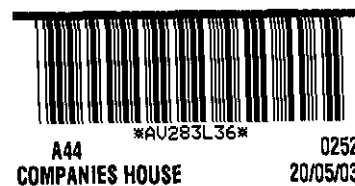


Registered number:
2802495

LUCIDITY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2002



LUCIDITY LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

Contents

Company information	1
Director's report	2
Accountants' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6
Detailed profit and loss account	10

LUCIDITY LIMITED
COMPANY INFORMATION

DIRECTORS	J D Lowe
SECRETARY	L M Perry
BANKERS	National Westminster Bank Plc 26 High Street Warwick
ACCOUNTANTS	French Associates Swan Centre Fishers Lane Chiswick London W4 1RX
REGISTERED OFFICE	24 Wentworth Mansions Keats Grove London NW3 2RL
REGISTERED NUMBER	2802495

LUCIDITY LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JULY 2002

The director presents his annual report together with the unaudited financial statements of the company for the year ended 31 July 2002.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year continued to be that of consultancy and advice.

REVIEW OF BUSINESS

The results for the year are set out in the annexed profit and loss account.

DIVIDENDS

The director does not recommend the payment of a dividend for the year.

DIRECTORS

The director who held office during the year and his beneficial interests in the issued share capital of the company was as follows:

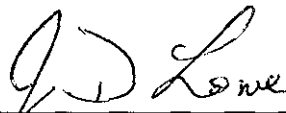
	Ordinary shares of £1 each	
	31 July 2002	1 August 2001
J D Lowe	51	51

FIXED ASSETS

The movements in the fixed assets of the company are disclosed in note 6 to the financial statements.

APPROVAL BY THE BOARD

Approved by the board of directors on 15 May 2003 and signed on its behalf by:


 J D Lowe
 Director

LUCIDITY LIMITED
ACCOUNTANTS' REPORT TO THE SHAREHOLDERS

We have prepared, without carrying out an audit or examination, the financial statements set out on pages 4 to 9 from the accounting records of the company and from information and explanations provided by the company's directors.

As described on page 5 the company's directors are responsible for the accounts and they believe the company is exempt from an audit and a report under section 249A(1).

We have not conducted an audit or an examination of the financial statements and accordingly we express no opinion thereon.

Our work does not provide any assurance that the accounting records and the accounts are free from material misstatement.


French Associates
Chartered Accountants

Swan Centre
Fishers Lane
Chiswick
London W4 1RX

18 May 2003

LUCIDITY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2002

	Note	2002	2001
		£	£
TURNOVER	2	84,321	29,624
Administration expenses		89,744	21,648
		<u>89,744</u>	<u>21,648</u>
OPERATING LOSS/(2001 OPERATING PROFIT)	3	(5,423)	7,976
Other interest receivable and similar income		<u>56</u>	<u>132</u>
LOSS/(2001 PROFIT) on ordinary activities before taxation		(5,367)	8,108
TAXATION on profit on ordinary activities	5	<u>(675)</u>	<u>801</u>
LOSS/(2001 PROFIT) on ordinary activities after taxation		(4,692)	7,307
SURPLUS BROUGHT FORWARD		<u>8,632</u>	<u>1,325</u>
SURPLUS CARRIED FORWARD		<u><u>£3,940</u></u>	<u><u>£8,632</u></u>

None of the company's activities were acquired or discontinued during the above two years.

There were no recognised gains nor losses other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

LUCIDITY LIMITED

BALANCE SHEET - 31 JULY 2002

	Note	2002	2001
		£	£
FIXED ASSETS			
Tangible assets	6	1,890	992
CURRENT ASSETS			
Debtors	7	1,327	9,672
Cash at bank and in hand		5,528	6,029
		<u>6,855</u>	<u>15,701</u>
CREDITORS: amounts falling due within one year	8	4,705	7,961
NET CURRENT ASSETS		<u>2,150</u>	<u>7,740</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£4,040</u></u>	<u><u>£8,732</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account		3,940	8,632
SHAREHOLDERS' FUNDS	10	<u><u>£4,040</u></u>	<u><u>£8,732</u></u>

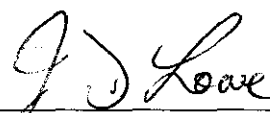
The directors are of the opinion that the company is entitled to the exemptions from audit conferred by section 249A(1) of the Companies Act 1985 for the year ended 31 July 2002.

The directors confirm that no member or members have requested an audit pursuant to subsection 2 of section 249B of the Companies Act 1985.

The directors are responsible for:-

- a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- b) preparing accounts which give a true and fair view of the state of affairs of the company as at 31 July 2002 and of its results for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved by the board of directors on 15 May 2003 and signed on its behalf.



JD Lowe
Director

The notes on pages 6 to 9 form part of these financial statements.

LUCIDITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2002

1 ACCOUNTING POLICIES

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below.

Basis of accounting

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

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life. The principal annual rates in use are:

Fixtures and fittings	25% reducing balance
-----------------------	----------------------

Deferred taxation

Deferred tax is recognised on all timing difference where the transactions or events that give the group an obligation to pay more tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

2 TURNOVER

The turnover and loss before taxation is attributable to the one principal activity of the company.

No exports were made by the company during the year.

3 OPERATING LOSS

The operating loss is stated after charging:

	2002	2001
	£	£
Director's emoluments	87,939	20,322
Depreciation of owned assets	1,060	341

4 STAFF COSTS

Staff costs, being director's remuneration were as follows:

	2002	2001
	£	£
Wages and salaries	79,037	18,282
Social security costs	8,902	2,040
	87,939	20,322

The average weekly number of employees during the year was as follows:

Consultancy	1	1
-------------	---	---

LUCIDITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2002 (continued)

5 TAXATION

	2002	2001
	£	£
a) Analysis of charge in the period		
Current corporation tax:		
Corporation tax on ordinary activities at 10% (2001: 10%)	(677)	810
Adjustment to prior years' tax provision	2	(9)
	<u>(675)</u>	<u>801</u>
Deferred tax:		
Amounts not provided for	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	<u>(675)</u>	<u>801</u>

b) Circumstances affecting current and future tax charges

The tax refund expected for the period is higher than the starting company's rate applying in the United Kingdom of 10%. The differences are explained below.

	2002	2001
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(537)	810
Effect of:		
Expenses not deductible for tax purposes	32	10
Capital allowances in excess of depreciation	(172)	(10)
	<u>677</u>	<u>(810)</u>
Adjustment to tax charge in respect of previous periods	2	(9)
Current tax charge for the period	<u>(675)</u>	<u>801</u>

LUCIDITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2002 (continued)

6 TANGIBLE FIXED ASSETS

	Equipment fixtures and fittings	Total
<u>Cost or valuation</u>		
At 1 August 2001	2,902	2,902
Additions	1,958	1,958
Disposals	(1,454)	(1,454)
At 31 July 2002	3,406	3,406
<u>Depreciation</u>		
At 1 August 2001	1,910	1,910
Charge for the year	738	738
Released on disposal	(1,132)	(1,132)
At 31 July 2002	1,516	1,516
<u>Net book value</u>		
At 31 July 2002	£1,890	£1,890
At 1 August 2001	£992	£992

7 DEBTORS

	2002	2001
	£	£
Trade debtors	-	9,672
Other debtors	650	-
Tax repayments due	677	-
	<u>1,327</u>	<u>9,672</u>

8 CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Corporation tax	-	810
Other tax and social security	3,505	6,001
Accruals and deferred income	1,200	1,150
	<u>4,705</u>	<u>7,961</u>

9 CALLED UP SHARE CAPITAL

	2002	2001
	£	£
Authorised		
Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

LUCIDITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2002 (continued)

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Loss/(2001 profit) for the year	(4,692)	7,307
Shareholders' funds at 1 August 2001	8,732	1,425
Shareholders' funds at 31 July 2002	<u>4,040</u>	<u>8,732</u>
Analysis of shareholders' funds		
Equity interests		
Ordinary shares of £1 each	100	100
Profit and loss account	3,940	8,632
	<u>4,040</u>	<u>8,732</u>