

DIRECTOR'S REPORT

The Director hereby submits his first Report and Financial Statements of the Company for the period ended 31st March 2000.

The Company was incorporated on 31st August 1999 as Primemount Limited, and by Special Resolution dated 21st March 2000 changed its name to The Mind Gym Limited.

The first Directors of the Company were LCI Secretaries Limited, who resigned on 14th October 1999, and Brinsley Black, who remained a Director of the Company to 31st March 2000. LCI Directors Limited and LCI Secretaries Limited each held one subscriber's share, both of which were transferred on 14th October 1999 to Octavius Black, who has held his two shares for the period therefrom to 31st March 2000.

During the financial period the Company has not traded and there has been no income or expenditure, other than formation costs, and therefore no change in the Company's position has arisen since incorporation.

Signed on behalf of the Board

Secretary

Registered Office:
17 Lansdowne Walk
London W11 3AH

Date: 17th August 2000

BALANCE SHEET AS AT 31st MARCH 2000

Current Assets	
Formation Costs	218
Less: Current Liabilities	
O Black Loan	216
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	£ 2
	=====

Represented by:

Authorised Share Capital
1000 Ordinary Shares of £1 each

Share Capital Issued and Fully Paid
2 Ordinary Shares of £1 each

£ 2
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The sole Director has taken advantage of the exemption conferred by Section 249A(1) not to have these Financial Statements audited, and confirms that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

The Director acknowledges his responsibilities for ensuring that:

- (i) The Company keeps accounting records which comply with Section 221 of the Companies Act 1985;
- (ii) The Financial Statements give a true and fair view of the state of affairs of the Company as at 31st March 2000 and of its results for the period then ended, in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to Financial Statements so far as applicable to the Company.

17th August 2000



Signed

Brinsley Black

B BLACK - Director