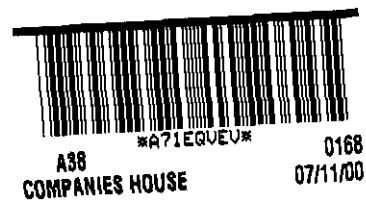


CODEMIST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2000



CODEMIST LIMITED

COMPANY INFORMATION

Directors

J Fitch
A Mycroft
A Norman

Secretary

A Fitch

Company number

2197915

Registered office

"Alta"
Horsecombe Vale
Combe Down
Bath
BA2 5QR

Auditors

Robson Taylor
Charter House, The Square
Lower Bristol Road
Bath

Business address

"Alta"
Horsecombe Vale
Combe Down
Bath
BA2 5QR

Bankers

Barclays Bank Plc
37 Milsom Street
Bath

CODEMIST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000

The directors present their report and financial statements for the year ended 30 April 2000.

Principal activities

The principal activity of the company continued to be that of the development and sales of computer application and utility packages.

It also provides consultancy services to a broad range of clients.

Directors

The following directors have held office since 1 May 1999:

J Fitch
A Mycroft
A Norman

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	ordinary shares of £ 1 each	
	30 April 2000	1 May 1999
J Fitch	200	200
A Mycroft	200	200
A Norman	200	200

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Robson Taylor be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

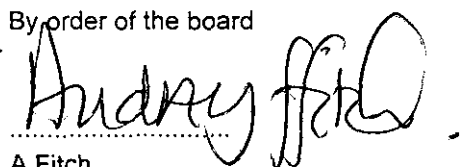
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



A Fitch

Secretary

3 October 2000

CODEMIST LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF CODEMIST LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

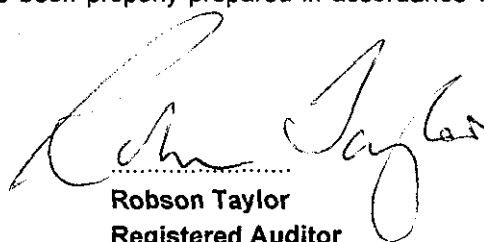
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Taylor
Registered Auditor
Chartered Accountants
Charter House, The Square
Lower Bristol Road
Bath

30 October 2000

CODEMIST LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2000

		2000	1999
	Notes	£	£
Turnover		47,164	26,184
Cost of sales		(2,545)	(1,809)
Gross profit		44,619	24,375
Administrative expenses		(10,750)	(9,834)
Operating profit	2	33,869	14,541
Other interest receivable and similar income		859	1,398
Profit on ordinary activities before taxation		34,728	15,939
Tax on profit on ordinary activities	3	(6,879)	(3,233)
Profit on ordinary activities after taxation		27,849	12,706
Dividends	4	(30,000)	(27,000)
Retained loss for the year	9	(2,151)	(14,294)

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.

CODEMIST LIMITED

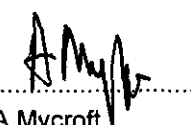
BALANCE SHEET AS AT 30 APRIL 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	5		811		2,721
Current assets					
Stocks		75		98	
Debtors	6	3,513		3,723	
Cash at bank and in hand		35,794		25,344	
		<u>39,382</u>		<u>29,165</u>	
Creditors: amounts falling due within one year	7	<u>(12,796)</u>		<u>(2,338)</u>	
Net current assets			26,586		26,827
Total assets less current liabilities			<u>27,397</u>		<u>29,548</u>
Capital and reserves					
Called up share capital	8		600		600
Share premium account	9		2,237		2,237
Profit and loss account	9		24,560		26,711
Shareholders' funds - equity interests	10		<u>27,397</u>		<u>29,548</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 3 October 2000


J Fitch
Director


A Mycroft
Director

CODEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT 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 less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33.33% straight line
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1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences 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 foreseeable future.

2 Operating profit	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	2,624	2,469
	<u> </u>	<u> </u>
3 Taxation	2000	1999
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1999 - 21% and 20%)	6,879	3,233
	<u> </u>	<u> </u>
4 Dividends	2000	1999
	£	£
Ordinary interim paid 21 April 2000	30,000	27,000
	<u> </u>	<u> </u>

CODEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

5 Tangible fixed assets

	Computer equipment £
Cost	
At 1 May 1999	47,322
Additions	714
	<hr/>
At 30 April 2000	48,036
	<hr/>
Depreciation	
At 1 May 1999	44,601
Charge for the year	2,624
	<hr/>
At 30 April 2000	47,225
	<hr/>
Net book value	
At 30 April 2000	811
	<hr/>
At 30 April 1999	2,721
	<hr/>

6 Debtors

	2000 £	1999 £
Trade debtors	2,868	2,638
Advance corporation tax surplus	-	454
Prepayments and accrued income	645	631
	<hr/>	<hr/>
	3,513	3,723
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year

	2000 £	1999 £
Corporation tax	6,347	87
Taxation and social security	4,549	351
Accruals and deferred income	1,900	1,900
	<hr/>	<hr/>
	12,796	2,338
	<hr/>	<hr/>

CODEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

8	Share capital	2000	1999
		£	£
	Authorised		
	1,000 ordinary shares of £ 1 each	1,000	1,000
		<hr/>	<hr/>
	Allotted, called up and fully paid		
	600 ordinary shares of £ 1 each	600	600
		<hr/>	<hr/>
9	Statement of movements on reserves		
		Share premium account	Profit and loss account
		£	£
	Balance at 1 May 1999	2,237	26,711
	Retained loss for the year	-	(2,151)
		<hr/>	<hr/>
	Balance at 30 April 2000	2,237	24,560
		<hr/>	<hr/>
10	Reconciliation of movements in shareholders' funds	2000	1999
		£	£
	Profit for the financial year	27,849	12,706
	Dividends	(30,000)	(27,000)
		<hr/>	<hr/>
	Net depletion in shareholders' funds	(2,151)	(14,294)
	Opening shareholders' funds	29,548	43,842
		<hr/>	<hr/>
	Closing shareholders' funds	27,397	29,548
		<hr/>	<hr/>