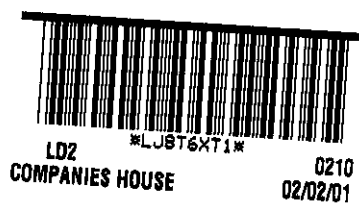


VIRTUAL SHOWROOM LIMITED

ANNUAL REPORT

31 MARCH 2000



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DIRECTORS AND PROFESSIONAL ADVISERS

DIRECTORS

J A Cunningham
G Elliott

SECRETARY

G Elliott

REGISTERED OFFICE

1 Princes Road
Weybridge
Surrey KT13 9TU

BANKERS

Bank of Scotland plc
Uberior House
61 Grassmarket
Edinburgh EH1 2JF

Chase Manhattan
125, London Wall
London EC2Y 5AJ

SOLICITORS

Weil Gotshal & Manges
One South Place
London EC2M 2WG

Nabarro Nathanson
Lacon House
Theobald's Road
London WC1X 8RW

AUDITORS

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Harman House
1, George Street
Uxbridge
Middlesex UB8 1QQ

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 31 March 2000.

PRINCIPAL ACTIVITY

The principal activity of the company is the sale of Internet services to the motor trade.

REVIEW OF THE BUSINESS

The company was acquired by Glass's Holdings Limited on 10 February 2000 and the trade was transferred to Glass's Information Services Limited on that date. The company has not traded since 10 February 2000.

RESULTS AND DIVIDENDS

Details of the results for the year are set out in the profit and loss account on page 5. No dividend payments were made or proposed.

TANGIBLE FIXED ASSETS

The company has no tangible fixed assets (1999 £18,053).

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and their beneficial interests in the company's issued share capital at 31 March 2000 and at 31 March 1999 are shown below:

		Number of ordinary shares at 10p each	
		At 31 Mar 2000	At 31 Dec 1999
R H Williams	Resigned 10 February 2000	-	6,500
M R Oliphant	Appointed 10 February 2000 Resigned 30 September 2000	-	-
J A Cunningham	Appointed 10 February 2000	-	-
D Hawkins	Appointed 1 May 1999 Resigned 10 February 2000	-	-
G Elliott	Appointed 9 November 2000	-	-

The interests of directors, serving at 31 March 2000, in the shares of Glass's Holdings Limited, the ultimate UK holding company, are disclosed in the accounts of Glass's Holdings Limited, the immediate holding company.

AUDITORS

Deloitte and Touche resigned as auditors on 10 February 2000 and PricewaterhouseCoopers were appointed as auditors on that date.

By order of the Board



G Elliott
Secretary

30 January 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently as explained on page 7 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2000 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



G Elliott
Secretary

30 January 2001

AUDITORS' REPORT TO THE MEMBERS OF VIRTUAL SHOWROOM LIMITED

We have audited the financial statements set out on pages 5 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 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 company's circumstances, 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 the company's affairs at 31 March 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Uxbridge

30 January 2001

PROFIT AND LOSS ACCOUNT

31 March 2000

	Note	Year to 31 Mar 2000 £	Year to 31 Mar 1999 £
TURNOVER			
Discontinued activities	2	<u>170,262</u>	<u>120,150</u>
		170,262	120,150
Operating charges	3	<u>(290,597)</u>	<u>(187,746)</u>
OPERATING PROFIT/ (LOSS) – Discontinued activities		<u>(120,335)</u>	<u>(67,596)</u>
Profit on sale of operations	7	489,427	-
Interest payable	6	<u>(2,378)</u>	<u>(3,978)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>366,714</u>	<u>(71,574)</u>
Tax on profit on ordinary activities	8	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>366,714</u>	<u>(71,574)</u>
Dividends		<u>-</u>	<u>-</u>
RETAINED PROFIT/(LOSS) FOR THE PERIOD		<u>366,714</u>	<u>(71,574)</u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

The company has no recognised gains and losses other than the profit/(losses) above. Therefore no separate statement of total recognised gains and losses has been presented.

BALANCE SHEET

31 March 2000

	Note	31 Mar 2000		31 Mar 1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		-		18,053
CURRENT ASSETS					
Debtors	10	274,000		38,793	
CREDITORS: amounts falling due within one year	11	-		(149,560)	
NET CURRENT ASSETS / (LIABILITIES)			<u>274,000</u>		<u>(110,767)</u>
NET ASSETS / (LIABILITIES)			<u>274,000</u>		<u>(92,714)</u>
CAPITAL AND DEFICIENCY					
Called up share capital	12		200,000		200,000
Profit and loss account	13		<u>74,000</u>		<u>(292,714)</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)	14		<u>274,000</u>		<u>(92,714)</u>

These financial statements were approved by the Board of Directors on 30 January 2001.

Signed on behalf of the Board of Directors



G Elliott

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

1. ACCOUNTING POLICIES

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

Accounting convention

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

Cash flow statement

The company is exempt from preparing a cash flow statement under FRS 1 on the basis that it is a wholly-owned subsidiary whose cash flows are included in the consolidated financial statements of the ultimate parent company.

Turnover

Turnover represents income from the sale and subsequent support of internet services to the motor industry. Any income received in advance is treated as deferred income and included in creditors.

Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual value, by equal annual instalments over their estimated useful lives, which are considered to be:

Fixtures and fittings	3 – 5 years
Computer equipment	3 years

Leasing obligations

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pension costs

The expected cost of providing pensions, as calculated periodically by professional actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

2 ANALYSIS OF TURNOVER

Turnover represents sales made in the United Kingdom. There is no difference between turnover categorised by origin and turnover categorised by destination.

3 OPERATING CHARGES – Discontinued activities

	2000 £	1999 £
Materials Consumed	129,019	95,293
Staff costs (See note 4)	99,705	14,227
Depreciation	38,629	17,918
Auditor's remuneration		
Audit Services	-	200
Other operating charges	23,244	60,108
	<u>290,597</u>	<u>187,746</u>

The audit fee for the current year has been borne by Glass's Information Services Limited.

4 EMPLOYEES

	2000 Number	1999 Number
The average number of employees during the year	4	1
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	88,103	12,003
Social security costs	8,378	1,752
Other Pension Costs	3,224	472
	<u>99,705</u>	<u>14,227</u>

5 DIRECTORS' EMOLUMENTS

The executive directors received no remuneration during the period (1999 - nil) in their capacity as directors of the company.

6 INTEREST PAYABLE

	2000 £	1999 £
Bank deposit interest paid	2,378	3,978
	<u>2,378</u>	<u>3,978</u>

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

7 PROFIT ON SALE OF OPERATIONS

The exceptional profit is composed of £215,427 on sale of assets and liabilities to the previous holding company, Kalamazoo Computer Group Plc and £274,000 on sale of the business to Glass's Information Services Limited.

No tax is attributable on the exceptional profit.

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
Corporation tax at 30.25% (1999 - 31%)	-	-

The tax charge is £nil due to taxable losses in the year. At 31 March 2000 the company has no unprovided deferred tax.

9 TANGIBLE FIXED ASSETS

	Fixtures & Fittings & Computer Equipment 2000 £
Cost	
At 1 April 1999	53,326
Additions	105,301
Disposals	(158,627)
At 31 March 2000	-
Accumulated Depreciation	
At 1 April 1999	35,273
Charge for year	38,629
Disposals	(73,902)
At 31 March 2000	-
Net Book Value	
At 31 March 2000	-
At 31 March 1999	18,053

10 DEBTORS

	2000 £	1999 £
Trade debtors	-	11,618
Amounts owed by fellow subsidiary undertakings	-	3,107
Other Taxes & Social Security	-	3,418
Prepayments & accrued income	-	20,650
Amounts owed by Group undertakings	274,000	-
	<u>274,000</u>	<u>38,793</u>

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

11 CREDITORS

	2000 £	1999 £
Bank overdraft	-	44,656
Trade creditors	-	49,224
Amounts owed to ultimate parent undertaking	-	981
Amounts owed to fellow subsidiary undertakings	-	33,168
Other loans	-	15,000
Accruals and deferred income	-	6,531
	-	149,560

12 CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised, allotted and fully paid 200,000 ordinary shares of £1 each	200,000	200,000

13 STATEMENT OF RESERVES

	2000 £	1999 £
Opening profit and loss reserve	(292,714)	(221,140)
Profit / (Loss) for financial year	366,714	(71,574)
Closing profit and loss reserve	74,000	(292,714)

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS/(DEFICIT)

	2000 £	1999 £
Opening Shareholders' deficit	(92,714)	(21,140)
Profit / (Loss) for financial year	366,714	(71,574)
Closing Shareholders' funds/(deficit)	274,000	(92,714)

15 CAPITAL COMMITMENTS

The company had no capital expenditure authorised or contracted at 31 March 2000 or at 31 March 1999.

16 OPERATING LEASE COMMITMENTS

The company had no commitments under operating leases at 31 March 2000 or at 31 March 1999.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

17 RELATED PARTY TRANSACTIONS

During the year the company entered into the following transactions with Anchor Computer Systems Limited, a company under common control.

- Received monthly software support services totalling approximately £94,000 (1999: £49,000) and approximately £25,000 (1999: £42,000) of other work, mainly cost of sales.
- Purchased fixed assets costing approximately £100,000.
- No amounts were outstanding to Anchor Computer Systems Limited at 31 March 2000 (1999: £91,000).

During the year the company entered into the following transactions with Kalamazoo Computer Group Plc, a company with a 51% holding in Virtual Showroom Limited until the sale of the company on 10 February 2000:

- Virtual Showroom Limited invoiced Kalamazoo Computer Group Plc for approximately £41,000 (1999: £37,000) relating to sales made by Kalamazoo of Virtual Showroom products.
- No amounts were outstanding to Kalamazoo Computer Group Plc at 31 March 2000 (1999: £3,000).

18 ULTIMATE HOLDING COMPANY

The largest group and the smallest group in which the results of the company are consolidated is the group of which Glass's Holdings Limited is the holding company. Glass's Holdings Limited is incorporated in England and Wales. Copies of its consolidated financial statements are available from 1 Princes Road, Weybridge, Surrey KT13 9TU.

The directors consider Qualified Fund, CV, incorporated in the Netherlands, to be the company's ultimate holding and controlling company.

The company has taken advantage of the exemption under paragraph 3c of FRS 8 in not disclosing details of transactions with other members of the group.