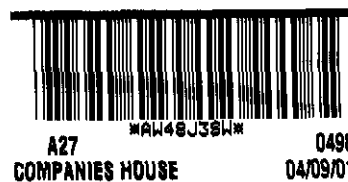


DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

Company No. 01992586



DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	S. A. Jepson A. P. Ansell C. Delplanque
Secretary	S. H. Sweetman
Company number	01992586
Registered office	12 Sheet Street Windsor Berkshire SL4 1BG
Auditors	Feltons 12 Sheet Street Windsor Berkshire SL4 1BG
Solicitors	Ashurst Morris Crisp Broadwalk House 5 Appold Street London EC2A 2HA
Bankers	Lloyds TSB Bank plc 2 Thames Street Windsor Berkshire

DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

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DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2001

The directors present their report and the audited accounts for the company for the year ended 31st March 2001.

Principal activities

The company's principal activity continued to be that of software consultancy and supply.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st March 2001	At 1st April 2000
S. A. Jepson	Ordinary £1 Shares	-	-
A. P. Ansell	Ordinary £1 Shares	-	-
C. Delplanque	Ordinary £1 Shares	-	-

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2001

Auditors

A resolution to re-appoint Feltons Chartered Accountants and Registered Auditors as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

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

By order of the Board



A. P. Ansell, Director

Date: 29 August 2001

AUDITORS' REPORT TO THE

SHAREHOLDERS OF DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Feltons
Chartered Accountants and Registered Auditors
12 Sheet Street
Windsor
Berkshire
SL4 1BG
Date: 31st August 2001

DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2001**

	Notes	2001 £	2000 £
Turnover	2	19,570	35,053
Cost of sales		(17,904)	(30,827)
Gross profit		1,666	4,226
Administrative expenses		(1,391)	(8,567)
Operating profit/(loss)	3	275	(4,341)
Interest receivable		3	-
Profit/Loss on ordinary activities before taxation		278	(4,341)
Tax on profit/loss on ordinary activities		-	-
Profit/(Loss) for the financial year		278	(4,341)
Retained profit brought forward		7,115	11,457
Retained profit carried forward		7,393	7,115

DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2001

	Notes	2001 £	2000 £
Current assets			
Debtors	4	3,313	1,640
Cash at bank and in hand		7,091	8,067
		<u>10,404</u>	<u>9,707</u>
Creditors: amounts falling due within one year	5	<u>(2,911)</u>	<u>(2,491)</u>
Total assets less current liabilities		<u>7,493</u>	<u>7,215</u>
Capital and reserves			
Share capital	6	100	100
Profit and loss account		7,393	7,115
Shareholders' funds	7	<u>7,493</u>	<u>7,215</u>

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

These accounts were approved by the board on 29 August 2001 and signed on its behalf by:


A. P. Ansell
Director

DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Cash flow statement

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

2 Turnover

The geographical analysis of turnover is as follows:

	2001	2000
	£	£
Europe	19,570	35,053
	<u>19,570</u>	<u>35,053</u>

3 Operating profit

The operating profit is stated after charging or crediting:

	2001	2000
	£	£
Auditors' remuneration	800	1,500
	<u>800</u>	<u>1,500</u>

DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

4	Debtors	2001	2000
		£	£
	Trade debtors	3,243	1,640
	Amounts owed by group undertakings	70	-
		<u>3,313</u>	<u>1,640</u>
5	Creditors: amounts falling due within one year	2001	2000
		£	£
	Amounts owed to group undertakings	1,611	492
	Other creditors	1,300	1,999
		<u>2,911</u>	<u>2,491</u>
6	Share capital	2001	2000
		£	£
	Authorised		
	100 Ordinary shares of £1.00 each	100	100
		<u>100</u>	<u>100</u>
	Allotted		
	100 Allotted, called up and fully paid ordinary shares of £1.00 each	100	100
		<u>100</u>	<u>100</u>
7	Reconciliation of movement in shareholders' funds	2001	2000
		£	£
	Profit/Loss for the financial year	278	(4,341)
	Increase in the shareholders' funds	278	(4,341)
	Opening shareholders' funds	7,215	11,557
	Closing shareholders' funds	<u>7,493</u>	<u>7,215</u>

DISTRIBUTED INTELLIGENCE CONSULTANTS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

8 Related parties

The company's immediate parent and ultimate holding company is Technology in Action Group Limited, a company incorporated in the United Kingdom and registered in England and Wales.

During the year the company was charged £12,000 (2000: £24,000) in management fees by Technology in Action Group Limited. At the 31 March 2001 the amount outstanding was £1,000 (2000: £nil).

During the year the company paid royalties of £5,904 (2000: £6,826) to Retail Research and Development Limited. At the 31 March 2001 the amount outstanding was £492 (2000: £492).

During the year the company reimbursed expenses of £119 (2000: £nil) to Distributed Intelligence Systems Limited. At the 31 March 2001 the amount outstanding was £119 (2000: £nil).

Retail Computer Services Limited is the Group Vat Representative for the Technology in Action Group. At the 31 March 2001 £70 (2000: £nil) was due for VAT reclaims .

During the year the company did not purchase goods (2000: £6,049) in the normal course of business from Distributed Intelligence Systems SARL. The price charged was the cost price plus 15% in the case of each individual purchase. At the 31 March 2001 the amount outstanding was £nil (2000 - £nil).

These companies are fellow subsidiaries of Technology in Action Group Limited.