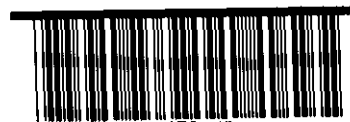


02844385 (England and Wales)

DYNAMICAL SYSTEMS RESEARCH LTD  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 6<sup>TH</sup> APRIL 2000

FINLAY PONTIKIS & ASSOCIATES  
(in association with G Finlay FCA)  
CHARTERED ACCOUNTANT



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COMPANIES HOUSE

\*A6P79WJ0\*

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18/12/00

DYNAMICAL SYSTEMS RESEARCH LTD  
INDEX TO THE ACCOUNTS  
FOR THE PERIOD ENDED 6 APRIL 2000

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The following pages do not form part of the statutory financial statements.

Detailed Profit and Loss Account	10
Administrative Expenses	11

**DYNAMICAL SYSTEMS RESEARCH LTD**

**Company Information**

<b>Directors</b>	Dr Janko Mrsic-Flogel Mr Mungo Amyatt-Leir(Resigned 07.04.00) Mr Bengt Carlstron( Appointed 07.04.00)
<b>Secretary</b>	Dr Janko Mrsic-Flogel
<b>Company Number</b>	02844385 (England and Wales)
<b>Registered Office</b>	325 Bowes Road London N11 1BA
<b>Accountants</b>	Finlay Pontikis & Associates 325 Bowes Road London N11 1BA
<b>Business Address</b>	The Glass Mill 1 Buttersea Bridge Road London, SW11 3BZ
<b>Bankers</b>	HSBC Bank Plc 88 The Broadway Muswell Hill London N10 3RX

## DYNAMICAL SYSTEMS RESEARCH LTD

### REPORT OF THE DIRECTORS

The directors present their Report and the Financial Statements for the period ended 6<sup>th</sup> April 2000.

#### Principal Activities

The principal activity of the company is that of Research and Development of Software and Software Consultancy and Mobile Communication Services.

#### Authorised Capital

The Authorised Share Capital of the Company was increased from £1000 to £33000 by the creation of 3,200,000 Ordinary Share of 1p each.

#### Dividends

The Directors have recommended and paid an Interim dividend of £35000 for the period ended 6<sup>th</sup> April 2000. A Stock dividend of £31900 was also made by way of Capitalisation of the Company's Reserves.

#### 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	
		2000	1999
Dr Janko Mrcic-Flogel	Ordinary shares of 1p each	1,525,100	15100
Mr Mungo Amyatt-Leir	Ordinary shares of 1p each	--	100
Mr Mungo Amyatt-Leir 'A'	Ordinary shares of 1p each	100	--

#### 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 as at the end of the financial year 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 judgements 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 maintaining 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 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.

DYNAMICAL SYSTEMS RESEARCH LTD

REPORT OF THE DIRECTORS - CONT'D

Year 2000 Issues

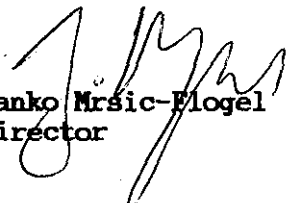
The directors are aware of the potential technological and business problems associated with the Year 2000 and taking the necessary steps to identify pitfalls and to mitigate as far as possible their impact on the company's future operation.

Auditors

The auditors, Achilleas Christou FCA, will not be putting themselves forward for re-appointment in accordance with section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

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



Janko Mrsic-Flogel  
Director

**DYNAMICAL SYSTEMS RESEARCH LTD**

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the financial statements of pages 5 to 9 which have been prepared under the historical convention and on the basis of accounting policies set out on page 8.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**BASIS OF OPINION**

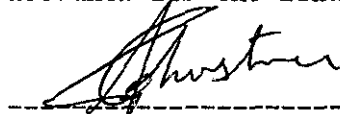
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 6<sup>th</sup> April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

In our opinion the company is entitled to the exemption conferred by section 24B of the Companies Act 1985 from the requirement to prepare group accounts for the financial year ended 6<sup>th</sup> April 2000.



-----  
Achilleas Christou FCA

325 Bowes Road  
London  
N11 1BA

Date: -----

DYNAMICAL SYSTEMS RESEARCH LTD  
 PROFIT AND LOSS ACCOUNT  
 FOR THE PERIOD ENDED 6<sup>TH</sup> APRIL 2000

	Notes	2000 £	1999 £
Turnover		413,004	887,115
Cost of Sales		(23,276)	(26,203)
Gross Profit		<u>389,728</u>	<u>860,912</u>
Administrative Expenses		(417,797)	(563,180)
Operating Profit/(Loss)	2	( 28,069)	297,732
Investment Income and Interest Receivable		2,155	1,740
Profit (Loss) on ordinary Activities Before Taxation		<u>( 25,914)</u>	<u>299,472</u>
Taxation		NIL	(61,091)
Profit on Ordinary Activities after Taxation		<u>( 25,914)</u>	<u>238,381</u>
Dividends	3	( 66,900)	135,680
Retained Profit/(Loss) For The Year		<u>( 92,814)</u>	<u>102,701</u>

**Continuing Operation**

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

**Total recognised gains and losses**

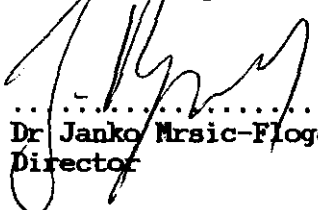
The Company has no recognised gains and losses other than the Profit for the above two financial periods.

**DYNAMICAL SYSTEMS RESEARCH LTD**  
**BALANCE SHEET AS AT 6<sup>TH</sup> APRIL 2000**

	Notes	2000	1999
		£	£
<b>Fixed Assets</b>			
Tangible Assets	4	17,953	19,654
<b>Current Assets</b>			
Debtors		71,839	65,663
Cash at bank		155,464	273,999
Other Debtors		6,212	5,184
		<u>233,515</u>	<u>344,846</u>
<b>Creditors:</b>			
Amounts falling due within one year	5	(196,990)	(249,108)
<b>Net Current Assets/(Liabilities)</b>		<u>36,525</u>	<u>95,738</u>
<b>Total Assets less Current Liabilities</b>		<u>£ 54,478</u>	<u>£ 115,392</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	6	32,220	320
Profit and Loss Account	7	22,258	115,072
<b>Shareholders Funds</b>	8	<u>£ 54,478</u>	<u>£ 115,392</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on ----- and signed on its behalf by:

  
 .....  
 Dr Janko Mrcic-Flogel  
 Director



DYNAMICAL SYSTEMS RESEARCH LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 6<sup>TH</sup> APRIL 2000

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

	2000	1999
	£	£
Operating loss stated after charging:		
Depreciation of tangible assets	1,701	3,468
	<u>          </u>	<u>          </u>

3. Dividends

Interim/Final Paid	35,000	135,680
Stock Dividend	31,900	--
	<u>          </u>	<u>          </u>
	66,900	135,680
	<u>          </u>	<u>          </u>

DYNAMICAL SYSTEMS RESEARCH LTD

NOTES TO THE FINANCIAL STATEMENTS  
AT 6<sup>TH</sup> APRIL 2000 - CONT'D

<b>4. Tangible Assets</b>		<b>Plant and Machinery etc.</b>
Cost		25,392
Additions at Cost		--
		-----
At 6 April 2000		25,392
		=====
<b>Depreciation</b>		
Balance Brought Forward		5,738
Charges for the Period		1,701
		-----
At 6 April 2000		7,439
		=====
Net Book Value		
At 6 April 2000		17,953
		=====
At 31st August 1999		19,654
		=====
<b>5. Creditors: Amounts Falling Due Within One Year</b>		
	<b>2000</b>	<b>1999</b>
Trade Creditors	29,792	13,125
Bank Balance	68,529	--
Directors loan Account	1,315	1,315
Other creditors	36,692	35,954
Corporation Tax	60,662	63,034
Proposed Dividends	--	135,680
	-----	-----
	£ 196,990	£ 249,108
	=====	=====
<b>6. Share Capital</b>		
	<b>2000</b>	<b>1999</b>
<b>Authorised</b>		
3299900 Ordinary Shares of 1P Each	3299900	100000
100 "A" Ordinary Shares of 1P Each	100	--
	-----	-----
	3300000	100000
	=====	=====
<b>Allotted, called up and Fully Paid</b>		
3221900 Ordinary Shares of 1P Each	3221900	32000
100 "A" Ordinary Shares of 1P Each	100	--
	-----	-----
	3222000	32000
	=====	=====

DYNAMICAL SYSTEMS RESEARCH LTD  
NOTES TO THE FINANCIAL STATEMENTS  
AT 6<sup>TH</sup> APRIL 2000

7. Profit and Loss Account	2000	1999
	£	£
Retained Profit (loss) for the year	( 92,814)	102,701
Retained profit B/Fwd	115,072	12,371
	<u>22,258</u>	<u>115,072</u>
Accumulated Profit (losses) at 6 <sup>th</sup> April 2000		
8. Reconciliation of Movements in Shareholders' Funds	2000	1999
	£	£
Profit (Loss) for the financial year	(25,914)	238,381
Dividends	(66,900)	(135,680)
	<u>( 92,814)</u>	<u>102,701</u>
Shareholders' funds brought forward	115,392	12,691
Issued Share Capital	31,900	--
	<u>54,478</u>	<u>115,392</u>
Closing shareholders' funds		

9. Contingent Liabilities

As at 6<sup>th</sup> April 2000 there were no contingent liabilities.