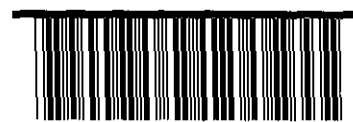


ACCOUNTS

MFT COMPUTER HOLDINGS LIMITED

Company NO: 2908585

1 December 2000



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REPORT OF THE DIRECTORS

The Directors present their report and the audited accounts for the 53 weeks ended 1 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of a holding company.

REVIEW OF THE BUSINESS

The result is shown on page 4.

RESULTS AND DIVIDENDS

Details of the results are set out on page 4 and the movements in reserves are shown in note 8 on page 7. The Directors do not recommend the payment of a dividend (1999 - £13,151).

DIRECTORS

The Directors who served during the period and the beneficial interests of those serving during the period in the shares of the company and of the parent company, Diagonal PLC, were as follows:

	<i>Diagonal PLC</i> <i>10p Ordinary Shares</i> <i>1 December</i> <i>2000</i>	<i>Diagonal PLC</i> <i>10p Ordinary Shares</i> <i>28 November</i> <i>1999</i>
D J Filler	40,036	85,036
G S Hodges	12,806	30,588
K M Waugh (resigned 29 June 2000)	-	131,384

M T Samuels, G M Creswick (appointed 9 October 2000) and A T F Hunter (appointed 9 October 2000) who also served throughout the period, are Directors of the parent company and their interests in the shares of that company are disclosed in the accounts of Diagonal PLC.

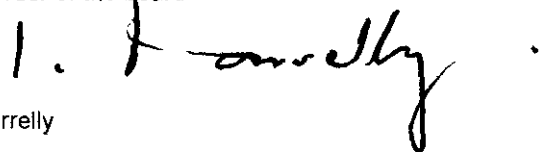
The mid-market price of the shares at 1 December 2000 was £2.15 and the range during the year was £2.03 to £11.25.

At the end of the period no Director has any interest in the shares of the Company or any other subsidiary of Diagonal PLC.

AUDITORS

A resolution for the re-appointment of Deloitte & Touche as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board



I Farrelly

Secretary

28 August 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 as at the end of the financial year and of the profit and 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
- state whether applicable accounting standards have been followed
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF MFT COMPUTER HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the Company's Directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 circumstances of the Company, 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 affairs of the Company as at 1 December 2000 and of its result for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.


DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors

Hill House
1 Little New Street
London EC4A 3TR

4 September 2001

PROFIT AND LOSS ACCOUNT

53 weeks ended 1 December 2000

	<i>Note</i>	<i>53 weeks ended 1 December 2000 £</i>	<i>8 months ended 28 November 1999 £</i>
INCOME FROM SHARE IN GROUP UNDERTAKINGS INVESTMENTS		-	51,000
Gift to employee share trust		-	(50,031)
OPERATING PROFIT		-	969
DIVIDENDS		-	(13,151)
RETAINED LOSS FOR THE FINANCIAL PERIOD		-	(12,182)

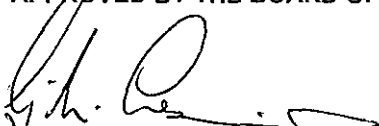
There are no recognised gains or losses for the current period or preceding year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given.

BALANCE SHEET

1 December 2000

	Note	1 December 2000 £	28 November 1999 £
FIXED ASSETS			
Investments	4	1,212,530	1,212,530
CURRENT ASSETS			
Cash at bank and in hand		-	229
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(45)	(45)
NET CURRENT (LIABILITIES)/ ASSETS		(45)	184
TOTAL ASSETS LESS CURRENT LIABILITIES		1,212,485	1,212,714
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	6	(1,063,915)	(1,064,144)
		148,570	148,570
CAPITAL AND RESERVES			
Called up share capital	7	54,563	54,563
Share premium account	8	48,699	48,699
Capital redemption reserve	8	56,001	56,001
Profit and loss account	8	(10,693)	(10,693)
EQUITY SHAREHOLDERS' FUNDS		148,570	148,570

APPROVED BY THE BOARD OF DIRECTORS


G M Creswick

28 August 2001

NOTES TO THE ACCOUNTS

53 weeks ended 1 December 2000

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, using the historical cost convention. The particular accounting policies which the Directors have adopted within that convention are set out below.

Accounting convention

The financial statements are prepared under the historical cost convention.

At the period end, the Company and its subsidiary undertaking comprised a small group. Accordingly, the Company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the Company as an individual undertaking and not as a group.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Investments

Fixed asset investments are stated at cost less any provision made for impairment in value.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid during the year to any of the Directors (1999 - £nil). The Company had no employees (1999 - nil).

3. AUDITORS' REMUNERATION

The auditors' remuneration was paid by another group company.

4. FIXED ASSET INVESTMENTS - INVESTMENTS IN SUBSIDIARY UNDERTAKING

Cost

At 28 November 1999 and 1 December 2000

1,212,530

<i>Subsidiary undertaking</i>	<i>Nature of business</i>	<i>Country of registration</i>	<i>Percentage of share capital held</i>
Diagonal Solutions Limited	Provision and support of computer systems	England and Wales	100%

5. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

1 December
2000
£

28 November
1999
£

Accruals and deferred income

45

45

6. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

1 December
2000
£

28 November
1999
£

Amount due to subsidiary undertaking

1,063,915

1,064,144

NOTES TO THE ACCOUNTS

53 weeks ended 1 December 2000

7. SHARE CAPITAL

	1 December 2000 £	28 November 1999 £
Authorised		
100,000 Ordinary shares at £1 each	100,000	100,000
40,000 cumulative convertible participating preferred Ordinary shares of £1 each	40,000	40,000
30,000 cumulative converting redeemable preference shares of £1 each	30,000	30,000
	<hr/> 170,000 <hr/>	<hr/> 170,000 <hr/>
 Allotted, issued and fully paid		
54,563 Ordinary shares of £1 each	<hr/> 54,563 <hr/>	<hr/> 54,563 <hr/>

8. MOVEMENTS IN RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	Share Capital £	Share premium £	Capital redemption reserve £	Profit & loss account £	Total £
Balance at 28 November 1999 and at 1 December 2000	54,563	48,699	56,001	(10,693)	148,570

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption within Financial Reporting Standard 8 and has not disclosed transactions with other group entities.

10. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

The Company's immediate and ultimate parent company and controlling party is Diagonal PLC, a company registered in England and Wales, the accounts of which can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, Wales, CF14 3UZ.