

STATUTORY COPY

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TECHNICAL SIMULATION CONSULTANTS LIMITED

(FORMERLY `NOTTCOR 3 LIMITED)

ABBREVIATED ACCOUNTS

FOR THE ELEVEN MONTHS ENDED 30 JUNE 1997



NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE ELEVEN MONTHS ENDED 30 JUNE 1997

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards and the principal accounting policies as set out below, all of which have been applied consistently throughout the period.

a) BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention.

b) FIXED ASSETS

All fixed assets are stated at cost.

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

Plant and machinery	25% per annum straight line
Furniture and fixtures	10% per annum straight line
Source codes	10% per annum straight line
Goodwill	14 years straight line

Profits or losses on the disposal of fixed assets are included in the calculation of operating profit.

Source codes represent the purchase of the database and programs used to design simulated training.

Goodwill represents the purchase of the business subsequent to incorporation and is considered an intangible asset.

c) STOCK

Stock is stated at the lower of cost and net realisable value.

d) TAXATION

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is provided only to the extent that it is probable liabilities will crystallise in the foreseeable future.

e) TURNOVER

Turnover represents amounts derived from the provision of goods and services attributable to the company's principal activity, within the United Kingdom, exclusive of trade discounts and value added tax.

f) LEASED ASSETS

Fixed assets acquired under finance leases are capitalised and depreciated over the shorter of their expected useful lives or lease period.

Costs in respect of operating leases are charged to the profit and loss account.

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE ELEVEN MONTHS ENDED 30 JUNE 1997

1. ACCOUNTING POLICIES continued
g) CASHFLOW STATEMENT

The company has taken advantage of the exemption permitted by FRS1, whereby a cashflow statement need not be prepared by a small company, as defined in the Companies Act 1985.

h) TRADING ACTIVITIES

The whole of the company's trading for the period is generated from continuing operations.

2. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u> £
COST	
Acquisitions	19,000
AMORTISATION	
Amortisation for period	1,244
NET BOOK VALUE	
At 30 June 1997	17,756

3. FIXED ASSETS

	<u>Source Codes</u> £	<u>Plant & Equipment</u> £	<u>Fixtures & Fittings</u> £	<u>TOTAL</u> £
COST				
Acquisitions	129,000	9,973	896	139,869
DEPRECIATION				
Charge for period	11,825	2,286	82	14,193
At 30 June 1997	11,825	2,286	82	14,193
NET BOOK VALUE				
At 30 June 1997	117,175	7,687	814	125,676

4. CREDITORS

At 30 June 1997 the company had borrowings of £29,126 secured on the assets of the company.

TECHNICAL SIMULATION CONSULTANTS LIMITED

4.

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE ELEVEN MONTHS ENDED 30 JUNE 1997

5. CALLED-UP SHARE CAPITAL

	<u>1997</u>
	£
Authorised:	
Ordinary shares of £1 each	1,000
Non-cumulative redeemable preference shares of £1 each	133,000
	<u>134,000</u>
Allotted, Issued and Fully Paid:	
Ordinary shares of £1 each	100
Non-cumulative redeemable preference shares of £1 each	133,000
	<u>133,100</u>

The company was incorporated on 16 June 1996 with an authorised share capital of 1,000 ordinary shares of £1 of which 100 subscriber shares were issued at par value. During September 1996 133,000 non - cumulative redeemable preference shares of £1 each were issued at par value to acquire the trade and various assets of the simulation division of TQC Limited. The non-cumulative redeemable preference shares carry a fixed coupon of 6% and are redeemable in nine equal annual installments commencing 30 December 2001. They may be redeemed before the due date at the election of the company. They have no voting rights and are not considered equity shares. In the event of a winding up they rank before the ordinary shares.