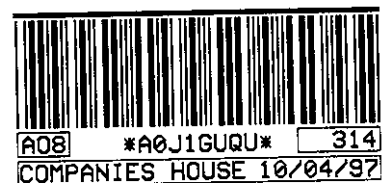


Company Number: 1995369

TECHNICAL AND GENERAL LIMITED

**REPORT AND FINANCIAL STATEMENTS
30 JUNE 1996**



CHANTREY VELLACOTT
Chartered Accountants
Gresham House
53 Clarendon Road
Watford
Herts WD1 1LR

TECHNICAL AND GENERAL LIMITED

OFFICERS AND ADVISERS

DIRECTORS

Dr Ahmad Youssef
Mr Hitham J Youssef
Mr Fouad G Youssef

SECRETARY AND REGISTERED OFFICE

Dr Ahmad Youssef
Russell Square House
10-12 Russell Square
London WC1B 5LF

REGISTERED NUMBER

1995369

AUDITORS

Chantrey Vellacott
Chartered Accountants
Gresham House
53 Clarendon Road
Watford
Herts WD1 1LR

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TECHNICAL AND GENERAL LIMITED

DIRECTORS' REPORT

The directors present their report, together with the audited financial statements of the company, for the year ended 30 June 1996.

RESULTS AND DIVIDEND

The results of the company for the year are set out on page 4 of the financial statements. The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of general exporters and commission agents, petroleum consultants and services for the oil industry.

Turnover of £43,789 (1995 - £732) was achieved during the year.

The directors are hopeful that the position will improve in the forthcoming year.

FUTURE DEVELOPMENTS AND EVENTS SINCE THE END OF THE YEAR

There have been no events since the year end which have had a material effect on the business of the company.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year and their interest in the share capital of the company were:

	At 30.6.1996	At 1.7.1995
Dr Ahmad Youssef	99	99
Mr Hitham J Youssef	1	1
Mr Fouad G Youssef	-	-

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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. They 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.

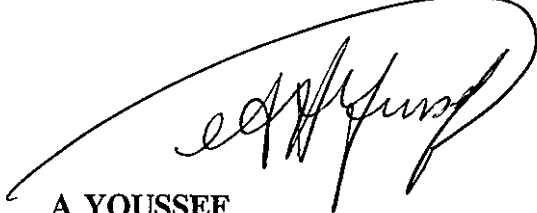
TECHNICAL AND GENERAL LIMITED

DIRECTORS' REPORT (Cont'd)

AUDITORS

A resolution concerning the reappointment of Chantrey Vellacott as auditors will be proposed at the forthcoming Annual General Meeting.

SIGNED ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'A. Youssef', is written over a large, sweeping horizontal line that extends from the left margin towards the center of the page.

A YOUSSEF
Director

Approved by the Board on *20 December* 1996.

REPORT OF THE AUDITORS TO THE MEMBERS OF TECHNICAL AND GENERAL LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT

Chartered Accountants and Registered Auditors

WATFORD

20 December 1996

TECHNICAL AND GENERAL LIMITED

PROFIT AND LOSS ACCOUNT **FOR THE YEAR ENDED 30 JUNE 1996**

	Notes	£	1996 £	£	1995 £
TURNOVER	2		43,789		732
Cost of sales			35,231		-
GROSS PROFIT			8,558		732
Distribution costs		5,006		755	
Administrative expenses		3,523		1,538	
			8,529		2,293
OPERATING PROFIT/(LOSS)			29		(1,561)
Amounts written off fixed asset investment	8		(1)		-
Interest receivable and similar income	3		61		125
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4		89		(1,436)
Taxation	6		17		-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			72		(1,436)
Retained profits brought forward			3,111		4,547
RETAINED PROFITS CARRIED FORWARD			£3,183		£3,111

All the above amounts relate to continuing activities of the company.

All recognised gains and losses are included in the above profit and loss account.

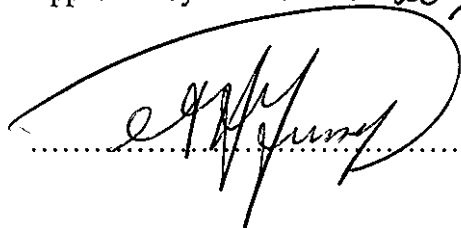
The notes on pages 6 to 8 form part of these financial statements.

TECHNICAL AND GENERAL LIMITED

BALANCE SHEET AS AT 30 JUNE 1996

	Notes	£	1996 £	£	1995 £
FIXED ASSETS					
Tangible assets	7		3,760		1,835
Investment in subsidiary undertaking	8		-		1
CURRENT ASSETS					
Debtors	9	21,993		99	
Cash at bank and in hand		23,389		4,966	
		45,382		5,065	
CREDITORS: Amounts falling due within one year	10	45,859		3,690	
NET CURRENT (LIABILITIES)/ ASSETS			(477)		1,375
TOTAL ASSETS LESS CURRENT LIABILITIES					
			£3,283		£3,211
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss account (page 4)			3,183		3,111
SHAREHOLDERS' FUNDS	12		£3,283		£3,211

Approved by the Board on 20 December 1996.



..... A YOUSSEF - Director

The notes on pages 6 to 8 form part of these financial statements.

TECHNICAL AND GENERAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 1996**

1 ACCOUNTING POLICIES

(a) Accounting convention

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

(b) Consolidation

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided in Section 248 of the Companies Act 1985 not to prepare group financial statements and accordingly these financial statements present information about the company as a single undertaking.

(c) Turnover

Turnover represents sales and commissions invoiced during the year and excludes value added tax.

(d) Depreciation

Fixed assets are depreciated over their expected useful lives on the reducing balance method using the following rates per annum:

Office fixtures and equipment - 20%

(e) Cash flow statement

The company has taken advantage of the provisions of Financial Reporting Standard No.1 and has not prepared a cash flow statement.

(f) Leasing

The costs of operating leases are written off as incurred.

2	TURNOVER	1996	1995
	Middle East	£43,789	£732
		=====	=====

3	INTEREST RECEIVABLE AND SIMILAR INCOME	1996	1995
	Bank interest	£61	£125
		=====	=====

4	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1996	1995
	This is stated after charging:	£	£
	Depreciation	940	459
	Auditors' remuneration	1,250	1,000
		=====	=====

TECHNICAL AND GENERAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 1996 (Cont'd)**

5 STAFF COSTS AND EMPLOYEES (including directors)

There were no employees other than the 3 directors (1995 - 3) who received no remuneration.

6 TAXATION	1996	1995
UK corporation tax at 24% and 25% (1995 - 25%)	£17	£Nil
	<u> </u>	<u> </u>

7 TANGIBLE FIXED ASSETS

	Office fixtures and equipment
Cost:	£
At 1 July 1995	11,325
Additions in year	2,865
	<u> </u>
At 30 June 1996	14,190
	<u> </u>
Depreciation:	
At 1 July 1995	9,490
Charge for the year	940
	<u> </u>
At 30 June 1996	10,430
	<u> </u>
Net book value:	
At 30 June 1996	£3,760
	<u> </u>
At 30 June 1995	£1,835
	<u> </u>

8 INVESTMENT IN SUBSIDIARY UNDERTAKING

This is in respect of Vivatech Inc. which was incorporated in the USA on 18 May 1987. The holding represents 100% of the issued share capital of this company. The subsidiary was dormant for a number of years and has now been dissolved.

9 DEBTORS	1996	1995
	£	£
Trade debtors	19,709	-
Other debtors	2,284	99
	<u> </u>	<u> </u>
	£21,993	£99
	<u> </u>	<u> </u>

TECHNICAL AND GENERAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 1996 (Cont'd)**

10	CREDITORS: Amounts falling due within one year	1996	1995
		£	£
	Corporation tax	17	-
	Accruals	1,492	1,450
	Directors' account	44,350	2,240
		<u>£45,859</u>	<u>£3,690</u>
11	CALLED UP SHARE CAPITAL	1996	1995
	Authorised		
	100,000 ordinary shares of £1 each	<u>£100,000</u>	<u>£100,000</u>
	Allotted and fully paid		
	100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
		1996	1995
		£	£
	Profit/(loss) for the year after taxation	72	(1,436)
	Opening shareholders' funds	3,211	4,647
	Closing shareholders' funds	<u>£3,283</u>	<u>£3,211</u>

Shareholders' funds are fully attributable to equity interests.