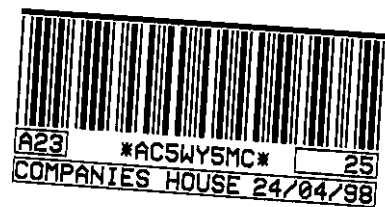


NORDICON LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR
30 SEPTEMBER 1997
COMPANY NUMBER:3110710



NORDICON LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR
TO 30 SEPTEMBER 1997

CONTENTS

	Pages
Report of the Director	3
Report of the Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 - 13

NORDICON LIMITED

REPORT OF THE DIRECTOR

**FOR THE YEAR
TO 30 SEPTEMBER 1997**

The Director presents his first annual report and the Financial Statements of the Company.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the period was the provision of telecommunications consultancy.

The Director does not anticipate any major developments in the business of the Company in the foreseeable future.

RESULTS AND DIVIDENDS

The results of the Company for the year are set out on page 6.

The company paid dividends of £13,750 (1996:£19,000) net during the year.

FIXED ASSETS

Movements in fixed assets are shown in note 10.

DIRECTORS

The following Directors have served during the year. Their beneficial interests in the issued share capital of the Company are shown as follows:

	Ordinary shares of £1 each	
	30.9.97	30.9.96
Mr. L Ali	6	6

NORDICON LIMITED

REPORT OF THE DIRECTOR (Continued)

**FOR THE YEAR
TO 30 SEPTEMBER 1997**

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires 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 judgements and estimates that are reasonable and prudent;

Prepare the financial statements on a 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 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.

AUDITORS

A resolution to reappoint the auditors Jadir & Co. will be proposed at the Annual General Meeting.

By Order of the Board

Secretary

21.4.98

AUDITORS REPORT TO THE SHAREHOLDERS OF
NORDICON LIMITED
FOR THE YEAR
TO 30 SEPTEMBER 1997

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 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 includes an 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 that 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 the Company's affairs as at 30 September 1997, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants &
Registered Auditors

Jacobs & Co. 22.4.98

Crowthorne, Berkshire

NORDICON LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR
TO 30 SEPTEMBER 1997

	Notes	1997 £	1996 £
TURNOVER	1	49,202	47,122
OPERATING COSTS:			
Administrative Costs		28,782	21,862
		<hr/>	<hr/>
Interest receivable		20,420	25,260
		12	-
		<hr/>	<hr/>
OPERATING PROFIT/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,432	25,260
Taxation	7	4,672	6,260
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		15,760	19,000
Dividends	9	13,750	19,000
		<hr/>	<hr/>
PROFIT FOR THE YEAR		2,010	-
		<hr/>	<hr/>

The company has no recognised gains or losses other than the loss for the year shown above. All the activities undertaken by the company were continuing activities.

NORDICON LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible Fixed Assets	10	996	670
CURRENT ASSETS			
Debtors	11	75	176
Cash at Bank and in Hand		3,759	1,529
		<u>3,834</u>	<u>1,705</u>
CREDITORS			
Amounts falling due within one year	12	2,810	2,365
NET CURRENT ASSETS/(LIABILITIES)		<u>1,024</u>	<u>(660)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,020</u>	<u>10</u>
CAPITAL AND RESERVES			
Called up Share Capital	13	10	10
Profit and Loss Account	14	2,010	-
	15	<u>2,020</u>	<u>10</u>

Director

Mr L Ali



21.4.98

NORDICON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 30 SEPTEMBER 1997

1. ACCOUNTING POLICIES

The following are the main accounting policies of the company:

(a) Accounts Preparation

The Financial Statements have been prepared under the historical cost accounting convention.

(b) Turnover

Turnover represents the net invoiced value of goods and services supplied to third parties, excluding value added tax.

(c) Depreciation

Depreciation is provided on Fixed Assets on a basis estimated to write off the cost over their expected useful lives in equal annual instalments.

The rates used are as follows:

Plant & Equipment	25 %
Fixtures & Fittings	25 %

(d) Deferred Taxation

Provision is made, using the liability method, 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.

2. TURNOVER

The turnover and profit is attributable to the Company's principal activity. £6,528 (1996:£38,859) of the total income represents sales made in Europe.

NORDICON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 30 SEPTEMBER 1997

4. PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities is stated after charging:

	1997	1996
	£	£
Depreciation of Tangible Assets	407	224
Auditor's remuneration	350	343
	<hr/>	<hr/>

5. EMPLOYEE INFORMATION

	1997	1996
	£	£
(a) Staff costs were:		
Wages & salaries	12,600	7,500
Social security costs	706	150
	<hr/>	<hr/>
	13,306	7,650
	<hr/>	<hr/>

The director's remuneration amounted to £6,600 (1996:£3,000).

(b) Persons employed

The average monthly number of employees (including Directors) during the year was as follows:

	1997	1996
	No.	No.
Consultancy and administration	2	2
	—	—

NORDICON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 30 SEPTEMBER 1997

7. TAXATION

The tax charge on the profit on ordinary activities was as follows:

	1997 £	1996 £
UK Corporation Tax at 22.5 % based on the results for the year	4,672	6,260
	<hr/>	<hr/>

8. DEFERRED TAXATION

In accordance with accounting policy, there is no provision required for deferred taxation.

9. DIVIDENDS

	1997 £	1996 £
Ordinary shares		
Dividends Paid	13,750	19,000
	<hr/>	<hr/>

NORDICON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 30 SEPTEMBER 1997

10. TANGIBLE FIXED ASSETS

Equipment

£

COST

As at 30 September 1996

894

Additions

732

At 30 September 1997

1,626

DEPRECIATION

As at 30 September 1996

224

Charge for year

407

At 30 September 1996

630

NET BOOK VALUE

At 30 September 1997

996

At 30 September 1996

670

11. DEBTORS

1997

1996

£

£

Other Debtors

75

176

NORDICON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 30 SEPTEMBER 1997

12. CREDITORS - Amounts falling due within one year

	1997	1996
	£	£
Accruals and Deferred Income	350	343
Corporation Taxes	2,135	1,510
Other Taxes	325	
Director's current account	-	512
	<u>2,810</u>	<u>2,365</u>

13. CALLED UP SHARE CAPITAL

	1997	1996
	£	£
Authorised		
Ordinary Shares of £1 each	100	100
	<u> </u>	<u> </u>
Issued and Fully Paid		
Ordinary Shares of £1 each	10	10
	<u> </u>	<u> </u>

NORDICON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 30 SEPTEMBER 1997

14. RESERVES

	1997 £	1996 £
At 30 September 1996	-	-
Profit for the financial year	2,010	-
At 30 September 1997	<u>2,010</u>	<u>-</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997 £	1996 £
Profit for the financial year	2,010	-
Opening shareholders' funds	10	10
Closing shareholders' funds	<u>2,020</u>	<u>10</u>

16. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

17. CAPITAL COMMITMENTS

There were no capital commitments authorised not contracted for, nor contracted for not provided at the balance sheet date.