u>£ 1,369,669</u> |

12. CREDITORS:**Amounts falling due after more than one year**

| | 2001 £ | 2000 £ |
|--|-----------|-----------|
| Net obligations under finance leases and hire purchase contracts | £ - | £ 5,621 |

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

| | 2001 £ | 2000 £ |
|----------------------------|-----------|-----------|
| Between two and five years | £ - | £ 5,621 |

Of the creditors falling due within and after more than one year, the bank loans and overdrafts, proceeds of factored debt and net obligations under finance lease and hire purchase contracts totalling £328,406 (2000 £683,888) are secured.

Bank loans and overdrafts and proceeds of factored debt includes advances made against factored debt totalling £234,574 (2000 £469,067).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

13. DEFERRED TAXATION

| | 2001 £ | 2000 £ |
|--------------------------|----------------|----------------|
| At 1 January 2001 | 8,989 | 8,989 |
| Released during the year | (5,002) | - |
| At 31 December 2001 | <u>£ 3,987</u> | <u>£ 8,989</u> |

The provision for deferred taxation and the amounts not provided are as follows:

| | Amounts provided 2001 £ | Amounts not provided 2001 £ | Amounts provided 2000 £ | Amounts not provided 2000 £ |
|--------------------------------|----------------------------------|---|----------------------------------|---|
| Accelerated capital allowances | <u>£ 3,987</u> | <u>£ -</u> | <u>£ 8,989</u> | <u>£ -</u> |

14. SHARE CAPITAL

| | 2001 £ | 2000 £ |
|---|--------------|--------------|
| Authorised, allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>£ 100</u> | <u>£ 100</u> |

15. RESERVES

| | |
|--------------------------------|------------------|
| Profit and loss account | £ |
| At 1 January 2001 | 153,165 |
| Profit retained for the year | 14,426 |
| At 31 December 2001 | <u>£ 167,591</u> |

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2001 £ | 2000 £ |
|-------------------------------|------------------|------------------|
| Profit for the year | 14,426 | 153,165 |
| Shares issued during the year | - | 100 |
| | <u>14,426</u> | <u>153,265</u> |
| Opening shareholders' funds | 153,265 | - |
| Closing shareholders' funds | <u>£ 167,691</u> | <u>£ 153,265</u> |

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

17. NET CASH FLOW FROM OPERATING ACTIVITIES

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|--|--|--|
| Operating profit | 32,263 | 199,555 |
| Depreciation of tangible fixed assets | 16,193 | 8,301 |
| Increase in stocks | (71,849) | (38,784) |
| Decrease/(increase) in debtors | 689,092 | (1,437,704) |
| (Decrease)/increase in creditors | (255,549) | 658,468 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS | £ 410,150 | £ (610,164) |

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|--|--|--|
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | |
| Interest received | 84 | 82 |
| Interest paid | (47) | (4,000) |
| Hire purchase interest | (733) | (550) |
| NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | £ (696) | £ (4,468) |

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|---|--|--|
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | |
| Purchase of tangible fixed assets | £ (15,714) | £ (69,348) |

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|---|--|--|
| FINANCING | | |
| Issue of ordinary shares | - | 100 |
| Principal payment under finance lease | (4,500) | 10,106 |
| NET CASH (OUTFLOW)/INFLOW FROM FINANCING | £ (4,500) | £ 10,206 |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

19. ANALYSIS OF CHANGES IN NET DEBT

| | 1 January 2001 £ | Cash flow £ | Other non-cash changes £ | 31 December 2001 £ |
|---------------------------|------------------------|------------------|-----------------------------------|--------------------------|
| Cash at bank and in hand: | 9 | (7) | - | 2 |
| Bank overdraft | (673,781) | 350,981 | - | (322,800) |
| | <u>(673,772)</u> | <u>350,974</u> | <u>-</u> | <u>(322,798)</u> |
| DEBT : | | | | |
| Finance leases | (10,106) | 4,500 | - | (5,606) |
| NET DEBT | <u>£ (683,878)</u> | <u>£ 355,474</u> | <u>£ -</u> | <u>£ (328,404)</u> |

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,549 (2000 £nil).

21. OPERATING LEASE COMMITMENTS

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-----------------------|--------------------|---------------|-----------|---------------|
| | 2001 £ | 2000 £ | 2001 £ | 2000 £ |
| Expiry date: | | | | |
| Within 1 year | - | - | 17,629 | - |
| Between 2 and 5 years | <u>33,885</u> | <u>33,885</u> | <u>-</u> | <u>18,799</u> |

22. RELATED PARTY TRANSACTIONS

Mr L Rutter is a director of Potential Finance Limited and J C Graphic Supplies Limited to whom the company sold goods, on normal commercial terms, totalling £48,405 and £1,000 respectively. The amounts outstanding at the year end are Potential Finance Limited £1,882.35 and J C Graphic Supplies £1,175.

23. POST BALANCE SHEET EVENTS

After the balance sheet date, the company redeemed 34 ordinary shares during February 2002 utilising the retained profits.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

24. CONTROLLING PARTY

The controlling party is Mrs S Brooker by virtue of her interest in the share capital of Horsham International LLC, a company incorporated in Delaware USA.

STORM TECHNOLOGIES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2001

| | | Year ended 31 December 2001 | <i>Period ended 31 December 2000</i> |
|----------------------------|-------------|--|--|
| | Page | £ | £ |
| TURNOVER | 17 | 5,926,716 | 4,027,301 |
| Cost of sales | 17 | (4,910,085) | (3,389,818) |
| GROSS PROFIT | | 1,016,631 | 637,483 |
| Gross profit % | | 17.2 % | 15.8 % |
| Less: OVERHEADS | | | |
| Administrative expenses | 17 | (984,368) | (437,928) |
| OPERATING PROFIT | | 32,263 | 199,555 |
| Interest receivable | 18 | 84 | 82 |
| Interest payable | 18 | (780) | (4,550) |
| PROFIT FOR THE YEAR | | £ 31,567 | £ 195,087 |

STORM TECHNOLOGIES LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
For the year ended 31 December 2001

| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
|-------------------------------------|--|--|
| TURNOVER | | |
| Sales - UK | 5,897,023 | 3,964,402 |
| Sales - Europe | 29,693 | 62,899 |
| | <u>£ 5,926,716</u> | <u>£ 4,027,301</u> |
| | | |
| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
| COST OF SALES | | |
| Purchases | <u>£ 4,910,085</u> | <u>£ 3,389,818</u> |
| | | |
| | Year ended 31 December 2001 £ | Period ended 31 December 2000 £ |
| ADMINISTRATIVE EXPENSES | | |
| Directors salaries | 89,500 | 45,250 |
| Staff pensions | 15,549 | - |
| Auditors' remuneration | 2,500 | 2,500 |
| Rent - operating leases | 33,885 | 19,250 |
| Depreciation - plant and machinery | 16,120 | 8,301 |
| Staff salaries | 350,705 | 161,649 |
| Staff private health insurance | 3,194 | - |
| Staff National Insurance | 52,845 | 25,534 |
| Staff training | 5,878 | - |
| Motor running costs | 49,298 | 27,032 |
| Motor vehicle leasing (operational) | 17,629 | 8,815 |
| Entertainment | 48,859 | 14,007 |
| Hotels, travel and subsistence | 28,359 | 6,818 |
| Consultancy | 42,345 | - |
| Printing and stationery | 4,070 | 1,625 |
| Telephone and fax | 23,377 | 12,145 |
| Computer costs | 16,317 | 12,333 |
| Advertising and promotion | 1,434 | - |
| Legal and professional | 23,167 | 17,064 |
| Accountancy | 18,317 | 13,816 |
| Bank and factoring charges | 99,254 | 54,040 |
| Bad debts | 28,070 | - |
| Sundry expenses | 6,759 | 1,613 |
| Insurances | 6,432 | 5,870 |
| Repairs and maintenance | 505 | 266 |
| | <u>£ 984,368</u> | <u>£ 437,928</u> |

STORM TECHNOLOGIES LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
For the year ended 31 December 2001

| | Year ended 31 December 2001 | Period ended 31 December 2000 |
|--------------------------------|--|--|
| | £ | £ |
| INTEREST RECEIVABLE | | |
| Bank interest receivable | 21 | 82 |
| Other interest receivable | 63 | - |
| | <u>£ 84</u> | <u>£ 82</u> |
| | | |
| | Year ended 31 December 2001 | Period ended 31 December 2000 |
| | £ | £ |
| INTEREST PAYABLE | | |
| Other loan interest payable | 47 | 4,000 |
| Hire purchase interest payable | 733 | 550 |
| | <u>£ 780</u> | <u>£ 4,550</u> |