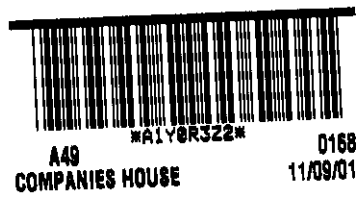


Registration Number 1987521

T.I.S.L. (HOLDINGS) LIMITED

Abbreviated Accounts

for the year ended 30 November 2000



T.I.S.L. (HOLDINGS) LIMITED

Contents

	Page
Directors' Report	1 - 2
Auditors' Report	3
Abbreviated Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7 - 13

T.I.S.L. (HOLDINGS) LIMITED

Directors' Report for the year ended 30 November 2000

The directors present their report and the accounts for the year ended 30 November 2000.

Principal Activity and Review of the Business

The principal activity of the company during the year continued to be that of an investment holding company.

Results And Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

European Monetary Union

The directors do not consider the potential impact on the company of the changeover to the Euro is significant in view of the fact the company already trades internationally.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2000	1999
	or date of	
	appointment	
D. O'Connor	500	500
A. Lyons	500	500
B. Lyons	-	-
J. O'Connor	-	-

No rights to subscribe for shares or debentures of the company were granted or exercised in the period.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 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 the 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.

T.I.S.L. (HOLDINGS) LIMITED

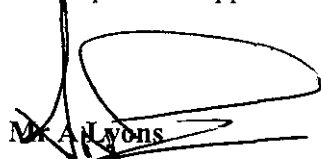
**Directors' Report
for the year ended 30 November 2000**

Auditors

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Grant Thornton will be deemed to be reappointed for each succeeding financial year.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 2 August 2001 and signed on its behalf by



Mr A Lyons
Secretary

REPORT OF THE AUDITORS TO TISL (HOLDINGS) LIMITED UNDER

SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 13 together with the full financial statements of TISL (Holdings) Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 November 2000.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with the provisions of section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver to the Registrar of Companies abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

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 deliver abbreviated accounts 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 to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 12 have been properly prepared in accordance with those provisions.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH**

2 August 2001

T.I.S.L. (HOLDINGS) LIMITED

**Abbreviated Profit and Loss Account
for the year ended 30 November 2000**

		Continuing operations	
		2000	1999
	Notes	£	£
Gross profit		708,382	1,250,517
Administrative expenses		(449,411)	(902,382)
Operating profit	2	258,971	348,135
Interest payable and similar charges	3	(326)	(133)
Profit on ordinary activities before taxation		258,645	348,002
Tax on profit on ordinary activities	6	(23,026)	(130,556)
Retained profit for the year		235,619	217,446
Retained profit brought forward		2,165,736	1,948,290
Retained profit carried forward		2,401,355	2,165,736

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 13 form an integral part of these financial statements.

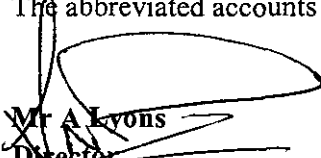
T.I.S.L. (HOLDINGS) LIMITED

Balance Sheet as at 30 November 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		2,634,035		2,059,185
Investments	8		21,001		21,001
			<u>2,655,036</u>		<u>2,080,186</u>
Current Assets					
Debtors	9	18,402		-	
Cash at bank and in hand		9,571		607,851	
		<u>27,973</u>		<u>607,851</u>	
Creditors: amounts falling due within one year	10	(70,231)		(310,878)	
Net Current (Liabilities)/Assets			<u>(42,258)</u>		<u>296,973</u>
Total Assets Less Current Liabilities			<u>2,612,778</u>		<u>2,377,159</u>
Capital and Reserves					
Called up share capital	11		1,000		1,000
Share premium account	12		9,000		9,000
Revaluation reserve	12		201,423		201,423
Profit and loss account	12		2,401,355		2,165,736
Equity Shareholders' Funds	13		<u>2,612,778</u>		<u>2,377,159</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 2 August 2001 and signed on its behalf by


Mr A Lyons
Director

The notes on pages 7 to 13 form an integral part of these financial statements.

T.I.S.L. (HOLDINGS) LIMITED

Cash Flow Statement for the year ended 30 November 2000

	Notes	2000 £	1999 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		258,971	348,135
Depreciation		40,813	74,078
(Increase) in debtors		(18,402)	36,388
(Decrease) in creditors		(240,647)	275,967
Net cash inflow from operating activities		<u>40,735</u>	<u>734,568</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		40,735	734,568
Returns on investments and servicing of finance	16	(326)	(134)
Taxation	16	(23,024)	(130,556)
Capital expenditure	16	(615,665)	-
Decrease in cash in the year		<u>(598,280)</u>	<u>603,878</u>
Reconciliation of net cash flow to movement in net debt (Note 17)			
Decrease in cash in the year		(598,280)	603,878
Net funds at 1 December 1999		<u>607,851</u>	<u>3,973</u>
Net funds at 30 November 2000		<u>9,571</u>	<u>607,851</u>

T.I.S.L. (HOLDINGS) LIMITED

Notes to the Abbreviated Financial Statements for the year ended 30 November 2000

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

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

Motor vehicles - 25% Straight Line

No depreciation is charged on freehold property on the grounds that such depreciation is immaterial. An impairment review is carried out annually to ensure the book values of the freehold property are below market values.

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.6. 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 materialise.

1.7. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts. Accordingly the information presented relates to the company and not to its group.

2. Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	13,604	74,078
Loss on disposal of tangible fixed assets	27,209	-

T.I.S.L. (HOLDINGS) LIMITED

Notes to the Abbreviated Financial Statements for the year ended 30 November 2000

..... continued

3. Interest payable and similar charges

	2000 £	1999 £
On bank loans and overdrafts	<u>326</u>	<u>133</u>

4. Directors' emoluments

There were no employees during the year apart from the directors.

	2000 £	1999 £
Remuneration and other emoluments	402,505	651,033
Employers NI	36,900	67,911
Pension contributions	40,000	100,000
	<u>479,405</u>	<u>818,944</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	4	4

Number of directors who received or became entitled to shares under a long term incentive scheme

- -

Higest Paid Director

Amounts included above:

	£	£
Emoluments and other benefits	141,029	287,990
Pension contributions	10,000	40,000
	<u>151,029</u>	<u>327,990</u>

5. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £40,000 (1999 - £100,000).

T.I.S.L. (HOLDINGS) LIMITED

Notes to the Abbreviated Financial Statements for the year ended 30 November 2000

..... continued

6.	Taxation	2000	1999	
		£	£	
	UK current year taxation			
	UK Corporation Tax	19,656	16,542	
	Prior years			
	UK Corporation Tax	3,370	114,014	
		<u>23,026</u>	<u>130,556</u>	
7.	Tangible fixed assets			
		Land and buildings freehold	Motor vehicles	Total
		£	£	£
	Cost/revaluation			
	At 1 December 1999	2,217,861	163,249	2,381,110
	Additions	615,665	-	615,665
	Disposals	-	(163,249)	(163,249)
	At 30 November 2000	<u>2,833,526</u>	<u>-</u>	<u>2,833,526</u>
	Depreciation			
	At 1 December 1999	199,490	122,436	321,926
	On disposals	-	(136,040)	(136,040)
	Charge for the year	-	13,604	13,604
	At 30 November 2000	<u>199,490</u>	<u>-</u>	<u>199,490</u>
	Net book values			
	At 30 November 2000	<u>2,634,035</u>	<u>-</u>	<u>2,634,035</u>
	At 30 November 1999	<u>2,018,372</u>	<u>40,813</u>	<u>2,059,185</u>

Land and buildings include a revaluation at 30 April 1990 amounting to £201,423. Due to a revision of their residual values, depreciation is no longer provided on freehold land and buildings. This has the effect of reducing the depreciation charge by, £44,660. The transitional rules of FRS15 have been adopted and as such the valuation has not been updated. The historical cost less depreciation of freehold land and buildings as at 30th November 2000 is £2,432,612.

T.I.S.L. (HOLDINGS) LIMITED

Notes to the Abbreviated Financial Statements for the year ended 30 November 2000

..... continued

8. Fixed Asset Investments

	Subsidiary Undertakings Shares	Total
	£	£
Cost		
At 1 December 1999		
At 30 November 2000	21,001	21,001
Net book values		
At 30 November 2000	21,001	21,001
At 30 November 1999	21,001	21,001

8.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held Class	
Subsidiary undertaking				
Telecommunication Information Systems Ltd	England & Wales	Telecommunication equip't	Ordinary	100%
TISL (Research & Development) Ltd	England & Wales	Research & development	Ordinary	100%
T.I.S.L. Ltd	England & Wales	Dormant	Ordinary	100%
Blue Moon Investments Ltd	England & Wales	Dormant	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Telecommunication Information Systems Ltd	1,590,509	(1,203,179)
TISL (Research & Development) Ltd	33,001	2,904
T.I.S.L. Ltd	2	-
Blue Moon Investments Ltd	13	(284)

T.I.S.L. (HOLDINGS) LIMITED

Notes to the Abbreviated Financial Statements for the year ended 30 November 2000

..... continued

9. Debtors

	2000 £	1999 £
Other debtors	17,255	-
Prepayments and accrued income	1,147	-
	<u>18,402</u>	<u>-</u>

10. Creditors: amounts falling due within one year

	2000 £	1999 £
Amounts owed to group undertaking	26,414	130,556
Other taxes and social security costs	12,810	155,250
Accruals and deferred income	31,007	25,072
	<u>70,231</u>	<u>310,878</u>

11. Share capital

	2000 £	1999 £
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. Equity Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 December 1999	9,000	201,423	2,165,736	2,376,159
Retained profit for the year			235,619	235,619
At 30 November 2000	<u>9,000</u>	<u>201,423</u>	<u>2,401,355</u>	<u>2,611,778</u>

T.I.S.L. (HOLDINGS) LIMITED

Notes to the Abbreviated Financial Statements for the year ended 30 November 2000

..... continued

13. Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the year	235,619	217,446
Opening shareholders' funds	2,377,159	2,159,713
	<u>2,612,778</u>	<u>2,377,159</u>

14. Capital commitments

	2000 £	1999 £
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>462,500</u>	<u>-</u>

The company had agreed to the purchase of a freehold property in Caterham for the sum of £462,500. The purchase took place in December 2000.

15. Related party transactions

During the year the following transactions took place with group companies. Rent amounting to £243,437 (1999 - £320,000) and a management charge of £342,457 (1999 - £885,000) were received from Telecommunication Information Systems Ltd. Rent was received from TISL (Research & Development) Ltd of £51,120 (1999 - £Nil). The company purchased a freehold property from Telecommunication Information Systems Ltd at a cost of £613,660. At the year end the company the company owed to Telecommunication Information Systems Ltd £26,414 (1999 - £123,050).

T.I.S.L. (HOLDINGS) LIMITED

**Notes to the Abbreviated Financial Statements
for the year ended 30 November 2000**

..... continued

16. Gross Cash Flows

	2000	1999
	£	£
Returns on investments and servicing of finance		
Interest paid	(326)	(134)
	<u> </u>	<u> </u>
Taxation		
Corporation tax paid	(23,024)	(130,556)
	<u> </u>	<u> </u>
Capital expenditure		
Payments to acquire tangible assets	(615,665)	-
	<u> </u>	<u> </u>

17. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	607,851	(598,280)	9,571
Net funds	<u>607,851</u>	<u>(598,280)</u>	<u>9,571</u>