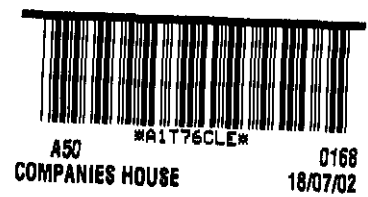


DUE DILIGENCE SERVICES LTD

ACCOUNTS FOR THE YEAR ENDED

30 JUNE 2001



May 2002

DUE DILIGENCE SERVICES LTD
(Registered in England no 2451974)

DIRECTORS REPORT FOR THE YEAR ENDED
30 June 2001

The directors present their report for the year ended 30 June 2001

DIRECTORS

The directors who held office during the year were :

M T Scibor-Rylski
CH Sworder

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is to provide investigation and assessment services to directors and senior managers needing to make business decisions. Where necessary the company assists in the implementation of such decisions. The company has been largely dormant and another business strategy is to be followed for 2001/2.

DIRECTORS INTEREST

The directors who served during the year had the following interests in the share capital of the company at the end of the year :

	Ordinary Shares	
	30 June 2001	30 June 2000
M T Scibor-Rylski	1	1
C H Sworder	1	1

DIVIDEND

The Directors do not recommend the payment of a dividend.

TAX STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1970.

By Order of the Board

C H Sworder

Secretary

DUE DILIGENCE SERVICES LTD
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2001	2000
Turnover	1(b)	500	1,399
Administrative Expenses		698	1,528
Operating (loss)/profit	2	(198)	(129)
Taxation	3	-	-
Retained (loss)/profit for the year		(198)	(129)
Loss brought forward		(5,246)	(5,375)
Retained loss		(5,048)	(5,246)

All of the company's operations are classed as continuing.

The company has no recognised gains or losses other than the profits for the period.

For the Board
U. H. S.

DUE DILIGENCE SERVICES LTD

BALANCE SHEET – AS AT 30 JUNE 2001

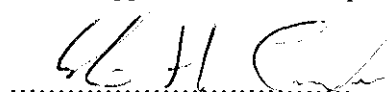
	Notes	2001	2000
Fixed Assets			
equipment	4	120	181
Current Assets			
Cash at bank		396	594
Creditors			
amounts falling due within one year	5	572	1,287
Net Current Liabilities		(176)	(693)
		(56)	(512)
Creditors			
amounts falling due after more than one year	6	(4,990)	(4,990)
		(5,046)	(5,502)
Represented by			
Share capital	7	2	2
Retained Loss		(5,048)	(5,504)
Shareholders Funds	8	(5,046)	(5,502)

The directors confirm that the company is entitled for the year ended 30 June 2001 to the exemption from audit of its financial statements conferred by subsection 1 of section 294A of the Companies Act 1985.

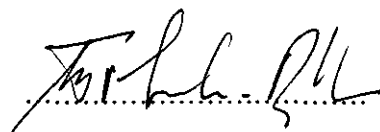
The directors further confirm that no notice has been deposited by members requiring the company to obtain an audit of its financial statements for that year.

The directors acknowledge their responsibilities for –

1. Ensuring that the company keeps proper accounting records which comply with the requirements of the Companies Act 1985, and
2. Preparing financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of its loss for the year then ended in accordance with the requirements of this Act relating to financial statements, so far as applicable to the company.



Director



Director

Approved by the Board on

17/ July /2002

DUE DILIGENCE SERVICES LTD

Notes to the Financial Statements

For the year ended 30 June 2001

1 ACCOUNTING POLICIES

- (a) Accounting Convention – the financial statements are prepared under the historical cost convention.
- (b) Turnover – turnover represents fees charged to clients or payment for software sold. All fees or payments were earned from customers and work carried out in the United Kingdom.
- (c) Depreciation – depreciation is provided on all tangible fixed assets at rates calculated to write off each asset evenly over its useful life. (Equipment – 25% of written down value)
- (d) The financial statements have been prepared on the going concern basis although the company had net current liabilities at the balance sheet date. It is accordingly uncertain whether the going concern basis is appropriate.

2 OPERATING (LOSS)/PROFIT

The operating (loss)/profit has not included auditors remuneration in the period in question.

The average number of employees during the period :

	<u>2001</u>	<u>2000</u>
Administration : Directors	2	2

3 TAXATION

There are tax losses of approximately £4,400 available to carry forward and offset against future trading profits.

4 FIXED ASSETS

No additions were made in the period – and book value was depreciated by £61 in the year.

5 CREDITORS – falling due within one year

	<u>2001</u>	<u>2000</u>
Accruals	628	1,287

6 CREDITORS – falling due after more than one year

	<u>2001</u>	<u>2000</u>
Directors current account	4,990	4,990

DUE DILIGENCE SERVICES LTD

Notes to the Financial Statements

For the year ended 30 June 2001

5 SHARE CAPITAL

	<u>2001</u>	<u>2000</u>
Authorised :		
1,000 ordinary shares of £1 each	1,000	1,000
issued and fully paid up		
2 Ordinary shares of £1	2	2