WINCAN EUROPE LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31ST AUGUST 2001



Company Registration Number 4046884

DAUMAN & CO.
Chartered Accountants
9 Station Parade
Uxbridge Road
Ealing Common
London W5 3LD

WINCAN EUROPE LIMITED

FINANCIAL STATEMENTS

PERIOD ENDED 31ST AUGUST 2001

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WINCAN EUROPE LIMITED

THE DIRECTORS' REPORT

PERIOD ENDED 31ST AUGUST 2001

The directors present their report and the financial statements of the company for the period ended 31st August 2001.

PRINCIPAL ACTIVITIES

The company was incorporated on the 3rd August 2000 and commenced to trade forthwith. The principal activity of the company during the period was the distribution and support of software products.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 August 2001	At 1 September 2000
Paul Woodhouse	-	-
Alessandro Caldara	-	-

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Dauman & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

WINCAN EUROPE LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 31ST AUGUST 2001

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
24 Bates Walk
Addlestone
Surrey
KT15 2DQ

Signed by order of the directors

Paul Woodhouse

Company Secretary

Approved by the directors on ....10.1.02....

Paul Woodhouse

WINCAN EUROPE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

PERIOD ENDED 31ST AUGUST 2001

We have audited the financial statements on pages 4 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st August 2001 and of the loss of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Dauman and Co

9 Station Parade
Uxbridge Road
Ealing Common
London W5 3LD

DAUMAN & CO.
Chartered Accountants
& Registered Auditors

10.1.02

WINCAN EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD ENDED 31ST AUGUST 2001

	Note	2001 £
TURNOVER		73,734
Cost of sales		48,346
GROSS PROFIT		25,388
Administrative expenses		58,812
OPERATING LOSS	2	(33,424)
Tax on loss on ordinary activities		-
LOSS FOR THE FINANCIAL PERIOD		(33,424)

WINCAN EUROPE LIMITED

BALANCE SHEET

31ST AUGUST 2001

	Note		£
FIXED ASSETS			
Tangible assets	3		3,485
CURRENT ASSETS			
Cash at bank		4,943	
CREDITORS: Amounts falling due within one year	4	(31,852)	
NET CURRENT LIABILITIES			(26,909)
TOTAL ASSETS LESS CURRENT LIABILITIES			(23,424)
CAPITAL AND RESERVES			
Called-up equity share capital	6		10,000
Profit and Loss Account			(33,424)
DEFICIENCY			(23,424)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the .....10.1.02....., and are signed on their behalf by:

Paul Woodhouse

.....
Paul Woodhouse

WINCAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31ST AUGUST 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Depreciation

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

Equipment - 25%

2. OPERATING LOSS

Operating loss is stated after charging:

	2001 £
Directors' emoluments	32,500
Depreciation	1,295
Auditors' fees	920

3. TANGIBLE FIXED ASSETS

	Equipment £
COST	
Additions	4,780
At 31st August 2001	4,780
DEPRECIATION	
Charge for the period	1,295
At 31st August 2001	1,295
NET BOOK VALUE	
At 31st August 2001	3,485

WINCAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31ST AUGUST 2001

4. CREDITORS: Amounts falling due within one year

	2001 £
Trade creditors	28,631
Other creditors including taxation:	
VAT	899
	29,530
Accruals and deferred income	2,322
	31,852

5. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of CD Lab AG, a company incorporated in Switzerland. During the year the company purchased goods from CD Lab AG for the sum of £48,346 and at 31st August 2001 owed CD Lab AG £28,631.

6. SHARE CAPITAL

Authorised share capital:

	2001 £
10,000 Ordinary shares of £1.00 each	10,000

Allotted, called up and fully paid:

	2001 £
Issue of ordinary shares	10,000