

Geografix Limited

Directors' report and financial statements

31 December 1994

Registered number 1945220



Geografix Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and officers	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Auditors' reports	5 - 6
Profit and loss account	7
Balance sheet	8
Notes	9 - 21

Geografix Limited

Directors and officers

Directors

CA Rose
MR Chapman

Secretary

PM Reed

Registered office

Hurricane Way
Norwich
Norfolk
NR6 6EW

Auditors

KPMG
Holland Court
The Close
Norwich
NR1 4DY

Bankers

Barclays Bank PLC
Bank Plain
Norwich

Geografix Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Principal activities

The company is principally engaged in the activities of the development of information technology systems largely related to establishing position and location. There are two main areas of specialisation:

- Geographical information systems, including automated high speed surveys, mapping, map conversion, and systems implementation
- Tagging systems and services.

Business review

1994 was a very poor year for the company largely because of the concentration of effort and resources into projects which were commercially unsuccessful. As a result the company has decided to exercise caution and has chosen to write off all development expenditure on those projects. In addition the company has chosen to write off its investments in overseas subsidiaries as in the judgement of the company and its advisers they are unlikely to be realised.

Since the year end there have been significant changes to the management of the company, the activities of the company have been defined and focused and the directors now look forward with increasing confidence.

The loss for the year transferred to reserves is £(607,473) (1993:retained profit £73,021).

Dividends

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who served during the year and their interests in the share capital of the company at the beginning and end of the year were:

	Ordinary shares of £1 each	
	At 31 December 1994	At 1 January 1994
JRM Turner (resigned 12 July 1995)	62	62
MR Chapman	62	62
DJ Collins (deceased 13 December 1994)	-	-
Mrs J Turner (resigned 10 March 1995)	-	-
Mrs BT Chapman (resigned 10 March 1995)	-	-
JRM Turner (resigned 12 July 1995) and MR Chapman	1	1

Mr CA Rose was appointed on 14 July 1995.

Geografix Limited

Directors' report *(continued)*

Fixed assets

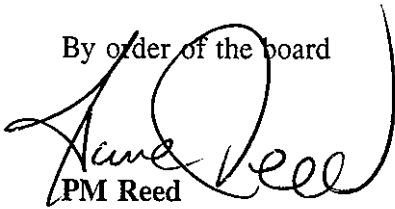
Movements in fixed assets during the year are shown in notes 9 to 11 of the financial statements.

Auditors

On 2 August 1995, Lovewell Blake resigned as auditors of the company and KPMG were appointed.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



PM Reed
Secretary

26 February 1996

Hurricane Way
Norwich
NR6 6EW

Geografix Limited

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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Holland Court
The Close
Norwich
NR1 4DY

Auditors' report to the members of Geografix Limited

We have audited the financial statements on pages 7 to 21.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of 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 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.

Fundamental uncertainty: going concern

In forming our opinion, we have considered the adequacy of the disclosure made in note 1(c) of the financial statements concerning the uncertainty as to the continuation and renewal of the company's bank overdraft facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG

Chartered Accountants
Registered Auditors

26 FEBRUARY 1996



Holland Court
The Close
Norwich
NR1 4DY

Auditors' report to the directors of Geografix Limited pursuant to Section 248(3) of the Companies Act 1985

We have examined the financial statements of the company on pages 7 to 21 and of its subsidiary undertakings, shown in note 11, for the year ended 31 December 1994.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group financial statements as conferred by Section 248 of the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'WMB'.

KPMG

*Chartered Accountants
Registered Auditors*

26 FEBRUARY 1996

Geografix Limited

Profit and loss account for the year ended 31 December 1994

	<i>Note</i>	1994 £	1993 £
Turnover	2	730,590	1,116,280
Cost of sales - normal		(412,618)	(515,521)
- exceptional	3	(417,816)	-
Gross (loss)/profit		(99,844)	600,759
Administrative expenses		(475,587)	(475,491)
Operating (loss)/profit	4	(575,431)	125,268
Interest receivable		-	84
Amounts written off investments	11	(50,000)	-
Interest payable	7	(32,028)	(22,840)
(Loss)/profit on ordinary activities before taxation		(657,459)	102,512
Tax on (loss)/profit on ordinary activities	8	49,986	(29,491)
(Loss)/profit for the financial year		(607,473)	73,021
Retained profit brought forward		79,269	6,248
(Accumulated loss)/retained profit carried forward		£(528,204)	£79,269

The results shown above were not affected by acquisitions or discontinued operations.

There were no recognised gains or losses other than the (loss)/profit for the financial year.

The notes on pages 9 to 21 form part of these financial statements.

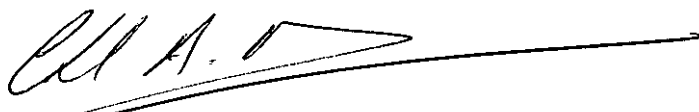
Geografix Limited

Balance sheet at 31 December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Intangible assets	9		-		36,044
Tangible assets	10		54,064		80,441
Investments	11		-		48,000
			<u>54,064</u>		<u>164,485</u>
Current assets					
Stocks	12	12,521		23,448	
Debtors	13	147,338		241,561	
Cash at bank and in hand		178		38,584	
		<u>160,037</u>		<u>303,593</u>	
Creditors: amounts falling due within one year	14	(423,993)		(278,227)	
Net current (liabilities)/assets			<u>(263,956)</u>		<u>25,366</u>
Total assets less current liabilities			<u>(209,892)</u>		<u>189,851</u>
Creditors: amounts falling due after more than one year	15	(83,952)		(60,482)	
Provisions for liabilities and charges	16	(184,260)		-	
			<u>£(478,104)</u>		<u>£129,369</u>
Capital and reserves					
Called up share capital	17		125		125
Share premium account			49,975		49,975
Profit and loss account			(528,204)		79,269
			<u>£(478,104)</u>		<u>£129,369</u>
(Deficit)/surplus on equity shareholders' funds	18		<u>£(478,104)</u>		<u>£129,369</u>

These financial statements were approved by the board of directors on 26 February 1995 and were signed on its behalf by:

CA Rose
Director



The notes on pages 9 to 21 form part of these financial statements.

Geografix Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The financial statements have been prepared on a going concern basis which assumes that the company will continue to trade with the support of its bankers.

(a) *Basis of accounting*

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Group financial statements*

The company is exempt from preparing consolidated financial statements under Section 248 of the Companies Act 1985. The financial statements present a view of the individual company's affairs and do not reflect the transactions of the group.

(c) *Basis of preparing the financial statements*

The company meets its day to day working capital requirements through an overdraft facility which, in common with all such facilities, is repayable on demand. The company's bank overdraft as at the balance sheet date was £71,904 as included in these financial statements (note 14). At the balance sheet date the company had an agreed overdraft facility of £100,000.

In addition, the company has arranged a bank loan facility under the Government Guarantee Loan Scheme. The balance on this loan account as at the balance sheet date was £158,333 (notes 14 and 15). Details of the repayment terms are set out in note 15.

The overdraft facility was reviewed on 20 January 1995 and extended until September 1995. The facility then expired and from that date the company operated within informally agreed limits. The facility was again renewed on 17 January 1996 and extended until 31 March 1996. The agreement of facilities after this date remains subject to ongoing negotiations with the company's bankers. However, there is always the possibility that the facility will not be renewed at a level adequate for the company's requirements.

The company has prepared profit forecasts and detailed cash flow projections to 31 December 1996 and has produced monthly management accounts for the bank. On the basis of this cash flow information, recent management accounts, other financial information and discussions with the company's bankers, the directors consider that it is likely that facilities adequate for the company's requirements will be forthcoming. On this basis and discussions with third parties which have indicated a substantial capital value in the company, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Geografix Limited

Notes (continued)

1 Accounting policies (continued)

(d) Depreciation

Depreciation is calculated to write off the cost less the estimated residual values, of tangible fixed assets over their estimated useful lives as follows:

Plant and equipment	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

The cost, less estimated residual value, of intangible fixed assets is amortised over their estimated useful lives as follows:

Research and development	Over the period of anticipated sales of the developed product
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(e) Research and development

Expenditure is written off as incurred, with the exception of non-pioneering development expenditure on an individual project where the future recoverability can be reasonably foreseen. To the extent that expenditure is carried forward it is amortised in line with the expected sales from the related project.

As at 31 December 1994, the directors have reconsidered the expected future sales from the navigation product known as 'Vision' and as a result, all related research and development expenditure has been written off to the profit and loss account (note 3). No significant further sales are expected.

(f) Stock and work in progress

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

(g) Deferred taxation

Provision is made for deferred tax except where, in the opinion of the directors, it is not likely to be payable in the foreseeable future.

(h) Assets held under finance leases and hire purchase contracts

Fixed assets held under hire purchase contracts, and those financed by leasing agreements which give rights approximating to ownership (ie finance leases) are treated in accordance with Statement of Standard Accounting Practice No 21 as if purchased outright. The corresponding obligations are included in creditors.

Depreciation is provided, depending on the type of fixed asset, by the rates and methods set out in note 1(d).

The related finance costs are charged to the profit and loss account over the period of the lease.

Geografix Limited

Notes (continued)

1 Accounting policies (continued)

(i) *Operating leases*

Operating lease rentals are charged to the profit and loss account over the period of the lease.

(j) *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling on the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Significant differences arising due to exchange fluctuations have been reflected in the profit and loss account.

(k) *Pension scheme*

The company operates a defined contribution pension scheme for directors and senior employees and also makes contributions to employees' personal pension schemes. The pension costs represents contributions made by the company.

(l) *Cash flow statement*

The company has taken advantage of the exemption conferred on it by Financial Reporting Standard 1 as it qualifies as a small sized company.

2 Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

An analysis of turnover by geographical market is:

	1994 £	1993 £
United Kingdom	664,376	979,307
Europe	20,913	81,786
Far East	8,450	24,924
South Africa	34,968	29,420
Other	1,883	843
	<hr/>	<hr/>
	£730,590	£1,116,280
	<hr/>	<hr/>

Geografix Limited

Notes (continued)

3 Exceptional cost of sales

Exceptional cost of sales represent the following:

	Note	1994 £	1993 £
Research and development costs written off	(i)	233,556	-
Provision against loss on contracts	(ii)	47,471	-
Provision against costs of reorganisation	(iii)	136,789	-
		<u>£417,816</u>	<u>£-</u>

- (i) Write off of research and development costs on the navigation product known as 'Vision' following a reassessment, by the directors, of the expected future sales of that product. No significant future sales are anticipated and therefore all research and development expenditure on the product has been written off as follows:

	1994 £	1993 £
Current year	197,512	-
Amortisation of deferred expenditure	36,044	-
	<u>£233,556</u>	<u>£-</u>

- (ii) During 1995, the company has continued to make sales of component parts for the construction of the navigation product known as 'Vision' to Geografix Navigation Systems Limited. These sales, which were made at cost, relate to goods which the company was committed to purchase as at 31 December 1994. As stated in note 22, Geografix Navigation Systems Limited ceased trading in August 1995 and the balance owing to Geografix Limited was written off. Provision has therefore been made for the loss on the contracts noted above and further research and development costs incurred on the project in 1995.

- (iii) As part of the company's trading agreement with Geografix Navigation Systems Limited it was required to subordinate an unsecured loan due to Tholco Limited, a company registered in England, in the event of Geografix Navigation Systems Limited being unable to pay the debt. As Geografix Navigation Systems Limited ceased to trade in August 1995 without paying this amount, the subordination duly took place. The directors of Geografix Limited regard this cost as part of the overall restructure strategy of the company and have therefore made provision against the amount in these financial statements.

Geografix Limited

Notes (continued)

4 Operating (loss)/profit

Operating (loss)/profit is stated after (crediting)/charging:

	1994 £	1993 £
Operating lease rentals for plant and machinery	-	1,457
Finance lease costs of plant and machinery	22,631	28,438
Rental of premises	17,606	21,930
Depreciation	31,360	44,482
Loss on disposal of fixed assets	-	203
Auditors' remuneration - audit	3,450	3,600
(Profit)/loss on foreign exchange	(1,155)	190

5 Staff costs

Average number of employees (including directors) during the year:

	Number of employees	
	1994	1993
Directors	5	5
Direct labour	12	22
Administration	2	3
	<u>19</u>	<u>30</u>

The aggregate payroll costs of these persons were as follows:

	1994 £	1993 £
Wages and salaries	303,099	537,348
Social security costs	30,916	54,476
Other pension costs	9,740	18,326
	<u>£343,755</u>	<u>£610,150</u>

Wages and salaries include £18,587 (1993:£Nil) in respect of recharges from a related undertaking (note 22).

Geografix Limited

Notes (continued)

6 Directors' emoluments

	1994 £	1993 £
Management remuneration	158,418	159,410
Pension contributions	7,331	14,090
	<u>£165,749</u>	<u>£173,500</u>

Management remuneration includes £11,308 (1993:£Nil) in respect of recharges from a related undertaking (note 22).

	1994	1993
Chairman and highest paid director (excluding pension contributions)	<u>£68,644</u>	<u>£57,400</u>

The emoluments of the directors were within the following bands:

	Number of directors	
	1994	1993
£10,001 - £15,000	1	-
£15,001 - £20,000	-	2
£20,001 - £25,000	2	1
£25,001 - £30,000	1	-
£40,001 - £45,000	-	1
£55,001 - £60,000	-	1
£65,001 - £70,000	1	-
	<u>1</u>	<u>1</u>

7 Interest payable

On bank loans, overdrafts and other loans wholly repayable within five years:

	1994 £	1993 £
Bank overdraft	5,587	7,360
Finance lease and hire purchase contracts repayable by instalments	7,979	7,496
Bank loans repayable by instalments	12,777	1,008
Other loans not repayable by instalments	4,685	6,976
On overdue corporation tax	1,000	-
	<u>£32,028</u>	<u>£22,840</u>

Geografix Limited

Notes (continued)

8 Taxation

Tax credit/(charge) for the year represents:

	1994 £	1993 £
UK corporation tax at 25% (1993:27.29%)		
- Current year	42,500	(29,491)
- Previous year	11,484	-
Irrecoverable notional ACT on directors loan account written off (note 13)	(3,998)	-
	<u>£49,986</u>	<u>£(29,491)</u>

The company has trading losses available to carry forward amounting to approximately £225,000 (1993:£Nil).

9 Intangible fixed assets

	Research and development £
<i>Cost</i>	
At beginning of year	36,044
Additions	197,512
Amounts written off (note 3)	(233,556)
	<u>-</u>
At end of year	<u>-</u>
<i>Net book value</i>	
At 31 December 1994	£-
	<u>-</u>
At 31 December 1993	<u>£36,044</u>

Geografix Limited

Notes (continued)

10 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost</i>				
At beginning of year	199,745	13,467	67,927	281,139
Additions	2,978	2,005	-	4,983
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	202,723	15,472	67,927	286,122
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>				
At beginning of year	145,357	12,457	42,884	200,698
Charge for year	19,519	652	11,189	31,360
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	164,876	13,109	54,073	232,058
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>				
At 31 December 1994	<u>£37,847</u>	<u>£2,363</u>	<u>£13,854</u>	<u>£54,064</u>
At 31 December 1993	<u>£54,388</u>	<u>£1,010</u>	<u>£25,043</u>	<u>£80,441</u>

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1994	1993
Net book value at 31 December 1994	<u>£34,058</u>	<u>£51,849</u>
Depreciation charge for the year	<u>£14,652</u>	<u>£20,942</u>

11 Investments

	1994 £	1993 £
<i>Investment in subsidiary undertakings</i>		
At beginning of year	48,000	-
Additions	2,000	48,000
Amounts written off	(50,000)	-
	<u> </u>	<u> </u>
	£-	£48,000
	<u> </u>	<u> </u>

Geografix Limited

Notes (continued)

11 Investments (continued)

Details of subsidiary undertakings at the balance sheet date are as follows:

	Loss for the financial year		Balance sheet total	
	1994 £	1993 £	1994 £	1993 £
Geografix International Limited (software/systems sales)	(9,800)	(6,335)	(15,400)	(5,291)
Geografix Systems (Singapore) Pte Limited (software/systems development)	(58,744)	-	(38,227)	-

The results for Geografix International Limited, which is registered in England and was incorporated on 1 June 1993, are based on the draft financial statements for the year ended 31 December 1994 and the period ended 31 December 1993. The results for Geografix Systems (Singapore) Pte Limited, which was incorporated in Singapore on 7 April 1993, are based on the draft financial statements for the year ended 31 March 1994.

Geografix International Limited ceased to trade on 30 September 1995 and is currently being wound up.

The directors consider that in their opinion the aggregate value of the assets of the company, consisting of shares in or amounts due from the company's subsidiary undertakings, is not less than the aggregate of the amounts at which those assets are stated in the company's balance sheet.

The company owns all of the issued ordinary share capital of each subsidiary undertaking.

12 Stocks

	1994 £	1993 £
Raw materials and consumables	3,500	7,000
Work in progress	9,021	16,448
	<u>£12,521</u>	<u>£23,448</u>

Geografix Limited

Notes (continued)

13 Debtors

	1994 £	1993 £
Trade debtors	55,929	154,773
Amounts due from subsidiary undertakings	7,352	69,089
Amounts due from related undertaking (note 21)	54,046	-
Other debtors	6,170	15,799
Prepayments and accrued income	3,346	1,900
Corporation tax recoverable	20,495	-
	<u>£147,338</u>	<u>£241,561</u>

Corporation tax recoverable is unlikely to be repaid within one year.

Other debtors include an interest free loan to a former director of the company, JRM Turner, details of which are as follows:

	1994 £	1993 £
Amount outstanding at beginning of year	12,898	-
Amount outstanding at end of year	4,000	12,898
Maximum outstanding during the year	<u>19,992</u>	<u>12,898</u>

Administrative expenses include £15,992 (1993:£Nil) being a provision against the amounts recoverable on the loan.

14 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank loans and overdrafts	171,904	72,787
Finance lease obligations	25,494	22,208
Trade creditors	96,102	66,494
Amounts due to subsidiary undertakings	-	8,048
Amount due to related undertaking (note 22)	26,962	-
UK corporation tax	-	30,682
Tax and social security costs	38,863	45,385
Other creditors	10,000	3,500
Accruals and deferred income	54,668	29,123
	<u>£423,993</u>	<u>£278,227</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company. Finance lease obligations are secured on the related assets.

Geografix Limited

Notes (continued)

15 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Bank loans	58,333	20,000
Finance lease obligations	5,185	17,832
Other creditors	20,434	22,650
	<u>£83,952</u>	<u>£60,482</u>

Amounts payable by instalments between two and five years hence:

	1994 £	1993 £
Bank loans	58,333	20,000
Finance lease and hire purchase contracts	5,185	17,832
	<u>£63,518</u>	<u>£37,832</u>

The company has arranged a £200,000 bank loan facility under the Government Guarantee Loan Scheme. As at 31 December 1994 the company had drawn on all of this facility and the unpaid balance amounted to £158,333. The terms of repayment of the loan are 24 monthly repayments of £8,333.33 which began in August 1994 with interest being charged at 2½% per annum over base rate subject to a minimum rate of 7½%.

16 Provisions for liabilities and charges

	Note	1994 £	1993 £
<i>Other provisions</i>			
Provision against loss on contracts	3	47,471	-
Provision against costs of reorganisation	3	136,789	-
		<u>£184,260</u>	<u>£-</u>

17 Called up share capital

	1994	1993
<i>Authorised</i>		
Ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
<i>Issued and fully paid</i>		
Ordinary shares of £1 each	<u>£125</u>	<u>£125</u>

Geografix Limited

Notes (continued)

18 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
(Loss)/profit for the financial year	(607,473)	73,021
Opening shareholders' funds attributable to equity shareholders	<u>129,369</u>	<u>56,348</u>
Closing (deficit)/surplus on shareholders' funds attributable to equity shareholders	<u>£(478,104)</u>	<u>£129,369</u>

19 Transactions with directors

MR Chapman has made a loan to the company and received interest at 16% per annum on the monthly balance. As at 31 December 1994 the loan was £20,434 and interest of £4,517 had accrued for the year.

20 Operating lease commitments

At 31 December 1994, the company had annual commitments under operating lease agreements expiring as follows:

	1994	1993
<i>Land and buildings</i>		
Within one year	<u>£25,824</u>	<u>£25,824</u>
<i>Other</i>		
Within 2-5 years	<u>£1,158</u>	<u>£-</u>

21 Pension arrangements

The company operates defined contribution schemes for directors and senior employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost represents contributions made by the company to the schemes which amounted to £7,448 (1993:£15,928). During the year the company also made contributions to employees personal pension schemes, the assets of which are held separately from those of the company in independently administered funds. The pension cost represents contributions made by the company to the schemes which amounted to £2,292 (1993:£2,398).

There were no prepayments or accruals at the balance sheet date in respect of either schemes contributions.

Geografix Limited

Notes (continued)

22 Directors' material interest in contracts

During the year the company entered into contracts at cost with Geografix Navigation Systems Limited, a company under the control of JRM Turner and MR Chapman, who were also directors of Geografix Limited, as follows:

	1994	1993
Sales of component parts for a navigation product known as 'Vision'	<u>£120,661</u>	<u>£-</u>
Wages and salaries recharge	<u>£(18,587)</u>	<u>£-</u>

Geografix Navigation Systems Limited is registered in England and was incorporated on 13 January 1994.

Post balance sheet event

Geografix Navigation Systems Limited ceased trading in August 1995. As set out in note 3 full provision has been made for various costs, incurred by Geografix Limited, arising from this event.

23 Post balance sheet events

(i) *Nova Holding AG*

During 1995, Geografix Limited has received a loan from Nova Holding AG, a Swiss family trust, amounting to £80,000. The loan bears interest at 6% above bank base rate and is repayable on demand although Nova Holding AG has indicated that this will not be required before 1 January 1996.

(ii) *Unsecured loan*

As stated in note 3, the company took on an unsecured loan amounting to £136,789 from Tholco Limited, a company registered in England, on 1 November 1995.

(iii) *Ordinary share issue*

On 10 March 1995, the company allotted 800 ordinary shares of £1 each to Nova Holding AG. At the same time a further 74 such shares were also issued to existing shareholders.

(iv) *Geografix International Limited*

On 30 September 1995, Geografix International Limited (note 11) ceased trading. A provision of £30,817 has been made in these accounts against the amounts owed by Geografix International Limited at 31 December 1994 and the investment in Geografix International Limited has been written down to £Nil.