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SPHERA UK LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 2000



ENDING OF

SPHERA UK LIMITED

ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 28 JUNE 2000 TO 31 DECEMBER 2000

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SPHERA UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4, together with the financial statements of the company for the period from 28 June 2000 to 31 December 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the 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 report our opinion to you.

Basis of opinion

We have carried out the procedures we consider 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 Act, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

12 York Gate
Regent's Park
London
NW1 4QS

13 August 2002


BLICK ROTHENBERG
Chartered Accountants
Registered Auditors

SPHERA UK LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2000

	Note	£	31 Dec 00 £
Fixed assets	2		
Tangible assets			11,602
Current assets			
Debtors		30,849	
Cash at bank and in hand		87,624	
		<u>118,473</u>	
Creditors: Amounts falling due within one year		<u>(386,131)</u>	
Net current liabilities			<u>(267,658)</u>
Total assets less current liabilities			<u>(256,056)</u>
Capital and reserves			
Called-up equity share capital	3		1
Profit and loss account			<u>(256,057)</u>
Deficiency			<u>(256,056)</u>

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

These financial statements were approved and signed by the director on

R. Saar
15/7/02

R Saar
Director

SPHERA UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 28 JUNE 2000 TO 31 DECEMBER 2000

1. Accounting policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis as the company has received a letter of financial support from its parent company.

1.2 Depreciation

Depreciation is calculated so as to write off the cost of the asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	- 7% Straight line
Computer equipment	- 33% Straight line

1.3 Leases

Operating lease rentals are charged to the profit and loss account in equal instalments over the lease term.

1.4 Deferred taxation

Deferred taxation is provided using the liability method on all timing differences (including those relating to pensions) to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

1.5 Foreign currencies

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 the profit and loss account.

2. Fixed assets

	Tangible fixed assets £
Cost	
Additions	12,279
At 31 December 2000	<u>12,279</u>
Depreciation	
Charge for period	677
At 31 December 2000	<u>677</u>
Net book value	
At 31 December 2000	<u>11,602</u>

SPHERA UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 28 JUNE 2000 TO 31 DECEMBER 2000

3. Share capital

	31 Dec 00	
	Number	£
Authorised share capital:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

4. Ultimate parent company

The immediate parent undertaking is Sphera Technologies Limited, a company incorporated in Israel. Group financial statements for this company are prepared but not available to the public.

The ultimate parent undertaking is Sphera Corporation, a company incorporated in the U.S.A. Group financial statements for this company are prepared but not available to the public.