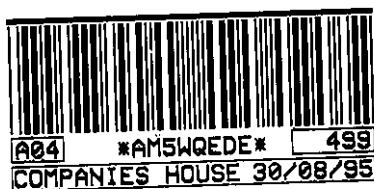


472079

LEETEC LIMITED



Annual Report and Accounts
31st May 1995

DIRECTORS

P Neudegg
D A H Chenery

SECRETARY AND
REGISTERED OFFICE

D J Griffiths
Apex Plaza
Forbury Road
Reading
RG1 1AX

BANKERS

Lloyds Bank plc

AUDITORS

Smith & Williamson
No 1 Riding House Street
LONDON W1A 3AS

COMPANY NUMBER

472279

REPORT OF THE DIRECTORS 1995

The Directors of Leetec Limited submit their Annual Report together with the accounts of the Company for the year ended 31st May 1995.

ULTIMATE PARENT COMPANY

The Ultimate Parent Company is Unitech plc, a company incorporated in Great Britain.

BUSINESS REVIEW

The company did not trade during the year.

HISTORICAL RECORD

£000's	1995	1994	1993	1992	1991
Turnover	-	-	-	1,379	2,944
Profit/(Loss) before taxation	-	133	-	(1,021)	5

DIVIDENDS

The Directors recommend that no dividend be declared for the year.

DIRECTORS

The Directors holding office throughout the year were:

P Neudegg
D A H Chenery

REPORT OF THE DIRECTORS 1995 (CONTINUED)

DIRECTORS' INTERESTS

At 31st May 1995 none of the Directors or their families had any interest in the shares of the Company.

At 31st May 1995 the interests of the Directors, who were not also Directors of the Parent Company, and their families in the shares of Unitech plc were:

	<u>Fully Paid Shares</u>	
	As at 31/5/94	As at 31/5/95
P Neudegg	932	932

	<u>Options</u>				
	As at 31/5/94	Granted	Exercised	Lapsed	As at 31/5/95
Ordinary 10p Shares					
P Neudegg	16,250	1,263	4,000	-	13,513

None of the Directors had a beneficial interest in any contract to which the Company was a party during the year.


AUDITORS

A resolution to reappoint the auditors, Messrs Smith & Williamson, will be proposed at the next Annual General Meeting.

27 July 1995

BY ORDER OF THE BOARD

D J Griffiths
Apex Plaza
Forbury Road
Reading
Berkshire RG1 1AX


Secretary

REPORT OF THE AUDITORS

TO THE MEMBERS OF LEETEC LIMITED

We have audited the financial statements on pages 7 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 6 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 financial statements and to report our opinion to you.

BASIS OF OPINION

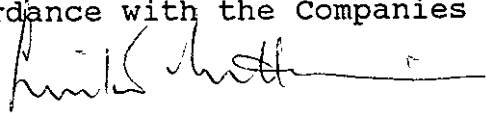
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 affairs of the Company at 31 May 1995 and have been properly prepared in accordance with the Companies Act 1985.

27 July 1995



SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors
No 1 Riding House Street
LONDON W1A 3AS

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 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;
- prepare 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 appropriate accounting records which disclose with reasonable accuracy 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.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The adopted accounting policies are described below.

Turnover

Turnover represents the value of goods invoiced to customers, excluding Value Added Tax and returns.

Foreign currencies

All transactions denominated in foreign currency are translated at the rate of exchange ruling at the date of the transaction (or at the rate at which it is contracted to settle the transaction in the future). Assets and liabilities at the Balance Sheet date are translated into sterling at the closing rate of exchange. Gains and losses arising from trading operations are credited or charged in arriving at the trading profit for the year.

Deferred taxation

Deferred taxation is provided at the appropriate rates on any significant timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a tax liability will crystallise in the foreseeable future.

Development expenditure

Expenditure arising on self funded research and development is charged to profit and loss in the year in which it is incurred whilst that contracted for is matched against income.

Stocks and work in progress

These are valued at the lower of cost or net realisable value. Cost includes overhead expenditure incurred in bringing the product to its present location and condition.

Leased assets

Assets acquired under finance leases are capitalised and depreciated. The corresponding lease obligations are included as creditors in the balance sheet. Amounts paid are apportioned between the finance element which is charged as interest to the profit and loss account and the capital element which reduces lease obligations.

Amounts paid under operating leases are charged to the profit and loss account as incurred.

Pension costs

The annual cost of the company's defined contribution pension plan is charged to the profit and loss account as incurred.

PROFIT AND LOSS ACCOUNT for the year ended 31st May 1995

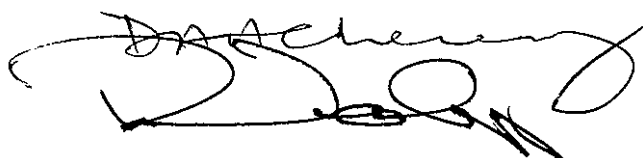
	Notes	1995 £000	1994 £000
Gain arising on sale of building		- ---	133 ---
Operating Profit - Discontinued		- ---	133 ---
Profit for the financial year			133
Dividend	2	- ---	- ---
Retained Profit/(loss) for the year	7	- ===	113 ===

BALANCE SHEET as at 31st May 1995

	Notes	1995 £000	1994 £000
CURRENT ASSETS			
Debtors: Amounts falling due within one year	3	23	23
Amounts falling due after one year	3	1,168	1,168
		<u>-----</u>	<u>-----</u>
		1,191	1,191
CREDITORS: Amounts falling due within one year	4	-	-
		<u>-----</u>	<u>-----</u>
NET CURRENT ASSETS		1,191	1,191
		<u>-----</u>	<u>-----</u>
CREDITORS: Amounts falling due after one year	5	914	914
		<u>---</u>	<u>---</u>
NET ASSETS		277	277
		<u>===</u>	<u>===</u>
CAPITAL AND RESERVES			
Called up share capital	6	50	50
Share premium account	7	3	3
Profit and loss account	7	224	224
		<u>---</u>	<u>---</u>
TOTAL CAPITAL EMPLOYED		277	277
		<u>===</u>	<u>===</u>

SIGNED ON BEHALF OF THE BOARD

P Neudegg) DIRECTORS
D A H Chenery



27 July 1995

STATEMENT OF RECOGNISED GAINS AND LOSSES for the year ended
31st May 1995

	1995 £000	1994 £000
Profit for the Financial Year	-	133
Dividends	- ---	- ---
Total gains and losses recognised since last annual report	- ===	133 ===

NOTE OF HISTORICAL COST PROFIT AND LOSSES

	1995 £000	1994 £000
Reported Profit on Ordinary Activities before Taxation	- ---	133 ---
Historical cost Profit on Ordinary Activities before Taxation	- ===	133 ===

NOTES TO THE ACCOUNTS

1. DIRECTORS' EMOLUMENTS

	1995 £000	1994 £000
Chairman	Nil	Nil
Highest Paid Director	Nil	Nil
Other Directors whose emoluments were in the bands stated:		
£0 - £5,000	-	-

The Chairman who is a director of the Parent Company received emoluments excluded above from the Parent Company, part of which related to services rendered to this company.

2. DIVIDEND

No dividends were declared or paid during the year.

3. DEBTORS

	1995 £000	1994 £000
Amounts falling due within one year:		
Current Account with Parent Company	23 ==	23 ==
Amounts falling due after one year:		
Loan to Group Company (Note 5)	411	411
Loan to Parent Company (Note 5)	757	757
	-----	---
	1,168 =====	1,168 =====

4. CREDITORS

	1995 £000	1994 £000
Creditors include:		
Amounts falling due after one year		
Loans from fellow subsidiary undertakings (Note 5)	914 ===	914 ===

NOTES TO THE ACCOUNTS (continued)

5. GROUP LOANS

The loan to the Parent Company as stated in the Balance sheet is an interest free unsecured loan repayable at call, but it is not expected that it will fall due for repayment within the next year.

The loans to/from fellow subsidiary undertakings are interest free and have no fixed repayment date.

6. SHARE CAPITAL

	1995 £000	1994 £000
Ordinary shares of £1 each		
Authorised	50	50
	==	==
Allotted and fully paid	50	50
	==	==

7. RESERVES

	Share Premium £000	Profit & loss £000
At 31st May 1994	3	224
Retained profit for the year	-	-
	--	---
At 31st May 1995	3	224
	==	===

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1995 £000	1994 £000
Profit for the financial year	-	133
Dividend paid	-	-
	---	----
	-	133
Opening Shareholders' Funds	277	144
	---	----
Closing Shareholders' Funds	277	277
	==	===

9. ULTIMATE PARENT COMPANY

The results of Leetec Limited have been consolidated in the Group accounts of Unitech plc, its Ultimate Parent Company, a company incorporated in Great Britain and registered in England and Wales. The consolidated accounts are available to the public from Apex Plaza, Forbury Road, Reading, Berkshire, RG1 1AX, United Kingdom.

The company has not prepared a cash flow statement as the company's cash flows have been consolidated in the group accounts of its Parent company Unitech plc.