PARITY COMPUTING LIMITED

(Registered No. 1412017)

For The Year Ended 31 December 1999

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The Directors submit their report with the financial statements for the year ended 31 December 1999.

Results for the Year
The Company has not carried out any activities nor made any gains or losses during the period.

Principal Activities
The Company is a dormant company.

Directors
The Directors of the Company who held office during the period and subsequently are as follows:

D.S.P. Firth	(Resigned 31 August 1999)
A. Leyshon	(Appointed 31 August 1999)

Directors' Interests
None of the Directors had any interests in the share capital of the Company during the year (1998 : nil).

The interests of Ms. Leyshonin Parity Group plc, the ultimate holding company, were as follows:-

	At 31 December 1999		*At 31 December 1998*			
	Ordinary shares of 5p each	*Share Options*	*Ordinary shares of 5p each*	*Share Options*	*Share Option Movement in year Granted*	*Exercised*
A.Leyshon	-	46,500	-	-	46,500	-

The options shown above are exercisable between 3 and 10 years after the date on which they were granted at a price of 226p. All options were issued at no cost and no options were exercised during the period.

Directors' Responsibilities

The Directors are required by company law to prepare financial statements for each financial year 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 that period and comply with the Companies Act 1985.

In preparing the financial statements the Directors are required to select suitable accounting policies and apply them consistently; make reasonable and prudent judgements and estimates; and state whether applicable accounting standards have been followed.

It is also the responsibility of the Directors to 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 also responsible for maintaining proper accounting records so as to enable them to comply with company law. The Directors have general responsibilities for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit Exemption

During the period the Company was entitled to the exemption conferred by sub-section (1) of section 249A of the Companies Act 1995 relating to the audit of its accounts. No notice has been deposited under sub-section (2) of section 249B in relation to its accounts for the period.

By order of the Board

Registered Office
16 St Martins Le Grand
London
EC1A 4NA

Secretary
Registered in England and Wales
Company No. 1412017

15 September 2000

PARITY COMPUTING LIMITED

Balance Sheet
As at 31 December 1999

	31 December 1999 £	*31 December 1998* £
CURRENT ASSETS		
Debtors – amounts owed by group undertakings	22	22
CREDITORS : amounts falling due within one year		
- amounts owed to group undertakings	(497)	(497)
Net Current Liabilities	(475)	(475)
NET LIABILITIES	(475)	(475)
REPRESENTED BY		
SHARE CAPITAL		
Authorised 5,000 Ordinary shares at £1 each		
Issued 5,000 Ordinary shares of £1 each	5,000	5,000
PROFIT AND LOSS ACCOUNT	(5,475)	(5,475)
EQUITY SHAREHOLDERS' DEFICIT	(475)	(475)

I certify that the Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the financial period ending 31 December 1999.

APPROVED BY THE BOARD

Director
15 September 2000

1. ACCOUNTING POLICY

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

2. DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments for their services to the Company during the year (1998 : £nil).

3. EMPLOYEES

The Company had no employees during the year (1998 : nil). The Directors had contracts of employment with other companies within the Parity Group.

4. PROFIT AND LOSS ACCOUNT

The Company has not traded during this period and made no recognisable gains or losses.

5. PARENT COMPANY

Parity Limited in the immediate parent company. Parity Group plc, which is registered in England and Wales, is the ultimate parent company and is the largest and smallest parent company of the Group to consolidate these financial statements.

Consolidated financial statements for the year ended 31 December 1999 for Parity Group plc can be obtained from the Secretary, 16 St Martins Le Grand, London, EC1A 4NA.