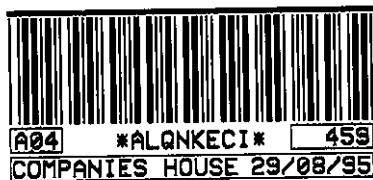


MSE (CONSULTANTS) LIMITED
COMPANY NO. 02414457

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 1994

*Please sign
Pages 2 & 7 & send
directly to CARDIFF*



MSE (CONSULTANTS) LIMITED
INDEX TO THE FINANCIAL STATEMENTS

	Page(s)
Company Information	1
Report of the Directors	2
Directors' Responsibilities & Report of the Auditors	3-4
Profit and Loss Account	5
Balance Sheet	6-7
Cash Flow Statement	8
Notes to the Financial Statements	9-12

MSE (CONSULTANTS) LIMITED

COMPANY INFORMATION

DIRECTOR : Dr M S Akhtar

SECRETARY: Mrs J S Akhtar

REGISTERED OFFICE: 11 Regent Place
Rugby
Warwickshire
CV21 2PJ

REGISTERED NUMBER: 02414457

AUDITORS: M H Akhtar & Co
Chartered Accountants
and Registered Auditor
11 Regent Place
Rugby
CV21 2PJ
Warwickshire

MSE (CONSULTANTS) LIMITED

REPORT OF THE DIRECTORS

The director has pleasure in presenting their report and financial statements for the year ended 31 October 1994.

PRINCIPAL ACTIVITIES

The principal activities of the company throughout the year were those of engineering and consultancy services..

DIRECTORS AND THEIR INTERESTS

The director who served the company throughout the year together with their interests in the shares of the company at the beginning and end of the year, were as follow:

	1994	1993
Dr M S Akhtar	99	99
Mrs J S Akhtar	1	1

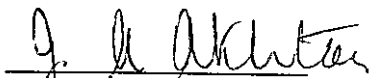
AUDITORS

M H Akhtar & Co have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

SMALL COMPANY RULES

Advantage has been taken in the preparation of this report of the special exemptions applicable to small companies.

BY ORDER OF THE BOARD:


Mrs J S Akhtar - Secretary

Dated: 23/8/95

MSE (CONSULTANTS) LIMITED

DIRECTORS' RESPONSIBILITIES & REPORT OF THE AUDITORS

STATEMENT OF 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

AUDITORS' REPORT TO THE MEMBERS OF MSE (CONSULTANTS) LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described above, 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.

MSE (CONSULTANTS) LIMITED

DIRECTORS' RESPONSIBILITIES & REPORT OF THE AUDITORS

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

M.H. Akhtar & Co

M H Akhtar & Co
Chartered Accountants
and Registered Auditor
11 Regent Place
Rugby
CV21 2PJ

Dated: 25/8/95

MSE (CONSULTANTS) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 1994

		Continuing operations 1994	Discontinued operations 1994	Total 1994	Total 1993
	Note				
TURNOVER	1	330,564	-	330,564	401,417
Cost of Sales		-	-	-	-
GROSS PROFIT		330,564	NIL	330,564	401,417
Net operating expenses	2	(308,483)	-	(308,483)	(376,126)
OPERATING PROFIT/ (LOSS)	3	22,081	NIL	22,081	25,291
		=====	=====		
Interest receivable and similar income				2,418	1,400
Interest payable and similar charges				(1,284)	(7)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION				23,215	26,684
Taxation	4			(2,276)	(3,497)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION				20,940	23,187
Extraordinary items				-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR				20,940	23,187
Dividends on equity shares	5			(16,250)	(12,903)
				4,690	10,284
Retained profits b/f				11,467	1,183
RETAINED PROFIT FOR THE FINANCIAL YEAR	6			£16,157	£11,467
				=====	=====

There are no recognised gains and losses in the year other than the profit/ loss for the year.

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

BALANCE SHEET AT 31 OCTOBER 1994

			1994	1993
	Note			
FIXED ASSETS:				
Tangible assets	7	41,542	35,692	
		41,542	35,692	
CURRENT ASSETS:				
Debtors	8	10,833	54,472	
Cash in hand and at Bank		62,002	50,600	
		72,835	105,072	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(85,611)	(129,295)	
NET CURRENT ASSETS/ (LIABILITIES)			(12,776)	(24,223)
TOTAL ASSETS LESS CURRENT LIABILITIES			28,766	11,469
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	(12,608)	-	
			(12,608)	-
NET ASSETS/(LIABILITIES)			£16,158	£11,469
CAPITAL AND RESERVES			=====	=====
Called up share capital	6		2	2
Profit and loss account	6		16,156	11,467
			£16,158	£11,469
			=====	=====

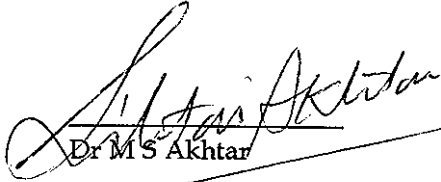
The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

BALANCE SHEET AT 31 OCTOBER 1994

In preparing these financial statements we have relied on sections 246 and 247 of the Companies Act 1985 as enabling us to take advantage of the special exemptions applicable to small companies.

Approved by the Board on 23/8/95


Dr M S Akhtar

(Director)

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 1994**

	1994	1993
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	33,136	27,819
RETURNS ON INVESTMENT AND SERVICING OF FINANCE		
Interest received	2,418	1,400
Interest paid	(1,284)	(7)
Dividends paid	(16,250)	(12,903)
	<hr/>	<hr/>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS & SERVG. OF FINANCE	(15,116)	(11,510)
TAXATION	(2,276)	(3,497)
INVESTING ACTIVITIES	-	-
Purchase of tangible assets	(16,350)	(19,997)
FINANCING	-	-
	<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(606)	(7,185)
	=====	=====

NOTES TO THE CASH FLOW STATEMENT

1) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

Operating profit/(loss)	22,081	25,291
Amount written off in fixed assets	10,500	7,290
(Increase)/Decrease in debtors	43,638	(25,259)
Increase/(Decrease) in creditors	(43,083)	20,497
	<hr/>	<hr/>
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	33,136	27,819
	=====	=====

2) Reconciliation of movements in cash & cash equivalents with balance sheet items

	1994	1993	Change this yr.	Change last yr.
Cash equivalents at 1 November	50,000	57,185	(7,185)	1,196
Net cash inflow (outflow)	(606)	(7,185)	6,579	588
	<hr/>	<hr/>	<hr/>	<hr/>
Cash equivalents at 31 October	49,394	50,000	(606)	1,784
	=====	=====	=====	=====

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1994

1 ACCOUNTING POLICIES

a) *Accounting basis and standards*

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

b) *Depreciation*

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:

Vehicles	: 20% reducing balance
Equipment	: 20% reducing balance

c) *Turnover*

Turnover represents the invoiced value of goods sold and services provided net of value added tax.

d) *Foreign currencies*

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange at the date of the transaction.

2 NET OPERATING EXPENSES AND COMPARATIVE DETAILS

	Continuing	Discontinued	Total	Continuing	Discontinued	Total
		1994			1993	
Turnover	330,564	-	330,564	401,417	-	401,417
	=====	=====	=====			
Cost of sales	-	-	-	-	-	-
<i>Net operating expenses:</i>						
Distribution costs	-	-	-	-	-	-
Administrative expenses	(308,483)	-	(308,483)	(376,126)	-	(376,126)
	=====	=====	=====	=====	=====	=====
	(308,483)	NIL	(308,483)	25,291	NIL	25,291
	=====	=====	=====	=====	=====	=====
Operating profit	22,081	NIL	22,081			
	=====	=====	=====			

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1994

	1994	1993
3 OPERATING PROFIT		
The operating profit is stated after charging:		
Auditor's remuneration: Audit work	1,995	1,995
Other work	3,482	3,700
Depreciation: Owned tangible fixed assets	10,500	7,290
Hire of software and equipment	1,220	38,825
	=====	=====
4 TAXATION		
Corporation tax based on the results for the year at the rate of 25%	5,525.50	2,766
Underprovision (previous year)	-	33
Interest on ACT	-	698
Less: ACT b/f	(1,451.65)	-
ACT payable	(1,798.35)	-
	=====	=====
	2,275.50	3,497.00
	=====	=====
The taxation charge for the year has been affected by the disallowance of certain expenditure, including Depreciation, Interest on Corporation Tax and a Sundry expense item.		
5 DIVIDENDS		
Paid	16,250	12,903
	=====	=====
	16,250	12,903
	=====	=====

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1994

6 SHAREHOLDERS' FUNDS

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 November 1993	2	11,467	11,469
Transfer from profit and loss account	-	4,689	4,689
	<hr/>	<hr/>	<hr/>
Balance at 31 October 1994	2	16,156	16,158
The authorised share capital comprises:	=====	=====	=====
<i>Authorised:</i>			
1,000 ordinary shares of £1 each		1,000	1,000
		=====	=====
<i>Called up, allotted and fully paid:</i>			
2 ordinary shares of £1 each		2	2
		=====	=====

7 TANGIBLE ASSETS

	VEHICLES	EQUIP- MENT	TOTAL
<i>Cost</i>			
At 1 November 1993	20,235	30,647	50,882
Additions	-	16,350	16,350
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 1994	20,235	46,997	67,232
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 November 1993	(4,090)	(11,100)	(15,190)
Charge for the year	(3,300)	(7,200)	(10,500)
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 1994	(7,390)	(18,300)	(25,690)
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 October 1993	16,145	19,547	35,692
	=====	=====	=====
At 31 October 1994	12,845	28,697	41,542
	=====	=====	=====

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1994**

	1994	1993
8 DEBTORS		
Trade debtors	10,833	54,472
	=====	=====
9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank overdraft	-	601
Trade Creditors	37,257	65,453
Accruals	39,609	40,820
ACT	1,798	581
Corporation Tax	2,276	2,799
Other taxes	4,116	17,810
Director's Loan account	555	1,231
	-----	-----
	85,611	129,295
	=====	=====
10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
<i>Small Business Loan Account</i>		
Amounts repayable by instalments:		
Within five years	12,608	
Less: Amounts falling due within one year	(8,789)	

	3,819	
	=====	
The above loan has been secured by the director on personal security.		
11 DIRECTOR'S LOAN ACCOUNT		
Balance at 1 November 1993	1,231	(2,253)
Introduced	900	8,740
Dividends credited	13,000	-
Cash withdrawals	(14,576)	(5,256)
	-----	-----
Balance due to / (from) directors	555	1,231
	=====	=====
12 TRANSACTION WITH THE DIRECTORS		
The company hired computer software, hardware and a vehicle from the director	1,220	38,825
	=====	=====

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

	1994	1993
COST OF SALES	NIL	NIL
	NIL	NIL
	=====	=====
ADMINISTRATION		
Staff salaries	200,752	220,470
Motor expenses and travelling expenses	4,650	2,850
Hotel and subsistence	11,824	15,485
Air fare	9,208	10,484
Hire of equipment	-	404
Hire of software, equipment and vehicles	1,220	38,825
Advertising	2,645	2,574
Entertaining	-	49
Rent	22,776	22,375
Insurances	1,857	1,684
Printing, stationery and postage	10,118	5,844
Computer expenses	1,119	1,188
Software licence	7,209	2,370
Carriage and freight	-	154
Telephone and fax	4,748	2,513
Repairs and maintenance	757	241
Accountancy fees	3,482	3,700
Audit fees	1,995	1,995
Consultancy	10,178	33,098
Professional subscriptions and magazines	1,398	1,156
Seminar expenses	1,140	660
Sundry expenses	223	397
Bank charges	657	320
Interest on Corporation Tax 92/93	27	-
Depreciation	10,500	7,290
	308,483	376,126
	=====	=====
Bank interest charges	1,284	7
	=====	=====

This page does not form part of the statutory financial statements