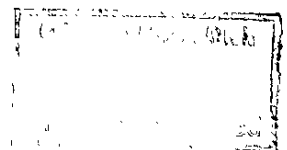


TRACKTECH (UK) LIMITED

ACCOUNTS 1986



TRACKTECH (UK) LIMITED

DIRECTORS REPORT

The directors submit their report and accounts for the period from 6th September 1985 to 31st December 1986.

RESULTS AND DIVIDENDS

The trading loss for the period, after taxation, amounted to £25,322. The directors do not recommend the payment of a final ordinary dividend.

REVIEW OF THE BUSINESS

The company's principal activity during the period was the production of digital mapping.

FIXED ASSETS

The changes in the fixed assets are summarised in the notes to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors as at 31st December 1986 and their interests in the share capital of the company were as follows:

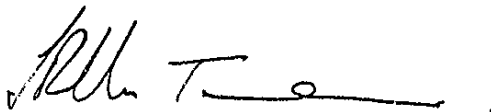
J.R.M. Turner	25 £1 Ordinary Shares fully paid
J. Thornberg (left 6th March 1987)	Nil £1 Ordinary Shares fully paid
M.R. Chapman (appointed 1st August 1986)	Nil £1 Ordinary Shares fully paid

On January 20th 1987 Mr. Turner acquired 5 £1 Ordinary Shares and Mr. Chapman 30 £1 Ordinary Shares from Tracktech AB at par.

CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1970.

BY ORDER OF THE BOARD



J.R.M. TURNER

TRACKTECH (UK) LIMITED

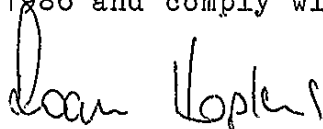
REPORT OF THE AUDITORS  
TO THE MEMBERS OF TRACKTECH (UK) LIMITED

I have audited the financial statements on pages 3 to 8 in accordance with approved auditing standards.

In common with many businesses of similar size and organisation the company's system of control is dependent on the close involvement of the directors who are major shareholders. Where independent confirmation of the completeness of the accounting records was not available I have accepted assurances from the directors that all the transactions have been reflected in the records.

The financial statements have been drawn up on a going concern basis, which assumes adequate finance is available. The company is technically insolvent and therefore I am unable to form an opinion whether such a basis is appropriate. However, the company continues to trade at the date of this report.

Subject to the foregoing, in my opinion the financial statements have been prepared under the historical cost convention give a true and fair view of the company's affairs as at 31st December 1986 and comply with the Companies Act 1985.



Roger Hopkins,  
Chartered Accountant,  
38 Rose Lane,  
Norwich.

6th March 1987

TRACKTECH (UK) LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD 6TH SEPTEMBER 1985 TO 31ST DECEMBER 1986

	Notes	£
Turnover	2	15,131
Distribution Costs and Administrative Expenses		(37,875)
		-----
Operating Loss	3	(22,744)
Interest Payable	5	(2,578)
		-----
Loss for the period		(25,322)
		-----
Accumulated Losses carried forward		£(25,322)
		=====

The notes on pages 5 to 8 form part of these Accounts

TRACKTECH (UK) LIMITED

BALANCE SHEET  
AS AT 31ST DECEMBER 1986

	Notes	£	£
FIXED ASSETS	6		44,476
CURRENT ASSETS			
Stock	7	4,300	
Debtors	8	11,888	
Cash in Hand		7	
		-----	
		£16,195	
		=====	
CREDITORS: Amounts falling due within one year	9	£57,346	
		=====	
NET CURRENT LIABILITIES			(41,151)
			-----
			3,325
CREDITORS: Amounts falling due after one year			
Loan		6,650	
Obligations under Leasing and HP Contracts	10	21,897	
		-----	28,547
			-----
			£(25,222)
			=====
CAPITAL AND RESERVES			
Called up Share Capital	11		100
Profit and Loss Account			(25,322)
			-----
			£(25,222)
			=====

J.R.M. TURNER

M.R. CHAPMAN

} DIRECTORS

*MR Turner*  
*MC Chapman*

6th March 1987

The notes on pages 5 to 8 form part of these Accounts

TRACKTECH (UK) LIMITED

NOTES TO THE ACCOUNTS  
AS AT 31ST DECEMBER 1986

1. ACCOUNTING POLICIES

(a) Accounting Convention

The Accounts are prepared under the historical cost convention.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and Machinery	)	
Fixtures and Fittings	)	25% straight line
Motor Vehicles	)	

(c) Stocks

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

(d) Deferred Taxation

Deferred Taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences, except for those which are not expected to reverse in the future.

(e) Leasing and Hire Purchase Commitments

Assets obtained under leasing and Hire Purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax.

3. OPERATING LOSS

£

(a) This is stated after charging or crediting:

Directors remuneration (see below)	15,739
Auditors remuneration	400
Depreciation	4,419
Hire of plant and machinery	207

(b) Directors Remuneration

£

Salaries	15,739
----------	--------

TRACKTECH (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont'd.)  
AS AT 31ST DECEMBER 1986

4. STAFF COSTS

£

Wages and Salaries	17,256
Social Security Cost	3,286
	-----
	£20,542
	=====

The average weekly number of employees during the period was made up as follows:

Office and Management	No.
	4

Staff costs include amounts paid to directors in the form of directors remuneration.

5. INTEREST PAYABLE

£

Bank charges and interest on overdraft	413
Hire Purchase interest	429
Leasing Interest	1,736
	-----
	£2,578
	=====

6. TANGIBLE FIXED ASSETS

	Total £	Motor Vehicles £	Plant and Fixtures & Equipment £	Fittings & £
COST				
Additions	50,000	5,000	44,070	930
	-----	-----	-----	-----
Balance at 31.12.86	£50,000	5,000	44,070	930
	=====	=====	=====	=====
DEPRECIATION				
Charge for the period	5,524	1,250	4,041	233
	-----	-----	-----	-----
Balance at 31.12.86	£5,524	1,250	4,041	233
	=====	=====	=====	=====
NET BOOK VALUE				
31.12.86	£44,476	3,750	40,029	697
	=====	=====	=====	=====

TRACKTECH (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont'd.)  
AS AT 31ST DECEMBER 1986

7. STOCKS

	£
Work in Progress	4,300
	=====

8. DEBTORS

	£
Trade Debtors	10,916
Prepayments and Accrued Income	972
	-----
	£11,888
	=====

9. CREDITORS: Amounts falling due within one year

	£
Bank Overdraft	23,408
Obligations under hire purchase contracts	1,300
Obligations under leasing agreements	13,966
Trade Creditors	3,264
Taxes and Social Security Costs	3,427
Directors Current Account	8,812
Value Added Tax	90
Accruals	3,079
	-----
	£57,346
	=====

10. HIRE PURCHASE CONTRACTS AND LEASING AGREEMENTS

(a) Hire Purchase Contracts	Capital Repayable £	Interest Payable £	Total £
Due within one year of balance sheet date	1,300	692	1,992
Due over one year from balance sheet date	1,408	751	2,159
	-----	-----	-----
	£2,708	1,443	4,151
	=====	=====	=====

In the event of early settlement of these contracts the company would be obliged to repay approximately £4,000.



TRACKTECH (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont'd.)  
AS AT 31ST DECEMBER 1986

10. HIRE PURCHASE CONTRACTS AND LEASING AGREEMENTS (Cont'd.)

(b) Leasing Agreements	Capital Repayable £	Interest Payable £	Total £
Due within one year from balance sheet date	13,966	2,790	16,756
Due over one year from balance sheet date	20,489	4,062	24,551
	£34,455	6,852	41,307
	=====	=====	=====

All assets purchased under leasing agreements are capitalised and shown in fixed assets on the balance sheet.

11. SHARE CAPITAL	Authorised	Issued and Fully Paid
£1 Ordinary Shares	100	100
	=====	=====
12. ULTIMATE HOLDING COMPANY		

During the year Tracktech AB, a company incorporated in Sweden held a 75% interest in the share capital of the company. On 20th January 1987 Tracktech AB disposed of 35 £1 Ordinary Shares to the directors leaving their interest at 40%.