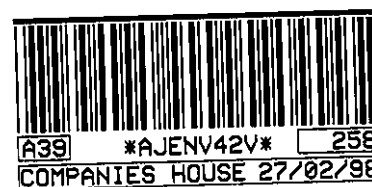


REGISTER FOR
Submission

Seatrac (Europe) Limited
Abbreviated Accounts
for the year ended 30 June 1997

Company No. 1272821 (England and Wales)



Seatrac (Europe) Limited

Contents

	Page
Auditors' Report	1 - 2
Balance Sheet	3
Notes to the Abbreviated Accounts	4 - 5

Seatrac (Europe) Limited

**Auditors' Report to Seatrac (Europe) Limited
Pursuant to Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of Seatrac (Europe) Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of that Act, in respect of the year ended 30 June 1997, and the abbreviated accounts have been properly prepared in accordance with that Section.

Other information

On 16.2.97 we reported, as auditors of Seatrac (Europe) Limited, to the members on the financial statements for the year ended 30 June 1997, and our audit report was as follows:

Seatrac (Europe) Limited

**Auditors' Report to Seatrac (Europe) Limited
Pursuant to Section 247B of the Companies Act 1985**

'We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 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.

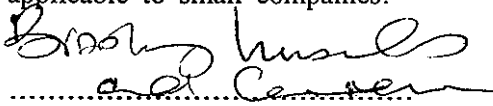
Fundamental uncertainty

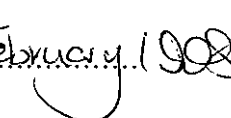
In forming our opinion we have considered the adequacy of disclosures made in the financial statements concerning the possible outcome to litigation against a third party in defence of patent rights held by this company. The financial statements include as recoverable £27,192 of legal costs paid to date. Settlement of the litigation could result in the loss of amounts paid to date, together with unquantified further costs. It is the opinion of the directors that this company will succeed in its claim and that all amounts paid will be recovered.

The financial statements have been prepared on a going concern basis. This basis may not be appropriate because the company is dependent upon its bankers for continued support, and because of the litigation noted above. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities respectively. It is not practical to quantify these potential adjustments. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


.....
Brooking Knowles & Lawrence
Chartered Accountants
Registered Auditor

Dated: 16th February 1998

Clifton House
Bunnian Place
Basingstoke
Hampshire

Seatrac (Europe) Limited

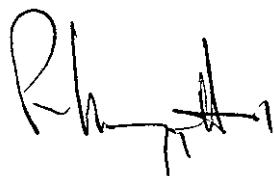
Abbreviated Balance Sheet as at 30 June 1997

	Notes	1997 £	1996 £
Fixed Assets			
Tangible assets	2	135	439
Current Assets			
Debtors		29,551	24,070
Cash at bank and in hand		22,655	522
		<u>52,206</u>	<u>24,592</u>
Creditors: amounts due within one year		<u>(104,887)</u>	<u>(95,864)</u>
Net Current Liabilities		(52,681)	(71,272)
Total Assets Less Current Liabilities		<u>£ (52,546)</u>	<u>£ (70,833)</u>
Capital and Reserves			
Called up share capital	4	10,000	10,000
Profit and loss account		(62,546)	(80,833)
		<u>£ (52,546)</u>	<u>£ (70,833)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors and signed on its behalf by:

P C Mazzotti
Director



Dated: 16.2.98

Seatrac (Europe) Limited

Notes to the Abbreviated Accounts for the year ended 30 June 1997

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 VAT and 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
Motor vehicles	- 25% Reducing balance

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.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Seatrac (Europe) Limited

Notes to the Abbreviated Accounts for the year ended 30 June 1997

2. Tangible Fixed Assets

	Total £
Cost	
At 1 July 1996	12,958
Additions	159
At 30 June 1997	13,117
Depreciation	
At 1 July 1996	12,519
Charge for year	463
At 30 June 1997	12,982
Net book values	
At 30 June 1997	£ 135
At 30 June 1996	£ 439

3. Secured Creditors

The aggregate value of creditors for which security has been given amounted to £27,207 (1996 £37,301).

4. Share Capital

	1997 £	1996 £
Authorised		
10,000 Ordinary shares of £1 each	£ 10,000	£ 10,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	£ 10,000	£ 10,000