

**TECHNOS INTERNATIONAL
(OXFORD) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1998



Company no 2431004

TECHNOS INTERNATIONAL (OXFORD) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1998

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 1998

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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 1998.

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 1998 and 1 January 1998 were as follows:

	Ordinary shares	
	31 December 1998	1 January 1998
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

Date

27/10/99

**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 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. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

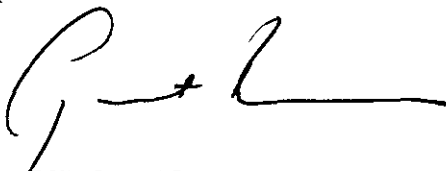
Basis of opinion

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 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

OXFORD
28 October 1999

TECHNOS INTERNATIONAL (OXFORD) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and 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.

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.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

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 1998

	Note	1998 £	1997 £
Turnover	1	150,308	160,664
Operating charges		(121,424)	(148,530)
Operating profit		28,884	12,134
Other interest receivable and similar income		804	2,307
Interest payable and similar charges		(8)	-
Profit on ordinary activities before taxation	1	29,680	14,441
Tax on profit on ordinary activities	3	(9,024)	(3,500)
Profit transferred to reserves	9	20,656	10,941

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

TECHNOS INTERNATIONAL (OXFORD) LIMITED

BALANCE SHEET AT 31 DECEMBER 1998

	Note	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible assets	4		46,584		29,624
Current assets					
Debtors	5	68,250		65,167	
Cash at bank and in hand		10,703		89,754	
		78,953		154,921	
Creditors: amounts falling due within one year	6	(66,251)		(146,915)	
Net current assets			12,702		8,006
Total assets less current liabilities			59,286		37,630
Provisions for liabilities and charges	7		(1,000)		-
			58,286		37,630
Capital and reserves					
Called up share capital	8		63,247		63,247
Profit and loss account	9		(4,961)		(25,617)
			58,286		37,630

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.

The financial statements were approved by the Board of Directors on

27.10/99

G Simpson

Director



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 1998

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	1998 £	1997 £
Auditors' remuneration	800	700
Depreciation	<u>6,428</u>	<u>3,595</u>

2 DIRECTORS

	1998 £	1997 £
Directors' remuneration	<u>36,700</u>	<u>36,000</u>

During the year 1 director (1997: no directors) participated in pension schemes.

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1998 £	1997 £
UK Corporation tax	9,500	3,500
Deferred taxation	1,000	-
Adjustment in respect of prior periods	<u>(1,476)</u>	<u>-</u>
	<u>9,024</u>	<u>3,500</u>

TECHNOS INTERNATIONAL (OXFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

4 TANGIBLE FIXED ASSETS

	Property improve- ments £	Office equipment £	Total £
Cost			
At 1 January 1998	26,728	14,165	40,893
Additions	17,543	5,845	23,388
At 31 December 1998	44,271	20,010	64,281
Depreciation			
At 1 January 1998	4,602	6,667	11,269
Charged for the year	4,427	2,001	6,428
At 31 December 1998	9,029	8,668	17,697
Net book amount at 31 December 1998	35,242	11,342	46,584
Net book amount at 31 December 1997	22,126	7,498	29,624

5 DEBTORS

	1998 £	1997 £
Trade debtors	48,858	40,511
Amounts owed by parent undertaking	6,294	-
Other debtors	13,098	24,656
	68,250	65,167

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Trade creditors	633	1,314
Amounts owed to parent undertaking	-	57,458
Social security and other taxes	15,301	10,363
Other creditors	50,317	55,568
Course advances	-	22,212
	66,251	146,915

TECHNOS INTERNATIONAL (OXFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

7 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Provided during the year and at 31 December 1998	<u>1,000</u>

8 SHARE CAPITAL

	1998 £	1997 £
Authorised Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>63,247</u>	<u>63,247</u>

9 PROFIT AND LOSS ACCOUNT

	£
At 1 January 1998	(25,617)
Retained profit for the year	<u>20,656</u>
At 31 December 1998	<u>(4,961)</u>

10 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1998 or 31 December 1997.

11 CONTINGENT LIABILITIES

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

The directors estimate that the maximum adjustment to these corporation tax computations could result in a cost to the company of approximately £70,000 (1997: £70,000).

TECHNOS INTERNATIONAL (OXFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

12 PENSIONS

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

The pension cost charge for the year was £755 (1997 £ nil).

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.