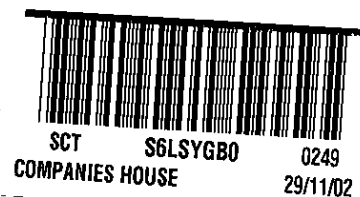


INTRALLECT LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 MAY 2002

Company Registration Number SC206839



JEFFREY CRAWFORD & CO
Chartered Accountants & Registered Auditors
25 Castle Terrace
Edinburgh
EH1 2ER

INTRALLECT LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2002

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INTRALLECT LIMITED**ABBREVIATED BALANCE SHEET****31 MAY 2002**

	Note	2002 £	£	2001 £	£
FIXED ASSETS	2				
Intangible assets			30		30
Tangible assets			<u>8,750</u>		<u>1,509</u>
			8,780		1,539
CURRENT ASSETS					
Debtors		7,159		11,638	
Cash at bank and in hand		<u>114,905</u>		<u>21,129</u>	
		122,064		32,767	
CREDITORS: Amounts falling due within one year		<u>(35,829)</u>		<u>(19,015)</u>	
NET CURRENT ASSETS			<u>86,235</u>		<u>13,752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			95,015		15,291
CREDITORS: Amounts falling due after more than one year			<u>(25,000)</u>		<u>-</u>
			<u>70,015</u>		<u>15,291</u>

The balance sheet continues on the following page.
The notes on pages 3 to 4 form part of these financial statements.

INTRALLECT LIMITED**ABBREVIATED BALANCE SHEET** *(continued)***31 MAY 2002**

	Note	2002 £	2001 £
CAPITAL AND RESERVES			
Called-up equity share capital	3	498	350
Share premium account		334,889	14,983
Profit and Loss Account		(265,372)	(42)
SHAREHOLDERS' FUNDS		<u>70,015</u>	<u>15,291</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

These financial statements were approved by the directors on 28 November 2002 and are signed on their behalf by:



DR C DUNCAN

INTRALLECT LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31 MAY 2002****1. ACCOUNTING POLICIES****Basis of accounting**

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

Cash flow statement

The directors have 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 amounts 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.

Intellectual property

Intellectual property is stated at cost. The carrying value of the asset is not subject to an annual amortisation charge, but is reviewed annually for any permanent diminution in carrying value.

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:

Office Equipment - 3 years straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Government grants

Grants and other contributions received towards the cost of tangible fixed assets are included in creditors as deferred income and credited to the profit and loss account over the life of the asset. Revenue grants are credited to the profit and loss account so as to match them with the expenditure to which they relate.

INTRALLECT LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31 MAY 2002****2. FIXED ASSETS**

	Intangible Assets £	Tangible Assets £	Total £
COST			
At 1 June 2001	30	2,264	2,294
Additions	—	11,993	11,993
At 31 May 2002	<u>30</u>	<u>14,257</u>	<u>14,287</u>
DEPRECIATION			
At 1 June 2001	—	755	755
Charge for year	—	4,752	4,752
At 31 May 2002	<u>—</u>	<u>5,507</u>	<u>5,507</u>
NET BOOK VALUE			
At 31 May 2002	<u>30</u>	<u>8,750</u>	<u>8,780</u>
At 31 May 2001	<u>30</u>	<u>1,509</u>	<u>1,539</u>

3. SHARE CAPITAL**Authorised share capital:**

	2002 £	2001 £
100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2002 £	2001 £
Ordinary share capital brought forward	350	—
Issue of ordinary shares	<u>148</u>	<u>350</u>
	<u>498</u>	<u>350</u>

During the year, 14,845 Ordinary Shares of £0.01 each were issued for a total consideration of £320,055.