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IMAGEBASE TECHNOLOGY LIMITED
ABBREVIATED FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2000

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The Company's Registered Number is : 2218061



AUDITORS' REPORT TO IMAGEBASE TECHNOLOGY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the full statutory accounts of the Company for the year ended 31 March 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

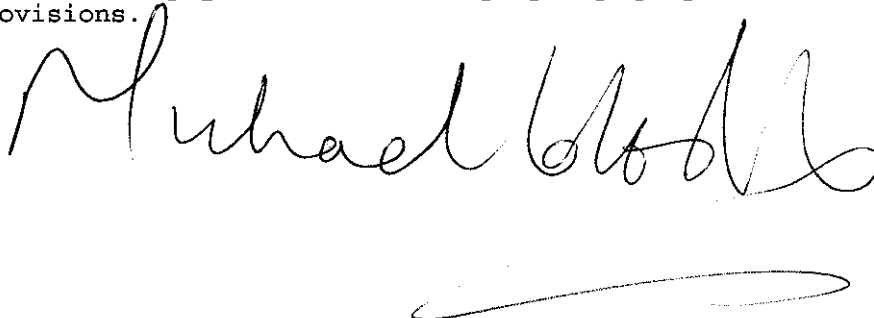
We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory accounts.

GOING CONCERN

In forming our opinion we have considered the adequacy of the disclosures made in note 1(b) of the financial statements concerning the uncertainty as to the continuation of the Company's bank overdraft facilities and future sales prospects. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

OPINION

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

A large, stylized handwritten signature in black ink, appearing to read 'Michael Cole & Co', is written over the printed name. Below the signature is a long, horizontal, wavy line.

Michael Cole & Co
Chartered Accountants and
Registered Auditors
Senator House
2 Graham Road
Hendon Central
London NW4 3HJ

19 January 2001

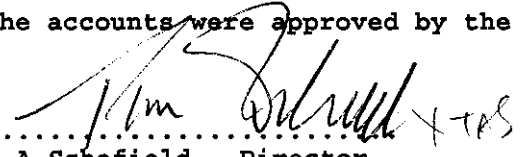
IMAGEBASE TECHNOLOGY LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2000

	<u>Note</u>	£	<u>2000</u>	£	£	<u>1999</u>	£
FIXED ASSETS							
Tangible fixed assets	2			3,159			6,160
CURRENT ASSETS							
Stock			26,238			22,681	
Debtors	3		229,879			65,079	
Cash at bank and in hand			<u>13,608</u>			<u>339,578</u>	
			269,725			427,338	
CREDITORS							
Amounts falling due within one year			(169,020)			(212,811)	
NET CURRENT ASSETS				<u>110,705</u>			<u>214,527</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				£103,864			£220,687
				=====			=====
CAPITAL AND RESERVES							
Called up share capital	4			25,454			30,909
Reserves							
Share premium account			23,636			23,636	
Capital redemption reserve			70,910			65,455	
Profit and loss account			<u>(16,136)</u>			<u>100,687</u>	
				<u>78,410</u>			<u>189,778</u>
SHAREHOLDERS' FUNDS				£103,864			£220,687
				=====			=====

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with Financial Reporting Standard for Smaller Entities (effective March 2000).

The accounts were approved by the board of directors on 19 January 2001.

x  T A Schofield - Director

The notes on pages 3 to 4 form part of these accounts.

IMAGEBASE TECHNOLOGY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

31 MARCH 2000

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts.

(a) Basis of Accounting

These accounts have been prepared under the historical cost basis of accounting.

(b) Going Concern

The Company meets its day to day working capital requirements through bank overdraft facilities which are repayable on demand. The Company expects to operate within the facilities currently agreed for a period of six months from October 2000 and within those to be agreed in April 2001. These views are based on the Company's plans and future sales expectations. Sales, however, are not guaranteed and are subject to monthly variations. The accounts have accordingly been prepared on a going concern basis.

(c) Cash Flow Statements

The accounts do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 (Cash Flow Statement).

(d) Turnover

Turnover is the amount derived from the provision of goods and services falling within the Company's ordinary activities after deduction of trade discounts and value added tax.

(e) Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:-

Equipment : 25% per annum from the month of acquisition
Motor vehicles : 25% per annum from the month of acquisition

(f) Leased Assets

Fixed assets leased under finance leases are capitalised and depreciated over their expected useful economic lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

(g) Stocks

These are valued on a first in, first out basis at the lower of cost and net realisable value.

IMAGEBASE TECHNOLOGY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

31 MARCH 2000

(h) Pension Costs

Defined contribution pension schemes operate within the Company for certain directors and senior employees. The pension cost charge in the profit and loss account represents the contributions payable by the Company under the rules of the Scheme.

2 TANGIBLE FIXED ASSETS

	<u>2000</u> £	<u>1999</u> £
COST		
At 1 April 1999	58,351	65,039
Additions	-	1,312
Disposals	<u>(29,649)</u>	<u>(8,000)</u>
At 31 March 2000	<u>28,702</u>	<u>58,351</u>
DEPRECIATION		
At 1 April 1999	52,191	55,088
Charge for the year	3,001	5,103
Eliminated on disposal	<u>(29,649)</u>	<u>(8,000)</u>
At 31 March 2000	<u>25,543</u>	<u>52,191</u>
NET BOOK VALUE	£ 3,159 =====	£ 6,160 =====

3 DEBTORS

Debtors include an amount of £ Nil (1999 - £3,095) falling due after more than one year.

4 SHARE CAPITAL

Authorised

234,343 ordinary shares of 10 pence each	23,434	23,434
109,091 'A' ordinary shares of 10 pence each	10,909	10,909
42,000 redeemable preference shares of £1 each	<u>42,000</u>	<u>42,000</u>
	£ 76,343 =====	£ 76,343 =====

Allotted

200,000 ordinary shares of 10 pence each fully paid	20,000	20,000
54,545 'A' ordinary shares of 10 pence each fully paid	<u>5,454</u>	<u>10,909</u>
	£ 25,454 =====	£ 30,909 =====