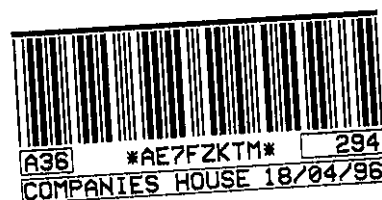


CHEMWARE SYSTEMS LIMITED

Annual Report and Financial Statements
for the year ended 30th June 1995

I N D E X

Directors' Report	1
Accountant's Report	2
Profit and Loss Account	3
Balance Sheet	4
Accounting Policies	5
Notes to the Financial Statements	6 & 7
Trading and Profit and Loss Account: Directors' Use Only	8



CHEMWARE SYSTEMS LIMITED

Directors' Report

The Directors present their report and financial statements for the year ended 30th June 1995.

Principal Activities

The principal activity of the Company is that of providing computer software and consultancy services to the chemical industry.

Directors

The Directors in office in the year and their beneficial interests in the Company's issued ordinary share capital were as follows:-

	<u>30.6.1995</u>	<u>30.6.1994</u>
S. Barton	520	520
T. Charman - resigned 6th October 1994	-	-
J.N. Faulks - resigned 31st July 1995	520	520
N.S. Willcox	480	480

In preparing the above report, the Directors have taken advantage of special exemptions applicable to small companies.

Signed on behalf of
the Board of Directors

.....
G. Brook
Secretary

Approved by the Board on 17. 4. 1996 1996

Registered Office:-

Portland House,
Park Street,
Bagshot,
Surrey.

Company Number - 2808613

CHEMWARE SYSTEMS LIMITED

Accountant's Report

To the Members of Chemware Systems Limited

We have examined, without carrying out an audit, the financial statements for the year ended 30th June 1995 set out on pages 3 to 7.

Respective Responsibilities of Directors and Reporting Accountants

As described on page 4 the Company's Directors are responsible for the preparation of the financial statements and they believe that the Company is exempt from an audit. It is our responsibility to examine the financial statements and based on our examination, to report our opinion, as set out below, to the shareholders.

Basis of Opinion

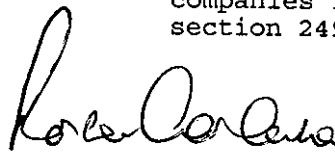
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the financial statements with the accounting records kept by the Company and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly, we do not express an audit opinion on the financial statements. Therefore our examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

Opinion

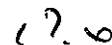
In our opinion:-

- a) the accounts are in agreement with those accounting records kept by the Company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act so far as applicable to the Company; and
 - ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year as specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



.....
Porter Garland

Chartered Accountants



..... 1996

Portland House
Park Street
Bagshot
Surrey

CHEMWARE SYSTEMS LIMITED
Profit and Loss Account
for the year ended 30th June 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>Turnover</u>	1	207,008	53,465
Administration Expenses		194,042	58,342
		-----	-----
<u>Operating Profit/(Loss) on Ordinary Activities before Taxation</u>	2	12,966	(4,877)
Tax on Profit/(Loss) on Ordinary Activities	3	3,521	-
		-----	-----
<u>Profit/(Loss) on Ordinary Activities after Taxation</u>		9,445	(4,877)
Dividends		-	-
		-----	-----
<u>Retained Profit/(Deficit) for the Financial Period</u>		9,445	(4,877)
Retained Deficit at 1st July 1994		(4,877)	-
		-----	-----
<u>Retained Profit/(Deficit) at 30th June 1995</u>		£ 4,568	£ (4,877)
		=====	=====

Continuing Operations

None of the Company's activities were acquired or discontinued during the above financial periods.

Total Recognised Gains and Losses

The Company has no recognised gains or losses other than the profit or loss for the above financial periods.

Shareholders' Funds

There were no movements other than those shown in the above profit and loss account.

The notes on pages 6 and 7 form part of these financial statements.

CHEMWARE SYSTEMS LIMITED

Balance Sheet: 30th June 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>Tangible Assets</u>	4	23,242	14,550
<u>Current Assets</u>			
Debtors	5	20,757	35,335
Cash at Bank and in Hand		19,573	15,065
		-----	-----
		40,330	50,400
<u>Creditors: Amounts Falling Due within One Year</u>	6	(45,484)	56,307
		-----	-----
<u>Net Current Liabilities</u>		(5,154)	(5,907)
		-----	-----
		18,088	8,643
<u>Creditors: Amounts Falling Due after more than One Year</u>		-	-
		-----	-----
		£ 18,088	£ 8,643
		=====	=====
<u>Capital and Reserves</u>			
Called Up Share Capital	7	2,000	2,000
Share Premium		11,520	11,520
Profit and Loss Account		4,568	(4,877)
		-----	-----
		£ 18,088	£ 8,643
		=====	=====

The Directors have taken advantage of the exemption conferred by Section 249A (2) not to have these financial statements audited and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for ensuring that:-

- 1) The Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- 2) The financial statements give a true and fair view of the state of affairs of the Company as at 30th June 1995 and of its profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements so far as applicable to the Company.

The Directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the Company is entitled to those exemptions.

Signed on behalf of
the Board of Directors

.....
S. Barton
Director

Approved by the Board on 15th April 1996

The notes on pages 6 and 7 form part of these financial statements.

CHEMWARE SYSTEMS LIMITED

Accounting Policies

for the year ended 30th June 1995

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b) Cash Flow Statement

The financial statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement.

c) Turnover

Turnover represents net invoiced sales of goods and services, excluding VAT.

d) Tangible Fixed Assets

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:-

Computer Equipment	33% on cost
Office Equipment	33% on cost
Office Furniture	33% on cost

e) Stocks

Stocks and work-in-progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

f) Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future. No provision is considered necessary at 30th June 1995.

g) Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

h) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

i) 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 of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

CHEMWARE SYSTEMS LIMITED
Notes to the Financial Statements
for the year ended 30th June 1995

1. Turnover

Turnover attributable to geographical markets outside the UK amounted to 16.5% (1994 Nil %).

2. Operating Profit/(Loss)

1995 1994

- is stated after charging:-

Depreciation	10,678	3,515
Directors Emoluments	27,000	21,000
Operating Lease Rentals-Computer Equipment	4,100	-
-Motor Vehicle	12,600	-
	=====	=====

3. Taxation

UK corporation tax (at 25% on taxable profit for the year)

£ 3,521 £ -
=====

4. Tangible Assets

	<u>Computer Equipment</u>	<u>Office Furniture & Equipment</u>	<u>Total</u>
<u>Cost</u>			
At 1.7.94	17,155	910	18,065
Additions	18,255	1,115	19,370
Disposals	(2,741)	-	(2,741)
<u>At 30.6.95</u>	£ 32,669	2,025	34,694
	=====	=====	=====

Depreciation

At 1.7.94	3,448	67	3,515
Charge for Year	10,193	485	10,678
Disposals	(2,741)	-	(2,741)
<u>At 30.6.95</u>	£ 10,900	552	11,452
	=====	=====	=====

Net Book Value

<u>At 30.6.95</u>	£ 21,769	1,473	23,242
	=====	=====	=====
<u>At 30.6.94</u>	£ 13,707	843	14,550
	=====	=====	=====

5. Debtors

1995 1994

Trade Debtors	18,342	35,045
Sundry Debtors and Prepayments	2,415	290
	-----	-----
	£20,757	£35,335
	=====	=====

- continued -

CHEMWARE SYSTEMS LIMITED

Notes to the Financial Statements

for the year ended 30th June 1995

	<u>1995</u>	<u>1994</u>
6. <u>Creditors: Amounts Falling Due Within One Year</u>		
Trade Creditors	7,190	1,538
Corporation Tax	3,521	-
Other Taxes	6,558	4,243
Directors Loan Accounts	17,776	12,776
Sundry Creditors and Accruals	10,439	37,750
	<u>£45,484</u>	<u>£56,307</u>
	=====	=====

7. Called Up Share Capital

Authorised		
10,000 Ordinary Shares of £1 each	£10,000	£10,000
	=====	=====
Issued and Fully Paid		
2,000 Ordinary Shares of £1 each	£ 2,000	£ 2,000
	=====	=====

8. Capital Commitments and Contingent Liabilities

There were none at 30th June 1995 or 1994.

9. Corporative Figures

These are for the period 13th April 1993 to 30th June 1994.