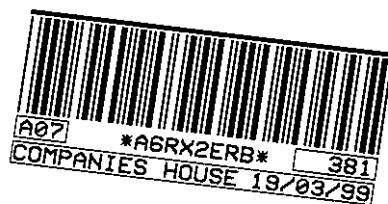


Ryearch Limited
Abbreviated financial statements
for the year ended 30 June 1998

Registered no: 2504664



**Report of the auditors to the directors of
Ryearch Limited under Section 247B of
the Companies Act 1985**

We have examined the abbreviated financial statements on pages 2 to 4 together with the annual financial statements of Ryearch Limited for the year ended 30 June 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and whether the abbreviated financial statements are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the annual financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements to be delivered are properly prepared in accordance with those provisions.



Coopers & Lybrand

Chartered Accountants and Registered Auditors
Plymouth



1999

Ryearch Limited

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Balance sheet at 30 June 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets		45,512	15,826
Current assets			
Stocks and work in progress		731,274	157,041
Debtors (falling due within one year)		139,459	116,993
Cash at bank and in hand		108,690	31,650
		<u>979,423</u>	<u>305,684</u>
Creditors: amounts falling due within one year		893,634	193,013
		<u>85,789</u>	<u>112,671</u>
Net current assets			
Provision for liabilities and charges			
Deferred tax		2,800	-
		<u>128,501</u>	<u>128,497</u>
Net assets			
Capital and reserves			
Called up share capital	2	100	100
Profit and loss account		128,401	128,397
		<u>128,501</u>	<u>128,497</u>
Equity shareholders' funds			

The abbreviated financial statements have been prepared in accordance with the special provisions of Section A of part III of Schedule 8 of the Companies Act 1985 relating to small companies.

The financial statements on pages 2 to 4 were approved by the board of directors on 9 March 1999 and were signed on its behalf by:



P Creaven

**Notes to the financial statements
for the year ended 30 June 1998****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Motor vehicles	25
Fixtures and fittings	10
Plant and equipment	10

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Turnover on short term contracts is recognised once the contract is complete.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pensions

The company operates defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge includes contributions payable by the company to the funds of £5,227 (1997: £11,215). £300 was accrued at 30 June 1998 (1997: Nil).

2 Called up share capital

	1998 £	1997 £
Authorised		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

3 Directors' loans

The balances during the year on the interest free loans to directors were as follows:

	P C Creaven £	A Mitchell £
At 1 July 1997	10,000	4,700
Highest overdrawn balance during the year	10,000	4,700
At 30 June 1998	10,000	2,500
	<u> </u>	<u> </u>