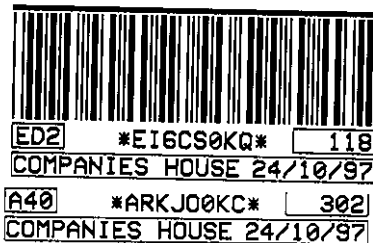


Company No. 1466475

CYNAR (UK) LIMITED
ABBREVIATED
FINANCIAL STATEMENTS
YEAR ENDED
31ST DECEMBER, 1996



CYNAR (UK) LIMITED

BALANCE SHEET

31ST DECEMBER, 1996

	<u>31st December, 1996</u>		<u>31st December, 1995</u>	
	£	£	£	£
FIXED ASSETS				
Tangible assets (note 3)		25,613		10,656
CURRENT ASSETS				
Trade debtors	2,720		6,671	
Other debtors	8,437		11,541	
Prepayments	518		354	
Cash at bank	<u>15,763</u>		<u>29,929</u>	
	<u>27,438</u>		<u>48,495</u>	
CREDITORS - Amounts falling due within one year				
Trade creditors	11,786		8,596	
Other creditors, taxation and social security	11,449		22,190	
Accruals	<u>3,650</u>		<u>2,387</u>	
	<u>26,885</u>		<u>33,173</u>	
NET CURRENT ASSETS		553		15,322
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,166</u>		<u>25,978</u>
CREDITORS - Amounts falling due after more than one year				
Hire purchase obligations (note 1e)		(6,895)		-
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation (note 1c)		(300)		-
		<u>18,971</u>		<u>25,978</u>
		=====		=====
CAPITAL AND RESERVES				
Called up share capital (note 2)		20		20
Reserves		<u>18,951</u>		<u>25,958</u>
SHAREHOLDERS FUNDS		<u>18,971</u>		<u>25,978</u>
		=====		=====

Continued ...

CYNAR (UK) LIMITED

BALANCE SHEET (CONTINUED)

31ST DECEMBER, 1996

DIRECTORS STATEMENT IN ACCORDANCE WITH SECTION 249B OF THE COMPANIES ACT 1985

AUDIT EXEMPTION

The directors are satisfied that the company was entitled to exemption under subsection (2) of Section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of Section 249B in relation to the accounts for the financial year.

DIRECTORS RESPONSIBILITIES IN RESPECT OF FINANCIAL RECORDS AND FINANCIAL STATEMENTS

The directors acknowledge their responsibilities for:

- i) ensuring that the company keeps accounting records which comply with Section 221; 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 this Act relating to accounts, so far as applicable to the company.


ABBREVIATED ACCOUNTS

The directors have taken advantage of the exemptions conferred by Part III of schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Signed on behalf of the Board of Directors

22nd October

1997


..... Director
MR. N. ROHATGI

CYNAR (UK) LIMITED

NOTES TO THE BALANCE SHEET

YEAR ENDED 31ST DECEMBER, 1996

1. ACCOUNTING POLICIES

a) Accounting Convention

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

b) Depreciation

Depreciation is calculated to write off the cost of the relevant assets over their expected useful lives. The annual rates in use are:

Equipment - 15% on cost
Motor Vehicle - 25% on written down value

c) Deferred Taxation

It is the company's policy to make provision for taxation which is deferred because of the difference between depreciation charges in the accounts and the corresponding allowances for tax purposes.

d) Pension Costs

The company operates a defined contributions pension scheme for its directors. The pension costs of £4,568 (1995 - £4,568) charged in the accounts represent the amount the company contributed in the year on behalf of the directors.

e) Hire Purchase Contracts

Assets held under hire purchase contracts are capitalised at their fair value on the inception of the contracts and depreciated over their estimated useful lives. The finance charges are spread equally over the period of each contract.

f) Turnover

Turnover represents the value to the company of sales to customers (excluding Value Added Tax).

2. SHARE CAPITAL

	<u>31/12/96</u>	<u>31/12/95</u>
	£	£
Authorised - ordinary shares of £1 each	1,000	1,000
	=====	=====
Allotted, issued and fully paid - ordinary shares of £1 each	20	20
	==	==

Continued ...

CYNAR (UK) LIMITED

NOTES TO THE BALANCE SHEET (CONTINUED)

YEAR ENDED 31ST DECEMBER, 1996

3. FIXED ASSETS

	<u>Equipment</u>	<u>Motor Vehicle</u>	<u>Total</u>
	£	£	£
Cost at 1st January, 1996	4,920	17,625	22,545
Additions	187	26,266	26,453
Disposals	-	(17,625)	(17,625)
Cost at 31st December, 1996	5,107	26,266	31,373
Depreciation at 1st January, 1996	3,352	8,537	11,889
Charge for year	766	1,642	2,408
Adjustment re. disposals	-	(8,537)	(8,537)
Depreciation at 31st December, 1996	4,118	1,642	5,760
Net Book Value 31st December, 1996	989	24,624	25,613
	=====	=====	=====
Net Book Value 31st December, 1995	1,568	9,088	10,656
	=====	=====	=====

The company's motor vehicle is the subject of a hire purchase contract.

4. DIRECTORS TRANSACTIONS

In January 1996 payments were made to Mr. and Mrs. Rohatgi in excess of amounts due to them. At 31st January, 1996 the amount repayable to the company was £629. It was repaid in full in February 1996.

CYNAR (UK) LIMITED

YEAR ENDED 31ST DECEMBER, 1996

ACCOUNTANTS REPORT
TO THE MEMBERS OF THE COMPANY

We report on the accounts for the year ended 31st December, 1996 set out on pages 2 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit.

In accordance with their instructions and in order to assist the directors to fulfil their responsibilities we have prepared the accounts on pages 2 to 8 from the accounting records and from information and explanations supplied to us. We have not performed an audit and accordingly we do not provide assurance that the accounting records and the accounts are free from material misstatement or that the accounts show a true and fair view, which remain the sole responsibility of the directors.

For the purpose of making a report in accordance with Section 249C of the Companies Act 1985, it is our responsibility to carry out procedures designed to enable us to report our opinion, as set out below, to the members of the company.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;

b) having regard only to, and on the basis of, the information contained in those accounting records:

i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and

ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

14, College Place,
London Road,
Southampton, SO15 2FE.

22nd October, 1997

C. L. Whishaw & Co.
C. L. WHISHAW & CO.
Chartered Accountants