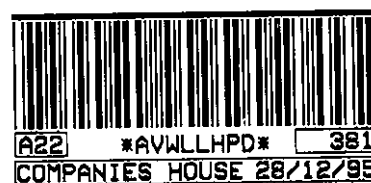

ROAD MANAGEMENT SYSTEMS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 1994**

Company Number: 2802508



ROAD MANAGEMENT SYSTEMS LIMITED

Company Information

Directors	M Denton Appt .23/03/93 Resigned 20/07/95 J Ingram Appt . 23/03/93 Resigned 26/05/95 J Beadsley Appt.26/05/95 Resigned 20/07/95 J Woodbridge Appt. 20/07/95 M Marki Appt. 30/08/95
Secretary	Paramount Financial Services Limited
Company Number	2802508
Registered Office	Garden Court Westhumble Dorking Surrey RH5 6BT
Auditors	Edwards & Co Resigned 20/07/95

ROAD MANAGEMENT SYSTEMS LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994

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

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 of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

Principal activities and review of business

The principal activity is that of investment company. The company also provides some business consultancy services to Ro. De. Co. Srl, related to development of the UK market for that company's services.

The results for the year are set out on page 2.

The Company increased its investment in Ro. De. Co. Srl, with the purchase of a further 3,960 shares representing 4% of the issued share capital of Ro. De. Co. Srl, bringing the total investment to 9,900 ordinary shares representing 10% of the issued share capital.

Dividends

The directors do not recommend that a dividend is paid and the loss of £(10,288) be carried to reserves.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were :

	1 shares of £1 each	
	1994	1993
M Denton Appt. 23/03/93 Resigned 20/07/95	-	-
J Ingram Appt. 23/03/93 Resigned 26/05/95	-	-
J Beadsley Appt. 26/05/95 Resigned 20/07/95	-	-
J Woodbridge Appt. 20/07/95	-	-
M Marki Appt. 30/08/95	-	-

Auditors

The auditors, Edwards & Co Resigned 20/07/95, and as the company is exempt from the requirement to appoint auditors, no new auditors have been appointed.

This report was approved by the board on 22 December 1995 and signed on its behalf.



Authorised Signatory
Paramount Financial Services Limited
Secretary

ROAD MANAGEMENT SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 1994

	Note	Year ended 31 December 1994 £	Period ended 31 December 1993 £
TURNOVER	1,2	28,149	5,000
Distribution costs		(26,167)	(4,434)
Administrative expenses		(12,169)	(6,944)
Other operating income		(101)	12,022
OPERATING (LOSS)/PROFIT	3	(10,288)	5,644
(LOSS)/RETAINED PROFIT FOR THE YEAR		(10,288)	5,644
RETAINED PROFIT BROUGHT FORWARD		5,644	-
LOSS CARRIED FORWARD		£ (4,644)	£ 5,644

Turnover and operating profit derive wholly from continuing operations.

There were no recognised gains and losses for 1994 or 1993 other than those included in the profit and loss account.

The notes on pages 4 to 6 form part of these financial statements.

ROAD MANAGEMENT SYSTEMS LIMITED

BALANCE SHEET As at 31 December 1994

	Note	£	1994 £	£	1993 £
FIXED ASSETS					
Investments	4		570,786		252,907
			<u>570,786</u>		<u>252,907</u>
CURRENT ASSETS					
Debtors	5	10,000		5,000	
Cash in hand		12,847		-	
		<u>22,847</u>		<u>5,000</u>	
CREDITORS: amounts falling due within one year	6	(588,277)		(242,263)	
NET CURRENT LIABILITIES			<u>(565,430)</u>		<u>(237,263)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 5,356</u>		<u>£ 15,644</u>
CAPITAL AND RESERVES					
Called up share capital	7		10,000		10,000
Profit and loss account			(4,644)		5,644
SHAREHOLDERS' FUNDS	8		<u>£ 5,356</u>		<u>£ 15,644</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and no notice requiring an audit has been deposited under section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 1994 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements were approved by the board on 22 December 1995 and signed on its behalf



J C Woodbridge FCA, LLB

Director

The notes on pages 4 to 6 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1994

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.4 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

2. TURNOVER

The whole of the turnover and profit before taxation is attributable to the one principal activity of the company and represents consulting fees.

A geographical analysis of turnover is as follows:

	Year ended 31 December 1994 £	Period ended 31 December 1993 £
Europe	28,149	5,000
	£ 28,149	£ 5,000

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting):

	Year ended 31 December 1994 £	Period ended 31 December 1993 £
Auditors' remuneration	-	300
Foreign exchange differences	101	(12,022)

No director received any emoluments (1993 - £Nil). Fees for the services of Messrs Denton, Ingram and Beadsley were paid to Edsaco Limited and incorporated within the administration fees paid to that company of £4536.

ROAD MANAGEMENT SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 1994

Staff costs were as follows:

	Year ended 31 December 1994 £	Period ended 31 December 1993 £
Wages and salaries	16,787	2,889
Social security costs	9,380	1,545
	<u>£ 26,167</u>	<u>£ 4,434</u>

The average weekly number of employees, including directors, during the year was as follows:

	Year ended 31 December 1994	Period ended 31 December 1993
Administration	2	2
Consulting	1	1

4. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Loans to group undertakings £	Other investments £	Total £
Cost				
At 1 January 1994	-	-	252,907	252,907
Additions	-	-	317,879	317,879
At 31 December 1994	<u>-</u>	<u>-</u>	<u>570,786</u>	<u>570,786</u>
Net Book Value				
At 31 December 1994	<u>£ -</u>	<u>£ -</u>	<u>£ 570,786</u>	<u>£ 570,786</u>
At 31 December 1993	<u>£ -</u>	<u>£ -</u>	<u>£ 252,907</u>	<u>£ 252,907</u>

5. DEBTORS

	1994 £	1993 £
Due within one year		
Trade debtors	10,000	5,000
	<u>£ 10,000</u>	<u>£ 5,000</u>

ROAD MANAGEMENT SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 1994

**6. CREDITORS:
Amounts falling due within one year**

	1994 £	1993 £
Other creditors	579,978	239,000
Accruals and deferred income	8,299	3,263
	<u>£ 588,277</u>	<u>£ 242,263</u>

Other creditors represents shareholder loans which have no specified terms of repayment and are not interest bearing.

7. CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised		
200000 ordinary shares of £1.00 each	<u>£ 200,000</u>	<u>£ 200,000</u>
Allotted, called up and fully paid		
10000 ordinary shares of £1.00 each	<u>£ 10,000</u>	<u>£ 10,000</u>

8. SHAREHOLDERS' FUNDS

Reconciliation of movements on shareholders' funds

	1994 £	1993 £
(Loss)/Profit for the year	(10,288)	5,644
Shares issued during year	-	10,000
	<u>(10,288)</u>	<u>15,644</u>
Opening shareholders' funds	15,644	-
Closing shareholders' funds	<u>£ 5,356</u>	<u>£ 15,644</u>

9. CONTINGENT LIABILITIES and CAPITAL COMMITMENTS

There were no contingent liabilities at the balance sheet date, and the company had no capital commitments at the balance sheet date.

10. TAXATION

No provision has been made for corporation tax because of the incidence of losses. Losses available for future utilisation amount to £13,854 , (£3,667 - 1993)

ROAD MANAGEMENT SYSTEMS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT For the year ended 31 December 1994

	Page	Year ended 31 December 1994 £	Period ended 31 December 1993 £
TURNOVER	8	28,149	5,000
Less: OVERHEADS			
Administration expenses	8	(12,169)	(6,944)
Distribution expenses	8	(26,167)	(4,434)
Other operating charges	8	(101)	12,022
OPERATING (LOSS)/PROFIT		(10,288)	5,644
(LOSS)/PROFIT FOR THE YEAR		£ (10,288)	£ 5,644

ROAD MANAGEMENT SYSTEMS LIMITED

SCHEDULE TO THE TRADING AND PROFIT AND LOSS ACCOUNT For the year ended 31 December 1994

	Year ended 31 December 1994 £	Period ended 31 December 1993 £
TURNOVER		
Sales - Europe	28,149	5,000
	<u>£ 28,149</u>	<u>£ 5,000</u>
ADMINISTRATION EXPENSES		
Admin - Management fees	9,876	3,710
Admin - Gen office exps	1,138	160
Admin - Preliminary expenses	-	2,711
Admin - Audit remuneration	-	300
Admin - Bank charges	685	63
Admin - Sundry admin expenses	470	-
	<u>£ 12,169</u>	<u>£ 6,944</u>
DISTRIBUTION EXPENSES		
Selling - Salaries	16,787	2,889
Selling - N Insurance	9,380	1,545
	<u>£ 26,167</u>	<u>£ 4,434</u>
OTHER OPERATING CHARGES		
Differences on foreign exchange	101	(12,022)
	<u>£ 101</u>	<u>£ (12,022)</u>