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NEURAL ADVANTAGE LIMITED
FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 2000

LE SUEUR IRESON & CO.
CHARTERED ACCOUNTANTS



NEURAL ADVANTAGE LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000

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The following page does not form part of the Statutory Accounts

Appendix

1. Trading and Profit and Loss Account

NEURAL ADVANTAGE LIMITED**REPORT OF THE DIRECTORS****FOR THE YEAR ENDED 31 DECEMBER 2000**

The directors present their annual report with the accounts of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of computer engineers and service providers.

DIRECTORS

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>2000</u>	<u>1999</u>
Mr G W Bisson	1	1
Mr R Bisson	1	1

POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the year.

AUDITORS

Messrs. Le Sueur, Ireson & Co., the Company's accountants, are willing to continue in office.

SMALL COMPANY EXEMPTIONS

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

**Signed on behalf of the
board of directors**



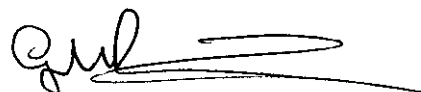
2 **Joe Baker (Signed)
Secretary**

NEURAL ADVANTAGE LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial 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 of the company for that period. In preparing those financial 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 the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts;
- prepare the financial 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 to enable them to ensure that the financial 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.



G W Bisson (Signed)
Director
On behalf of the Board

Chartered Accountants
Channel Islands Member Firm of
Grant Thornton International

Partners
J S Colclough FCA
R E G Ireson FCA

D de Ste. Croix BSc ACA
H J F Taverner

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS

TO THE SHAREHOLDERS OF NEURAL ADVANTAGE LIMITED

We report on the financial statements for the year ended 31 December 2000 set out on pages 3 to 5

Respective responsibilities of directors and reporting accountants

As described on page 2 the company's directors are responsible for the preparation of financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that , fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1)

14 MAY 2001

**CHARTERED ACCOUNTANTS and
REPORTING ACCOUNTANTS**

NEURAL ADVANTAGE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
TURNOVER	2	71,729	71,357
Cost of Sales		39,311	-
GROSS PROFIT		32,418	71,357
Net Operating Expenses			
Administrative Expenses		52,353	37,272
OPERATING (LOSS)/PROFIT		(19,935)	34,085
Interest Received		2,433	622
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(17,502)	34,707
Tax on Ordinary Activities		(3,056)	6,939
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£ (14,446)</u>	<u>£ 27,768</u>
STATEMENT OF RETAINED EARNINGS			
Retained Profit Brought Forward		37,850	10,082
Retained (Loss)/Profit for the Year		(14,446)	27,768
RETAINED PROFIT CARRIED FORWARD		<u>£ 23,404</u>	<u>£ 37,850</u>

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 7 form part of these accounts.

NEURAL ADVANTAGE LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2000**


	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
FIXED ASSETS			
Tangible Assets	3	10,582	9,616
CURRENT ASSETS			
Debtors	4	9,766	885
Cash at Bank		28,377	43,451
		38,143	44,336
CREDITORS : Amounts Falling			
Due within One Year	5	(25,319)	(16,100)
NET CURRENT ASSETS		12,824	28,236
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 23,406	£ 37,852
CAPITAL AND RESERVES			
Share Capital	6	2	2
Profit and Loss Account		23,404	37,850
TOTAL SHAREHOLDERS' FUNDS		£ 23,406	£ 37,852

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2000 and
- (c) that we acknowledge our responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements 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 its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 10 May 2001 and signed on its behalf by


 Director

The notes on pages 6 to 7 form part of these accounts.

NEURAL ADVANTAGE LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2000****1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention as modified to incorporate the revaluation of certain fixed assets.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office Equipment & Fittings	20% on reducing balance
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Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

2. TURNOVER

The Turnover and Loss (1999 - Profit) before taxation for the year is attributable to the principal activity of the Company which is that of computer engineers and service providers.

All of the Company's turnover is attributable to geographic markets in the UK and Channel Islands.

3. TANGIBLE FIXED ASSETS

	Office Equipment & Fittings £
COST	
At 1 January 2000	15,497
Additions in the Year	3,610
	<hr/>
At 31 December 2000	19,107
	<hr/>
DEPRECIATION	
At 1 January 2000	5,880
Charge for the Year	2,645
	<hr/>
At 31 December 2000	8,525
	<hr/>
NET BOOK VALUE	
At 31 December 2000	10,582
	<hr/>
At 31 December 1999	9,616
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NEURAL ADVANTAGE LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2000****4. DEBTORS**

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Amounts due within one year:		
Sundry Debtors	2	384
Trade Debtors	5,875	-
Prepayments	833	501
Tax Refund Due	3,056	-
	<u>9,766</u>	<u>885</u>

5. CREDITORS: Amounts Falling Due within One Year

Creditors and Accruals	5,804	4,872
Shareholders' Loan Account	19,515	4,289
Taxation	-	6,939
	<u>25,319</u>	<u>16,100</u>

6. SHARE CAPITAL

Authorised, Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, Issued and Fully Paid	<u>2</u>	<u>2</u>