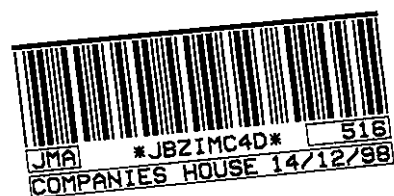


ARTHUR
ANDERSEN

Brite Voice Systems Group Limited
and subsidiary undertaking

Accounts 31 December 1997
together with directors' and auditors' reports

Registered number: 2601740



Directors' report

For the year ended 31 December 1997

The directors present their annual report on the affairs of the group, together with the accounts and auditors' report, for the year ended 31 December 1997.

Principal activities and business review

The group specialises in the manufacture and marketing of integrated systems for call centre solutions and value added services for network operators including the emerging Intelligent Networks.

Group turnover increased by £3,443,000(19%) to £21,537,273 for the financial year.

The continued growth of the business is the result of sustained investment in marketing orientated product development, the skills, expertise and commitment of the staff and the group's strategy of positioning itself as a systems integrator. The IVR/CTI business showed significant growth. However, the outstanding achievement for the year was the continuing success of the VSD multi application platform for network systems, which has found success throughout Europe, Africa, India and the Middle East.

The group continues to invest substantially in the development of new products and technologies to maintain its market leadership.

The group loss for the year was £368,704 (1996 profit - £881,835).

Results and dividends

Group results, dividends and recommended transfers to reserves are as follows:

	£
Retained profit at 31 December 1996	2,863,761
Loss for the year	(368,704)
Exchange differences	(38,723)
Retained profit at 31 December 1997	<u>2,456,334</u>

The directors do not recommend payment of a dividend.

Research and development

The Board considers that research continues to play a vital role in the group's success. Costs associated with the development of new products or enhancements of existing products are expensed as incurred. The cost of research and development during the year was £3,795,194 (1996 - £1,516,425).

Directors' report (continued)

Directors and their interests

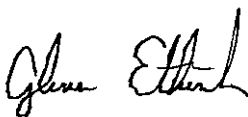
The directors who served during the year were as follows:

S. Hallam	(resigned 6 August 1998)
D.C. Pearce	(resigned 20 February 1997)
S.G. Brannan (USA)	
G.A. Etherington (USA)	
D.F. Hemmings (USA)	(resigned 20 February 1997)
D. Hare	(appointed 20 February 1997, resigned 3 June 1998)
D. Gergacz	(appointed 20 February 1997)

The directors do not have any interests in the shares of the company required to be disclosed under Schedule 7 of the Companies Act 1985.

Gateway House
Styal Road
Wythenshawe
Manchester
M22 5WX
England

By order of the Board,



G. Etherington

Director

3 November 1998

Statement of directors' and auditors' responsibilities

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Auditors' responsibilities

Company law requires auditors to form an independent opinion on the financial statements presented by the directors based on their audit and to report their opinion to the shareholders. The Companies Act 1985 also requires auditors to report to the shareholders if the following requirements are not met:

- that the company has maintained proper accounting records;
- that the financial statements are in agreement with the accounting records;
- that directors' emoluments and other transactions with directors are properly disclosed in the accounts; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit.

The auditors' opinion does not encompass the directors' report on pages 1 and 2. However, the Companies Act 1985 requires auditors to report to the shareholders if the matters contained in the directors' report are inconsistent with the financial statements.

ARTHUR ANDERSEN

Auditors' report

Manchester

To the Shareholders of Brite Voice Systems Group Limited:

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

Respective responsibilities of directors and auditors

As described on page 3 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.

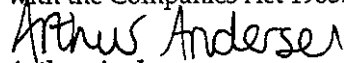
Basis of opinion

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 accounts give a true and fair view of the state of affairs of the company and of the group at 31 December 1997 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

3 November 1998

Consolidated profit and loss account

For the year ended 31 December 1997

	Notes	1997 £	1996 £
Turnover	2	21,537,273	18,094,273
Cost of sales		(6,412,253)	(4,823,529)
Gross profit		15,125,020	13,270,744
Other operating expenses (net)	3	(15,077,460)	(11,488,777)
Operating profit		47,560	1,781,967
Exceptional reorganisation costs	4	(164,371)	-
Investment income	5	43,269	27,355
Interest payable and similar charges	6	(306,015)	(466,721)
(Loss) profit on ordinary activities before taxation	7	(379,557)	1,342,601
Tax on (loss) profit on ordinary activities	9	10,853	(460,766)
(Loss) profit for the financial year		(368,704)	881,835
Retained profit at beginning of year		2,863,761	1,981,926
Retained profit at end of year		2,495,057	2,863,761

The directors believe that the results of the discontinued Kingline information technology consultancy services division were not material. Consequently, all activity has arisen from continuing operations.

A statement of movements on reserves is given in note 19.

The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated statement of total recognised gains and losses

For the year ended 31 December 1997

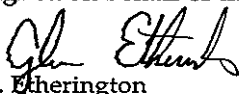
	1997 £	1996 £
(Loss) profit for the year	(368,704)	881,835
(Loss) profit on foreign currency translation	(67,617)	8,058
Total recognised gains and losses relating to the year	(436,321)	889,893

Consolidated balance sheet

31 December 1997

	Notes	1997 £	1996 £
Fixed assets			
Intangible assets	10	41,148	111,477
Tangible assets	11	2,336,117	2,101,002
		<u>2,377,265</u>	<u>2,212,479</u>
Current assets			
Stocks	13	5,089,288	4,176,678
Debtors	14		
- due within one year		9,167,601	7,171,685
- due after one year		970,041	-
Cash at bank and in hand		562,822	458,152
		<u>15,789,752</u>	<u>11,806,515</u>
Creditors: Amounts falling due within one year	15	<u>(8,189,979)</u>	<u>(10,688,721)</u>
Net current assets		<u>7,599,773</u>	<u>1,117,794</u>
Total assets less current liabilities		<u>9,977,038</u>	<u>3,330,273</u>
Creditors: Amounts falling due after more than one year	16	<u>(5,000,000)</u>	<u>-</u>
Provisions for liabilities and charges	17	<u>(20,704)</u>	<u>(37,618)</u>
Net assets		<u>4,956,334</u>	<u>3,292,655</u>
Capital and reserves			
Called-up share capital	18	2,500,000	400,000
Other reserves	19	-	28,894
Profit and loss account	19	2,456,334	2,863,761
Equity shareholders' funds		<u>4,956,334</u>	<u>3,292,655</u>

Signed on behalf of the Board


G. Etherington

Director

3 November 1998

The accompanying notes are an integral part of this consolidated balance sheet.

Balance sheet

31 December 1997

	Notes	1997 £	1996 £
Fixed assets			
Intangible assets	10	41,148	111,477
Tangible assets	11	2,241,591	2,001,652
Investments	12	17,065	17,065
		<u>2,299,804</u>	<u>2,130,194</u>
Current assets			
Stocks	13	5,062,405	4,115,358
Debtors			
- due within one year	14	9,468,639	7,098,275
- due after one year	14	970,041	-
Cash at bank and in hand		518,206	339,263
		<u>16,019,291</u>	<u>11,552,896</u>
Creditors: Amounts falling due within one year	15	<u>(8,299,222)</u>	<u>(10,423,495)</u>
Net current assets		<u>7,720,069</u>	<u>1,129,401</u>
Total assets less current liabilities		<u>10,019,873</u>	<u>3,259,595</u>
Creditors: Amounts falling due after more than one year	16	<u>(5,000,000)</u>	<u>-</u>
Provisions for liabilities and charges	17	<u>(20,704)</u>	<u>(37,618)</u>
Net assets		<u>4,999,169</u>	<u>3,221,977</u>
Capital and reserves			
Called-up share capital	18	2,500,000	400,000
Profit and loss account	19	2,499,169	2,821,977
Total capital employed		<u>4,999,169</u>	<u>3,221,977</u>

Signed on behalf of the Board


G. Eberington

Director

3 November 1998

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

31 December 1997

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention. The group accounts have been prepared in accordance with applicable accounting standards.

b) Basis of consolidation

The group accounts consolidate the accounts of Brite Voice Systems Group Limited and its subsidiary undertaking made up to 31 December 1997. The acquisition method of accounting has been adopted. Under this method, the results of the subsidiary undertaking are included in the consolidated profit and loss account from the date of acquisition.

In the company's accounts, the investment in the subsidiary undertaking is stated at cost. Only dividends received and receivable are credited to the company's profit and loss account.

No profit and loss account is presented for Brite Voice Systems Group Limited as provided by section 230 of the Companies Act 1985. The company's loss for the year, determined in accordance with the Act, was £322,808 (1996 - profit £856,839).

c) Intangible fixed assets

Business development costs capitalised are written off over the estimated useful life of the existing product range. The current estimated life is 10 years from the date of capitalisation.

Purchased goodwill representing the excess of consideration paid over the fair value of the net assets acquired, is capitalised and amortised over the estimated useful economic life. The current estimated life is 10 years from the date of capitalisation.

d) Tangible fixed assets

Tangible fixed assets are shown at original historical cost as set out in note 11, net of depreciation.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Motor vehicles	25-33% per annum
Fixtures and fittings	10-25% per annum
Plant and equipment	10-25% per annum

Residual value is calculated on prices prevailing at the date of acquisition. Profits or losses on the disposal of fixed assets are included in the calculation of operating profit.

Notes to accounts (continued)

1 Accounting policies (continued)

e) Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost incurred in bringing each product to its present location and condition is based on:

Raw materials and work-in-progress - purchase cost on a first-in, first-out basis

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

f) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal.

Deferred taxation is not provided on timing differences which, in the opinion of the directors, will probably not reverse. However, the amount of all deferred taxation, including that which will probably not reverse, is shown in note 17.

g) Pension costs

The group provides pensions to certain employees through a money purchase pension scheme. The amount charged to the profit and loss account represents the employer's contributions payable in the year.

h) Foreign currency

In the accounts of individual undertakings, transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction (or, where appropriate, at the rate of exchange in a related forward exchange contract). Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end (or, where appropriate, at the rate of exchange in a related forward exchange contract). Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

For the purposes of consolidation the closing rate method is used, under which translation gains or losses are shown as a movement on reserves. The profit and loss account of the overseas subsidiary undertaking is translated at an average exchange rate for the year.

i) Turnover

Group turnover comprises the value of sales, excluding VAT and trade discounts, of goods and services provided in the normal course of business.

Notes to accounts (continued)

1 Accounting policies (continued)

j) Leases

The group enters into operating leases as described in note 21a. Rentals under operating leases are charged on a straight-line basis over the lease term.

k) Warranty expense

The group accrues an allowance for future warranty services, parts replacement and fault recognition during the warranty period.

l) Cash flow statement

Under the provisions of the revised Financial Reporting Standard No 1, the company has not prepared a cashflow statement. Its ultimate parent undertaking, Brite Voice Systems Inc, which is incorporated in the United States of America, has prepared accounts which are available to the public and which include a consolidated cashflow statement.

2 Turnover

Contributions to group turnover by geographical area were as follows:

	1997 £	1996 £
United Kingdom	10,065,078	10,312,709
Other European countries	7,534,492	6,991,353
Rest of the world	3,937,703	790,211
	<u>21,537,273</u>	<u>18,094,273</u>

3 Other operating expenses (net)

	1997 £	1996 £
Selling and marketing costs	4,751,045	4,467,406
Administrative expenses	6,876,283	6,895,900
Other operating charges	3,450,132	125,471
	<u>15,077,460</u>	<u>11,488,777</u>

Notes to accounts (continued)

4 Exceptional items reported after operating (loss) profit

The costs represent a fundamental reorganisation of continuing operations due to the disposal of the group's information technology consultancy services division, Kingline, at the year end.

This had a material effect on the nature and focus of the group's operations.

The effects of the exceptional item reported after operating loss on the amounts charged to the profit and loss account for taxation were:

	Tax on profit on ordinary activities £
Tax effect of the costs of the fundamental reorganisation of continuing operations	35,340
Decrease in taxation charge to the profit and loss account	<u>35,340</u>

5 Investment income

Investment income comprises:

	1997 £	1996 £
Other interest receivable and similar income	<u>43,269</u>	<u>27,355</u>

6 Interest payable and similar charges

	1997 £	1996 £
On loans repayable within five years not by instalments	<u>306,015</u>	<u>466,721</u>

7 (Loss) profit on ordinary activities before taxation

(Loss) profit on ordinary activities before taxation is stated after charging:

	1997 £	1996 £
Depreciation and amounts written off		
- intangible fixed assets	18,430	15,396
- tangible fixed assets	826,684	603,182
Other operating lease rentals (see note 21a)	397,668	294,750
Staff costs (see note 8)	8,238,158	6,356,581
Audit fee	32,502	24,135
Research and development	<u>3,795,194</u>	<u>1,516,425</u>

In addition, the auditors received £11,000 (1996 - £13,675) in respect of non-audit services.

Notes to accounts (continued)

8 Staff costs

Particulars of employees (including executive directors) are as shown below:

	1997 £	1996 £
Employee costs during the year amounted to:		
Wages and salaries	7,191,754	5,577,936
Social security costs	748,509	594,222
Other pension costs (see note 21b)	297,895	184,424
	<u>8,238,158</u>	<u>6,356,582</u>

The average monthly number of persons employed by the group during the year was as follows:

	1997 Number employed	1996 Number employed
Production and design	147	114
Sales and marketing	41	41
Administration	21	7
	<u>209</u>	<u>162</u>

Directors' remuneration

Remuneration

The remuneration of the directors was as follows:

	1997 £	1996 £
Emoluments	<u>193,780</u>	<u>213,349</u>

9 Tax on (loss) profit on ordinary activities

The tax (credit) charge comprises:

	1997 £	1996 £
Over provision in respect of prior year	(1,674)	-
Corporation tax	7,735	365,250
Deferred taxation	(16,914)	61,000
Overseas taxation	-	34,516
	<u>(10,853)</u>	<u>460,766</u>

Notes to accounts (continued)

10 Intangible fixed assets

	Group and company		
	Goodwill	Development costs	Total
	£	£	£
Cost			
Beginning of year	61,066	123,375	184,441
Additions	-	-	-
Disposal	(61,066)	-	(61,066)
End of year	-	123,375	123,375
Amortisation			
Beginning of year	3,060	69,904	72,964
Charge for year	6,107	12,323	18,430
Disposal	(9,167)	-	(9,167)
End of year	-	82,227	82,227
Net book value			
Beginning of year	58,006	53,471	111,477
End of year	-	41,148	41,148

11 Tangible fixed assets

The following are included in the net book value of tangible fixed assets:

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Motor vehicles	11,803	20,406	-	1,016
Fixtures and fittings	312,566	372,740	278,955	339,338
Plant and equipment	2,011,748	1,707,856	1,962,636	1,661,298
Net tangible fixed assets	2,336,117	2,101,002	2,241,591	2,001,652

Notes to accounts (continued)

11 Tangible fixed assets (continued)

The movement in the year was as follows:

Group	Motor vehicles £	Fixtures and fittings £	Plant and equipment £	Total £
Cost				
Beginning of year	107,657	492,738	2,717,932	3,318,327
Additions	-	44,590	1,040,012	1,084,602
Disposals	(25,602)	-	(46,900)	(72,502)
Exchange differences	(16,377)	(4,597)	(7,754)	(28,728)
End of year	65,678	532,731	3,703,290	4,301,699
Depreciation				
Beginning of year	87,251	119,998	1,010,076	1,217,325
Charge	6,565	103,456	716,663	826,684
Disposals	(25,273)	-	(19,038)	(44,311)
Exchange differences	(14,668)	(3,289)	(16,159)	(34,116)
End of year	53,875	220,165	1,691,542	1,965,582
Net book value				
Beginning of year	20,406	372,740	1,707,856	2,101,002
End of year	11,803	312,566	2,011,748	2,336,117
Company				
Cost				
Beginning of year	49,040	425,935	2,611,239	3,086,214
Additions	-	35,298	994,836	1,030,134
Disposals	(12,300)	-	(26,492)	(38,792)
End of year	36,740	461,233	3,579,583	4,077,556
Depreciation				
Beginning of year	48,024	86,597	949,941	1,084,562
Charge	686	95,681	678,290	774,657
Disposals	(11,970)	-	(11,284)	(23,254)
End of year	36,740	182,278	1,616,947	1,835,965
Net book value				
Beginning of year	1,016	339,338	1,661,298	2,001,652
End of year	-	278,955	1,962,636	2,241,591

Notes to accounts (continued)

12 Fixed asset investments

The following are included in the net book value of fixed asset investments:

Company	
1997	1996
£	£
Investment in subsidiary undertaking, at cost	
17,065	17,065

The company has an investment in the following subsidiary undertaking:

	Country of incorporation	Principal activity and country of operation	Description and proportion of shares held by the company
Brite Voice Systems Group GmbH	Germany	Sale of voice systems in Germany	50,000 ordinary shares (100%)

13 Stocks

The following are included in the net book value of stocks:

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Raw materials and consumables	2,510,360	1,798,485	2,483,477	1,737,165
Work-in-progress	2,578,928	2,378,193	2,578,928	2,378,193
	5,089,288	4,176,678	5,062,405	4,115,358

Notes to accounts (continued)

14 Debtors

The following amounts are included in the net book value of debtors:

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,961,488	5,216,184	3,048,832	4,381,803
Amounts owed by group undertakings	1,462,300	844,023	2,699,391	1,604,994
VAT	244,325	-	244,325	-
Other debtors	223,307	-	199,910	-
Prepayments and accrued income	3,276,181	1,111,478	3,276,181	1,111,478
	<u>9,167,601</u>	<u>7,171,685</u>	<u>9,468,639</u>	<u>7,098,275</u>
Amounts falling due after more than one year:				
Trade debtors	970,041	-	970,041	-
	<u>10,137,642</u>	<u>7,171,685</u>	<u>10,438,680</u>	<u>7,098,275</u>

15 Creditors: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Trade creditors	1,917,215	1,363,244	1,759,879	1,251,202
Amounts owed to group undertakings	3,248,898	6,470,746	3,683,600	6,495,651
Other creditors:				
- UK corporation tax payable	-	420,252	-	420,252
- overseas taxation	-	32,456	-	-
- VAT	110,602	163,054	-	76,239
- social security and PAYE	230,106	270,969	201,283	250,925
Other creditors	840,743	-	911,113	-
Accruals and deferred income	1,842,415	1,968,000	1,743,347	1,929,226
	<u>8,189,979</u>	<u>10,688,721</u>	<u>8,299,222</u>	<u>10,423,495</u>

Notes to accounts (continued)

16 Creditors: Amounts falling due after one year

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Amounts owed to group undertakings	5,000,000	-	5,000,000	-

The loan is from Brite Voice Systems Inc. and is repayable by 31 December 2001. Interest is charged at a rate of 6% per annum.

17 Provisions for liabilities and charges

	Deferred taxation £
Group and company	
Beginning of year	(37,618)
Credited to profit and loss account in respect of short term timing differences	16,914
End of year	(20,704)

Deferred taxation provided comprises:

	Provided	
	1997	1996
	£	£
Group and company		
Excess of tax allowances over book depreciation of fixed assets	(46,400)	(46,400)
Other timing differences related to current assets and liabilities	25,696	8,782
	(20,704)	(37,618)

18 Called-up share capital

	1997	1996
	£	£
<i>Authorised, allotted, called-up and fully paid</i>		
2,500,000 ordinary shares of £1 each	2,500,000	400,000

During the year the company allotted 2,100,000 ordinary shares with a nominal value of £1 at par.

Notes to accounts (continued)

19 Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Distributable				
- profit and loss account	2,456,334	2,863,761	2,499,169	2,821,977
Non-distributable				
- other reserves	-	28,894	-	-
Total reserves	2,456,334	2,892,655	2,499,169	2,821,977

The movement on reserves during the year was as follows:

Group	Other reserves £	Profit and loss account £	Total £
Beginning of year	28,894	2,863,761	2,892,655
Loss on foreign currency translation	(28,894)	(38,723)	(67,617)
Loss for the year	-	(368,704)	(368,704)
End of year	-	2,456,334	2,456,334

	£	£
Company		
Beginning of year	2,821,977	2,821,977
Loss for the year	(322,808)	(322,808)
End of year	2,499,169	2,499,169

20 Reconciliation of movements in shareholder's funds

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
(Loss) profit for the year	(368,704)	881,835	(322,808)	856,839
Other recognised (loss) gain relating to the year	(67,617)	8,058	-	-
Share issues	2,100,000	-	2,100,000	-
Net addition to shareholders' funds	1,663,679	889,893	1,777,192	856,839
Opening shareholders' funds	3,292,655	2,402,762	3,221,977	2,365,138
Closing shareholders' funds	4,956,334	3,292,655	4,999,169	3,221,977

Notes to accounts (continued)

21 Guarantees and other financial commitments

a) Lease commitments

The group has entered into non-cancellable operating leases in respect of land and buildings, the payments for which extend over a period of up to 6 years. The total annual rental (including interest) for 1997 was £397,668 (1996 - £294,750). The lease agreements provide that the group will pay all insurance, maintenance and repairs.

The minimum annual rentals under the foregoing property leases are as follows:

	Group £	Company £
1997		
Operating leases which expire		
- within 2-5 years	386,796	355,080
- after 5 years	-	-
	<u>386,796</u>	<u>355,080</u>
1996		
Operating leases which expire		
- within 1 year	127,088	90,996
- within 2-5 years	264,084	264,084
	<u>391,172</u>	<u>355,080</u>

b) Pension arrangements

The company maintains a money purchase pension scheme whereby employee and employer contributions are determined by the employee's age. Contributions required under this plan are as follows:

Age	Employee contribution	Employer contribution
20 to 35	4%	5%
36 to 45	5%	6%
Over 45	<u>6%</u>	<u>9%</u>

The pension charge for the year was £297,895 (1996 - £184,424).

22 Related party

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

There were no other related party transactions.

Notes to accounts (continued)

23 Ultimate parent company

The company is a subsidiary undertaking of Brite Voice Systems Inc., incorporated in the United States of America.

The largest group of which Brite Voice Systems Group Limited is a member and for which group accounts are drawn up is that headed by Brite Voice Systems Inc., whose principal place of business is at 250 International Parkway, Ste 300 Heathrow, Florida, 32746, USA. The smallest such group is that headed by Brite Voice Systems Group Limited, whose registered address and principal place of business is Gateway House, Styal Road, Wythenshawe, Manchester M22 5WX, England. The consolidated accounts of these groups are available to the public and may be obtained from the above address.