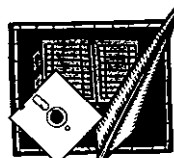
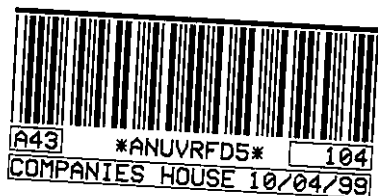


Company Registration No. 1646739 (England and Wales)

GEOTECHNICAL DIGITAL SYSTEMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1998



HOWARD LEE, FELLOWS & CO
CHARTERED ACCOUNTANTS

GEOTECHNICAL DIGITAL SYSTEMS LIMITED

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GEOTECHNICAL DIGITAL SYSTEMS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 1998

The directors present their report and financial statements for the year ended 31 August 1998.

Principal Activities

The company has not traded during the year.

Directors

The following directors have held office since 1 September 1997:

B K Menzies

P Hooker

Directors' interests in group companies are disclosed in the accounts of the holding company.

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board



B K Menzies

Director

1 December 1998

GEOTECHNICAL DIGITAL SYSTEMS LIMITED

BALANCE SHEET AS AT 31 AUGUST 1998

	Notes	1998 £	£	1997 £	£
Current Assets					
Debtors	2	8,436		8,436	
Total Assets Less Current Liabilities			8,436		8,436
Capital and Reserves					
Called up share capital	3		100		100
Profit and loss account	4		8,336		8,336
Shareholders' Funds - equity interests		5	8,436		8,436

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 1 December 1998

P. Hooker

P Hooker
Director

GEOTECHNICAL DIGITAL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

2 Debtors	1998 £	1997 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	8,436	8,436

3 Share capital	1998 £	1997 £
Authorised		
100 Ordinary of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary of £1 each	100	100

4 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 1997	8,336
Balance at 31 August 1998	8,336

5 Reconciliation of Movements in Shareholders' Funds	1998 £	1997 £
Opening shareholders' funds	8,436	8,436
Closing shareholders' funds	8,436	8,436

GEOTECHNICAL DIGITAL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1998

6 Control

The ultimate parent company is GDS Instruments Limited, a company registered in England and Wales, which was controlled throughout the current and previous year by Dr P Hooker and Dr B K Menzies by virtue of their 100% holding in that company.

Copies of the parent company's accounts are obtainable from Companies House, Crown Way, Cardiff, CF4 3UZ.