

TRACE2 LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 APRIL 2003



TRACE2 LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2003

CONTENTS

PAGES

Independent auditors' report to the company

1

Abbreviated balance sheet

2

Notes to the abbreviated accounts

3 to 4

TRACE2 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 year ended 30 April 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

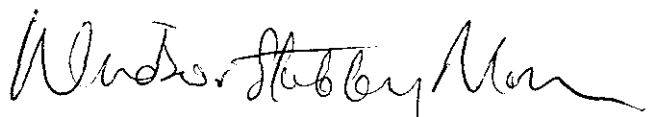
The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) 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.



WINDSOR STEBBING MARSH
Chartered Accountants
& Registered Auditors

Pinnacle House
17-25 Hartfield Road
Wimbledon
London
SW19 3SE

1/12/03

TRACE2 LIMITED

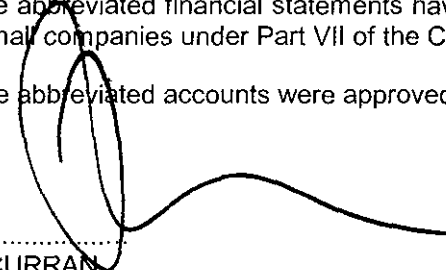
ABBREVIATED BALANCE SHEET

30 APRIL 2003

	Note	2003 £	£
FIXED ASSETS	3		
Tangible assets			86,956
CURRENT ASSETS			
Debtors		32,483	
Cash at bank and in hand		109,479	
		141,962	
CREDITORS: Amounts falling due within one year		168,691	
NET CURRENT LIABILITIES			(26,729)
TOTAL ASSETS LESS CURRENT LIABILITIES			60,227
CREDITORS: Amounts falling due after more than one year			140,463
			(80,236)
CAPITAL AND RESERVES			
Called-up equity share capital	5		10,000
Profit and loss account			(90,236)
DEFICIENCY			(80,236)

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

These abbreviated accounts were approved and signed by the director on ~~25 November 2003~~


T P CURRAN

The notes on pages 3 to 4 form part of these abbreviated accounts.

TRACE2 LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2003

1. ACCOUNTING POLICIES

Basis of accounting

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

The financial statements have also been prepared in accordance with applicable accounting standards.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

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

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

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:

Computer Equipment - 25% per annum on a straight line basis

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 at a constant rate of charge on the balance of capital repayments outstanding.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

2. GOING CONCERN

The directors have prepared detailed cash flow forecasts for the year to 30 April 2004. From these forecasts, the directors consider it appropriate to prepare the financial statements on the going concern basis which assumes that the group will continue to trade and meet its obligations for the foreseeable future.

TRACE2 LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2003

3. FIXED ASSETS

	Tangible Assets £
COST	
Additions	115,942
At 30 April 2003	<u>115,942</u>
DEPRECIATION	
Charge for year	28,986
At 30 April 2003	<u>28,986</u>
NET BOOK VALUE	
At 30 April 2003	<u>86,956</u>

4. RELATED PARTY TRANSACTIONS

The company was under the control of Mr T P Curran throughout the current year. Mr T P Curran is the managing director.

At the balance sheet date, the company was due a total amount of £31,917 to Title Research (Administration) Limited and was owed a total amount of £10,000 from Title Research Group Limited.

5. SHARE CAPITAL

Authorised share capital:

	2003 £
1,000,000 Ordinary shares of £0.10 each	<u>100,000</u>

Allotted and called up:

	No	£
Ordinary shares of £0.10 each	<u>100,000</u>	<u>10,000</u>

The amounts of paid-up share capital for the following categories of shares differed from the called-up share capital stated above due to unpaid calls and were as follows:

	2003 £
--	-----------

The 100,000 shares were issued at par for cash consideration on incorporation and on 5 March 2003.

6. ULTIMATE PARENT COMPANY

The ultimate parent company is Title Research Group Limited, a company incorporated in England, which owns 100% of the issued share capital.

Title Research Group Limited is owned by Mr T P Curran, who owns 65.01% of the issued share capital and is also a director of that company.