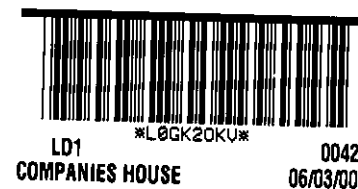


Balance sheet as at 1 March 2000

	Notes	Company 1 March 2000 £
Fixed asset investments		
Investment in subsidiary	2	876,200
Current assets		
Cash		876
Net current assets		876
Net assets		877,076
Capital and reserves		
Called-up share capital	3	877,076
Profit and loss account		-
Equity shareholders' funds		877,076

The financial statements on pages 4 to 6 were approved by the board of directors on 2 March 2000 and signed on their behalf by:

Stewart Dodd
Director

Notes to the financial statements for the period ended 1 March 2000

1 Principal accounting policies

These financial statements do not constitute the statutory financial statements for the period. They have been prepared solely in connection with the proposed re-registration of the company as a public limited company. Consolidated financial statements have therefore not been prepared. The company's first statutory accounting reference date will be 30 June and therefore no statutory financial statements have yet been prepared nor audited.

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important company accounting policies, which have been applied consistently, is set out below.

The company has not prepared a profit and loss account as there was no trading during the period ended 1 March 2000.

Accounting policies

The financial statements have been prepared in accordance with the historical cost convention.

Investments

Advantage has been taken of the merger relief provisions contained within Section 131 and 133 of the Companies Act 1985. Accordingly the investment is being held at the nominal value of the shares issued for its purchase.

2 Fixed asset investments

	Investments in subsidiaries £
At beginning of period	-
Additions	876,200
At 1 March 2000	876,200

On 1 March 2000 the company acquired the whole of the share capital of Brainspark Limited for equity shares. The company has taken advantage of merger relief from the application of Section 130 of the Companies Act 1985.

The investment represents the nominal value of the shares exchanged for the investment. 1,000 shares of 10p each in the company were exchanged for every 1 share of 10p each in Brainspark Limited.

3 Called-up share capital

1 March 2000

£

Authorised	
15,000,000 ordinary shares of 10p each	1,500,000
	1,500,000
Allotted, called up and fully paid	
6,520,514 'A' ordinary shares of 10p each	652,051
2,250,248 'B' ordinary shares of 10p each	225,025
	877,076

The company was incorporated with an authorised share capital of £1000, comprising 1000 ordinary shares of £1 each of which one ordinary share of £1 was issued to the subscriber to the memorandum of association.

On 1 March 2000, the authorised shares of £1 each were subdivided into 10 ordinary shares of 10p each. The 10 ordinary shares of 10p each arising from the subdivision of the subscriber share were redesignated as 'B' ordinary shares of 10p each. Also on 1 March 2000, the authorised share capital was increased to £1,500,000 by the creation of 14,990,000 ordinary shares of 10p each to be designated on issue as 'A', 'B' and 'C' ordinary shares on issue. 6,514 'A' ordinary shares and 2,238 'B' ordinary shares were issued at par.

'A', 'B' and 'C' ordinary shares rank pari passu for the purposes of voting and dividends.

On 1 March 2000, the company acquired the entire issued share capital of Brainspark Limited: 1,000 new shares in the capital of the company were issued for each 'A' ordinary share held in Brainspark Limited and designated as A ordinary shares and 1,000 new shares in the capital of the company were issued for each 'B' ordinary shares held in Brainspark Limited and designated as B ordinary shares.

4 Directors' emoluments

The directors received no emoluments for the period ended 1 March 2000.