

REGISTRAR'S COPY

MERGERMARKET LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001



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MERGERMARKET LIMITED

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MERGERMARKET LIMITED

AUDITORS' REPORT TO MERGERMARKET LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

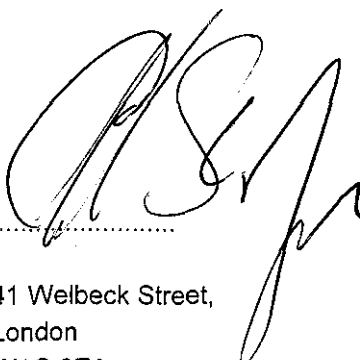
Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Griffin Stone, Moscrop & Co

Chartered Accountants
Registered Auditor

7th August 2002.



41 Welbeck Street,
London
W1G 8EA

MERGERMARKET LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	2		352,131		192,399
Current assets					
Debtors		385,373		508,373	
Cash at bank and in hand		949,762		200,325	
		<u>1,335,135</u>		<u>708,698</u>	
Creditors: amounts falling due within one year	3	<u>(1,125,479)</u>		<u>(884,618)</u>	
Net current assets/(liabilities)			209,656		(175,920)
Total assets less current liabilities			561,787		16,479
Creditors: amounts falling due after more than one year			-		(860)
			<u>561,787</u>		<u>15,619</u>
Capital and reserves					
Called up share capital	4		25,962		19,979
Share premium account			2,114,960		861,621
Profit and loss account			<u>(1,579,135)</u>		<u>(865,981)</u>
Shareholders' funds - equity interests			<u>561,787</u>		<u>15,619</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 7/8/02

G. Hobbs
G. Hobbs
Director

MERGERMARKET LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and on the going concern basis. The going concern basis is considered appropriate by the directors as following the additional funding in June 2001 the company has sufficient cash resources to continue operating for the foreseeable future.

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

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents the subscriptions to the service and are receivable in advance. The turnover recognised in the profit and loss account represents the proportion receivable on a time basis appropriate to the year covered by the accounts. The proportions receivable relating to periods after the balance sheet date are treated as deferred income and included in creditors.

1.4 Copyright and database rights

Intangible fixed assets, other than goodwill, are amortised over the directors' estimate of their economic useful life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer and office equipment	33.3% straight line
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1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

MERGERMARKET LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

2 Fixed assets

	Tangible assets £
Cost	
At 1 January 2001	231,914
Additions	331,387
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At 31 December 2001	563,301
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Depreciation	
At 1 January 2001	39,515
Charge for the year	171,655
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At 31 December 2001	211,170
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Net book value	
At 31 December 2001	352,131
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At 31 December 2000	192,399
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3 Creditors: amounts falling due within one year

Included in creditors amounts falling due within one year are obligations under finance lease agreements amounting to £860 which are secured.

MERGERMARKET LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

4 Share capital	2001 £	2000 £
Authorised		
3,000,000 Ordinary shares of 1p each	30,000	30,000
1,000,000 A Ordinary shares of 1p each	10,000	10,000
1,200,000 B Ordinary shares of 1p each	12,000	-
	<u>52,000</u>	<u>40,000</u>
Allotted and called up		
1,160,000 Ordinary shares of 1p each	11,600	11,600
837,900 A Ordinary shares of 1p each	8,379	8,379
598,300 B Ordinary shares of 1p each	5,983	-
	<u>25,962</u>	<u>19,979</u>

Of the £11,600 allotted and called up ordinary share capital £11,599 is unpaid.

Following the increase in authorised share capital from £40,000 to £52,000 and the creation of 1,200,000 B ordinary shares of 1p each on 1 June 2001, 598,340 B ordinary shares of 1p each were allotted on that date at a nominal value of £5,983 for a consideration of £1,500,000.

The rights of the A and B ordinary shares are as follows:

- rank parri passu with the ordinary shares as regards dividends
- upon a winding-up of the company any surplus shall be applied first to paying the subscription price for each A and B share held and then secondly paying all the shareholders the balance.
- the voting rights are as ordinary shares