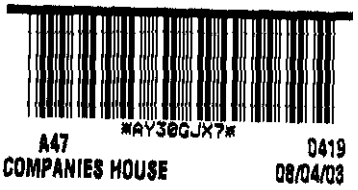
WINCAN EUROPE LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD 1ST SEPTEMBER 2001 TO 31ST DECEMBER 2002

Company Registration Number 4046884



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

WINCAN EUROPE LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 1ST SEPTEMBER 2001 TO 31ST DECEMBER 2002

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WINCAN EUROPE LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1ST SEPTEMBER 2001 TO 31ST DECEMBER 2002

The directors present their report and the financial statements of the company for the period from 1st September 2001 to 31st December 2002.

PRINCIPAL ACTIVITIES
The principal activity of the company during the year 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 December 2002	At 1 September 2001
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 5, 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.

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



Company Secretary

Approved by the directors on 10.3.03

WINCAN EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

PERIOD FROM 1ST SEPTEMBER 2001 TO 31ST DECEMBER 2002

We have audited the financial statements on pages 3 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 5.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS
The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION
We conducted our audit in accordance with United Kingdom 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 December 2002 and of the profit of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Dauman and Co Ltd

DAUMAN & CO LIMITED
Chartered Accountants
& Registered Auditors

9 Station Parade
Uxbridge Road
Ealing Common
London W5 3LD
.....10.3.03.....

WINCAN EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 1ST SEPTEMBER 2001 TO 31ST DECEMBER 2002

	Note	Period from 1 Sep 01 to 31 Dec 02 £	Period from 3 Aug 00 to 31 Aug 01 £
TURNOVER		**280,551**	73,734
Cost of sales		**160,347**	48,346
GROSS PROFIT		**120,204**	25,388
Administrative expenses		**94,588**	58,812
OPERATING PROFIT/(LOSS)	**2**	**25,616**	(33,424)
Interest payable		**370**	–
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**25,246**	(33,424)
Tax on profit/(loss) on ordinary activities		**–**	–
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		**25,246**	(33,424)
Balance brought forward		**(33,424)**	–
Balance carried forward		**(8,178)**	(33,424)

WINCAN EUROPE LIMITED

BALANCE SHEET

PERIOD FROM 1ST SEPTEMBER 2001 TO 31ST DECEMBER 2002

	Note	31 Dec 02 £	£	31 Aug 01 £	£
FIXED ASSETS					
Tangible assets	3		**15,031**		3,485
CURRENT ASSETS					
Debtors	4	**3,793**		–	
Cash at bank		**11,829**		4,943	
		15,622		4,943	
CREDITORS: Amounts falling due within one year	5	**23,985**		31,852	
NET CURRENT LIABILITIES			**(8,363)**		(26,909)
TOTAL ASSETS LESS CURRENT LIABILITIES			**6,668**		(23,424)
CREDITORS: Amounts falling due after more than one year	6		**4,846**		–
			1,822		(23,424)
CAPITAL AND RESERVES					
Called-up equity share capital	9		**10,000**		10,000
Profit and Loss Account			**(8,178)**		(33,424)
SHAREHOLDERS' FUNDS/(DEFICIENCY)			**1,822**		(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 17.3.03 and are signed on their behalf by:

Paul Woodhouse

Paul Woodhouse

WINCAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2002

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:

Motor Vehicles	-	25% per annum on reducing balance
Equipment	-	25% per annum on reducing balance

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	Period from 1 Sep 01 to 31 Dec 02	Period from 3 Aug 00 to 31 Aug 01
	£	£
Directors' emoluments	**42,550**	32,500
Depreciation	**7,515**	1,295
Auditors' fees	**1,960**	920

WINCAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2002

3. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Equipment £	Total £
COST			
At 1st September 2001	–	4,780	4,780
Additions	13,101	5,960	19,061
At 31st December 2002	13,101	10,740	23,841
DEPRECIATION			
At 1st September 2001	–	1,295	1,295
Charge for the period	4,367	3,148	7,515
At 31st December 2002	4,367	4,443	8,810
NET BOOK VALUE			
At 31st December 2002	8,734	6,297	15,031
At 31st August 2001	–	3,485	3,485

Hire purchase agreements
Included within the net book value of £15,031 is £9,826 (2001 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £3,275 (2001 - £Nil).

4. DEBTORS

	31 Dec 02 £	31 Aug 01 £
Trade debtors	1,793	–
Prepayments and accrued income	2,000	–
	3,793	–

5. CREDITORS: Amounts falling due within one year

		31 Dec 02 £		31 Aug 01 £
Trade creditors		14,031		28,631
Other creditors including taxation:				
VAT	2,701		899	
Hire purchase agreements	3,877		–	
Accruals and deferred income	3,376		2,322	
		9,954		3,221
		23,985		31,852

WINCAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2002

6. CREDITORS: Amounts falling due after more than one year

	31 Dec 02	31 Aug 01
	£	£
Hire purchase agreements	**4,846**	–

7. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	31 Dec 02	31 Aug 01
	£	£
Hire purchase agreements are analysed as follows:		
Current obligations	**3,877**	–
Non-current obligations	**4,846**	–
	8,723	–

8. 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 £129,001 (2001: £48,346) and at 31 December 2002 owed CD Lab AG £13,793 (2001: £28,631).

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

9. SHARE CAPITAL

Authorised share capital:

	31 Dec 02	31 Aug 01
	£	£
10,000 Ordinary shares of £1 each	**10,000**	10,000

	31 Dec 02	31 Aug 01
	£	£
Ordinary share capital brought forward	**10,000**	–
Issue of ordinary shares	–	10,000
	10,000	10,000