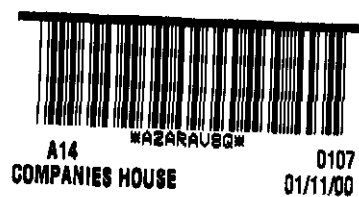


**TECHNOS INTERNATIONAL
(OXFORD) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1999



Company no 2431004

TECHNOS INTERNATIONAL (OXFORD) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1999

Company registration number: 2431004

Registered office: Wolsey Hall
66 Banbury Road
Oxford
OX2 6PR

Directors: Mr K Tanaka
Mr T Hashimoto
Dr G Simpson

Secretary: Mr A A Jenkins

Bankers: National Westminster Bank PLC
32 Cornmarket Street
Oxford
OX1 3HQ

Solicitors: Darbys Mallam Lewis
52 New Inn Hall Street
Oxford
OX1 2QA

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
1 Westminster Way
Oxford
OX2 0PZ

TECHNOS INTERNATIONAL (OXFORD) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1999

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TECHNOS INTERNATIONAL (OXFORD) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1999.

Principal activities

The company is principally engaged in the business of property management and international course development.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company as at 31 December 1999 and 1 January 1999 were as follows:

	Ordinary shares	
	31 December 1999	1 January 1999
Mr K Tanaka	1	1
Mr T Hashimoto	-	-
Dr G Simpson	-	-

Directors' responsibilities for the financial statements

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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

G Simpson
Director



**REPORT OF THE AUDITORS TO THE MEMBERS OF
TECHNOS INTERNATIONAL (OXFORD) LIMITED**

We have audited the financial statements on pages 3 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999) and under the accounting policies set out on page 3.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

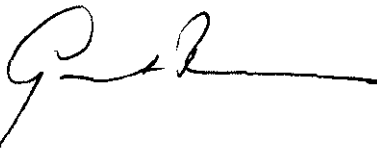
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

OXFORD

31 October 2000

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates applicable are:

Property improvements	10%
Fixtures and fittings	10%
Office equipment	10%

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

CONTRIBUTIONS TO PENSION FUNDS

The pension costs charged against profits represent the amount of the contributions payable in respect of the accounting period.

INTERNATIONAL COURSE DEVELOPMENT

International course development expenditure is charged to the profit and loss account in the period in which it is incurred.

TECHNOS INTERNATIONAL (OXFORD) LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 1999

	Note	1999 £	1998 £
Turnover	1	156,461	150,308
Operating charges		<u>(165,430)</u>	<u>(121,424)</u>
Operating loss		(8,969)	28,884
Other interest receivable and similar income		-	804
Interest payable and similar charges		<u>-</u>	<u>(8)</u>
Loss on ordinary activities before taxation	1	(8,969)	29,680
Tax on loss on ordinary activities	3	<u>(50,800)</u>	<u>(9,024)</u>
Loss transferred from reserves	9	<u>(59,769)</u>	<u>20,656</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

TECHNOS INTERNATIONAL (OXFORD) LIMITED

BALANCE SHEET AT 31 DECEMBER 1999

	Note	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible assets	4		40,156		46,584
Current assets					
Debtors	5	82,755		68,250	
Cash at bank and in hand		892		10,703	
		83,647		78,953	
Creditors: amounts falling due within one year	6	(122,686)		(66,251)	
Net current liabilities			(39,039)		12,702
Total assets less current liabilities			1,117		59,286
Provisions for liabilities and charges	7		(2,600)		(1,000)
			(1,483)		58,286
Capital and reserves					
Called up share capital	8		63,247		63,247
Profit and loss account	9		(64,730)		(4,961)
			(1,483)		58,286

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The financial statements were approved by the Board of Directors on

G Simpson

Director



30/10/00

The accompanying accounting policies and notes form an integral part of these financial statements.

TECHNOS INTERNATIONAL (OXFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after:

	1999 £	1998 £
Auditors' remuneration	900	800
Depreciation	<u>6,428</u>	<u>6,428</u>

2 DIRECTORS

	1999 £	1998 £
Directors' remuneration	<u>38,609</u>	<u>36,700</u>

During the year 1 director (1998: 1) participated in pension schemes.

3 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax charge represents:

	1999 £	1998 £
Corporation tax	4,800	9,500
Deferred taxation	1,600	1,000
Adjustment in respect of prior periods	<u>44,400</u>	<u>(1,476)</u>
	<u>50,800</u>	<u>9,024</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

4 TANGIBLE FIXED ASSETS

	Property improve- ments £	Office equipment £	Total £
Cost			
At 1 January 1999 and at 31 December 1999	44,271	20,010	64,281
Depreciation			
At 1 January 1999	9,029	8,668	17,697
Charged for the year	4,427	2,001	6,428
At 31 December 1999	13,456	10,669	24,125
Net book amount at 31 December 1999	<u>30,815</u>	<u>9,341</u>	<u>40,156</u>
Net book amount at 31 December 1998	<u>35,242</u>	<u>11,342</u>	<u>46,584</u>

5 DEBTORS

	1999 £	1998 £
Trade debtors	64,834	48,858
Amounts owed by parent undertaking	5,837	6,294
Other debtors	12,084	13,098
	<u>82,755</u>	<u>68,250</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Bank overdraft	4,632	-
Trade creditors	10,034	633
Social security and other taxes	56,557	15,301
Other creditors	51,463	50,317
	<u>122,686</u>	<u>66,251</u>

TECHNOS INTERNATIONAL (OXFORD) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1999

7 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 1999	1,000
Provided during the year	1,600
At 31 December 1999	<u><u>2,600</u></u>

8 SHARE CAPITAL

	1999 £	1998 £
Authorised 100,000 Ordinary shares of £1 each	<u><u>100,000</u></u>	<u><u>100,000</u></u>
Allotted, called up and fully paid 63,247 Ordinary shares of £1 each	<u><u>63,247</u></u>	<u><u>63,247</u></u>

9 PROFIT AND LOSS ACCOUNT

	£
At 1 January 1999	(4,961)
Retained loss for the year	(59,769)
At 31 December 1999	<u><u>(64,730)</u></u>

10 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1999 or 31 December 1998.

11 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1999.

At 31 December 1998 corporation tax liabilities for the year ended 31 December 1993 and subsequent years were subject to the agreement of the Inland Revenue due to enquiries into the allowability for tax purposes of certain expenditure incurred by the company.

At 31 December 1998 the directors estimate that the maximum adjustment to these corporation tax computations could result in a cost to the company of approximately £70,000.

TECHNOS INTERNATIONAL (OXFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

12 PENSIONS

The company pays pension contributions for the benefit of the employees.

The pension cost charge for the year was £1,232 (1998: £755).

13 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is Tanaka Ikueikai Educational Trust which is incorporated in Japan. The Tanaka Ikueikai Educational Trust holds 63,246 ordinary shares in the company.