

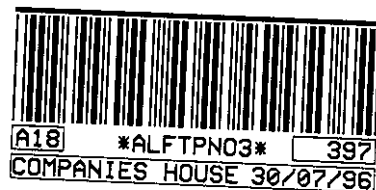
DYNAMICAL SYSTEMS RESEARCH LTD

Directors' Report and Financial Statements  
for the period ended 31st August 1995

FINLAY PONTIKIS & ASSOCIATES

(in association with G Finlay FCA)

CHARTERED ACCOUNTANT



DYNAMICAL SYSTEMS RESEARCH LTD

Company Information

<b>Directors</b>	Dr Janko Mrsic-Flogel Dr Konrad Weigl
<b>Secretary</b>	Dr Janko Mrsic-Flogel
<b>Company Number</b>	02844385 (England and Wales)
<b>Registered Office</b>	64-68 Camden High Street London NW1 0LT
<b>Accountants</b>	G Finlay FCA 64-68 Camden High Street London NW1 0LT
<b>Business Address</b>	Room 1208, Electrical Eng. Building Imperial College South Kensington London SW7 2BX
<b>Bankers</b>	Midland Bank Plc 88 The Broadway Muswell Hill London N10 3RX

DYNAMICAL SYSTEMS RESEARCH LTD

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FOR THE PERIOD ENDED 31ST AUGUST 1995

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DYNAMICAL SYSTEMS RESEARCH LTD

REPORT OF THE DIRECTORS

The directors present their Report and the Financial Statements for the year ended 31st August 1995.

Principal Activities

The principal activity of the company is that of Research and Development of Software and Software consultancy.

Directors and their Interests

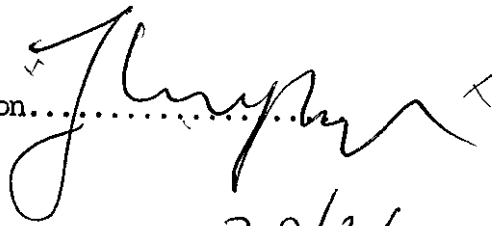
The directors who served during the period and their interests in the shares of the company were as stated below:

	Class of Share	Number of Shares	
		1995	1994
Dr Janko Mrcic-Flogel	Ordinary shares	1	1
Dr Konrad Weigl	Ordinary shares	1	1

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

This report was approved by the Board on.....

Janko Mrcic-Flogel  
Secretary


  
28/2/96

DYNAMICAL SYSTEMS RESEARCH LTD

Accountants' Report to the shareholders on the  
unaudited Accounts of Dynamical Systems Research Ltd

We have prepared, on the basis of the information contained in the company's accounting records and provided by the company's directors, and without carrying out an audit or examination, the accounts for the period ended 31st August 1995 set out on pages 3 to 8. The accounts have been prepared in accordance with the applicable requirements of the Companies Act 1985.

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit.



Finlay FCA  
Chartered Accountants  
Reporting Accountant

21.3.96

.....  
64-68 Camden High Street  
London NW1 0LT

DYNAMICAL SYSTEMS RESEARCH LTD  
 PROFIT AND LOSS ACCOUNT  
 FOR THE PERIOD ENDED 31ST AUGUST 1995

	Notes	1995 £	1994 £
Turnover		43,258	8,567
Cost of Sales		( 9,492)	( 2,429)
Gross Profit		33,766	6,138
Administrative Expenses		(29,540)	(10,446)
Profit (Loss) on ordinary activities before taxation	2	4,226	( 4,308)
Taxation		( 39)	---
Profit (Loss) after Taxation		4,187	( 4,308)

There are no recognised gains and losses other than those passing through the profit and loss account.

# DYNAMICAL SYSTEMS RESEARCH LTD

## BALANCE SHEET AS AT 31ST AUGUST 1995

	Notes	1995 £	1994 £
<b>Fixed Assets</b>			
Tangible Assets	3	527	620
<b>Current Assets</b>			
Debtors		---	---
Cash at bank		5,142	4,278
		5,142	4,278
<b>Creditors:</b>			
Amounts falling due within one year	4	(5,788)	(9,204)
Net Current (Liabilities)		(646)	(4,926)
Total Assets less Current Liabilities		£(119)	£(4,306)
<b>Capital and Reserves</b>			
Called Up Share Capital	5	2	2
Profit and Loss Account	6	(121)	(4,308)
Shareholders Funds	7	£(119)	£ (4,306)

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
  - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

DYNAMICAL SYSTEMS RESEARCH LTD

Balance Sheet (continued)  
as at 31st August 1995

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 28/2/96

.....  
Dr Janko Mrsic-Flogel  
Director

.....  
Dr Konrad Weigl  
Director



DYNAMICAL SYSTEMS RESEARCH LTD  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31ST AUGUST 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, 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 cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of trade discounts.

1.3 Tangible fixed assets and depreciation

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

Fixtures, fittings and Equipment	-	15% Straight line
-------------------------------------	---	-------------------

1.4 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2. Operating Loss

	1995	1994
	£	£
Operating loss stated after charging:		
Depreciation of tangible assets	93	110
	===	====

DYNAMICAL SYSTEMS RESEARCH LTD  
 NOTES TO THE FINANCIAL STATEMENTS  
 AT 31ST AUGUST 1995 - CONT'D

3. Tangible Assets

	Plant and Machinery etc.
Cost	730
At 31 August 1995	----- 730
Depreciation	=====
Balance Brought Forward	110
Charges for the Year	93
At 31 August 1994	----- 203
Net Book Value	=====
At 31st August 1995	527
At 31st August 1994	===== 620
	=====

4. Creditors: Amounts Falling Due  
 Within One Year

	1995	1994
Directors loan Account	4,633	4,323
Other creditors	1,116	4,881
Corporation Tax	39	--
	-----	-----
	£ 5,788	£ 9,204
	=====	=====

5. Share Capital

	1995	1994
Authorised		
1,000 Ordinary Shares of £1 Each	1,000	1,000
	=====	=====
Allotted, called up and Fully Paid		
2 Ordinary Shares of £1 Each	2	2
	=====	=====

# DYNAMICAL SYSTEMS RESEARCH LTD

## NOTES TO THE FINANCIAL STATEMENTS AT 31ST AUGUST 1995

### 6. Profit and Loss Account

	1995 £	1994 £
Retained Profit (loss) for the year	4,187	(4,308)
Accumulated losses B/Fwd	(4,308)	---
Accumulated Profit (losses) at 31st August 1995	( 121)	(4,308)
	=====	=====

### 7. Reconciliation of Movements in Shareholders' Funds

	1995 £	1994
Profit (Loss) for the financial year	4,187	(4,308)
Proceeds of issue of equity shares	--	2
	-----	-----
Net depletion in Shareholders' funds	(4,187)	4,306
	(4,306)	--
	-----	-----
Closing shareholders' funds	( 119)	(4,306)
	=====	=====

### 8. Contigent Liabilities

As at 31st August 1995 there were no contingent liabilities.