TRANSNATIONAL MANAGEMENT ASSOCIATES LIMITED

REGISTERED NUMBER : 2443521

REPORT AND ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

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INDEPENDENT AUDITORS' REPORT TO

TRANSNATIONAL MANAGEMENT ASSOCIATES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the Balance Sheet and related notes together with the full financial statements of Transnational Management Associates Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 2001.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with 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 abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out procedures we consider 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 to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 March 2001 and the abbreviated accounts which comprise the Balance Sheet and related notes have been properly prepared in accordance with those provisions.

30th January 2002

Menzies

Manor House
1 The Crescent
Leatherhead
Surrey
KT22 8DY

Menzies
Chartered Accountants
and Registered Auditors

TRANSNATIONAL MANAGEMENT ASSOCIATES LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2001

	Note	2001 £	2001 £	2000 £	2000 £
FIXED ASSETS	2		142,240		64,807
CURRENT ASSETS					
Debtors	3	195,207		152,767	
Cash at bank and in hand		14,555		2,666	
		209,762		155,433	
CREDITORS: amounts falling due within one year		313,154		187,417	
NET CURRENT (LIABILITIES)			(103,392)		(31,984)
TOTAL ASSETS LESS CURRENT LIABILITIES			38,848		32,823
CREDITORS: amounts falling due after more than one year			167,662		182,702
			(128,814)		(149,879)
CAPITAL AND RESERVES					
Called up share capital	4		216,887		216,887
Profit and loss account			(345,701)		(366,766)
			(128,814)		(149,879)

The 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 Director on 25 January 2002.

DIRECTOR C E B Crosby

The notes on pages 4 to 6 form part of these financial statements.

1 ACCOUNTING POLICIES

The principal accounting policies of the company are set out below.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Consolidation

The company has taken advantage of the statutory exemption not to prepare group accounts, by virtue of its size, as permitted by Section 248 of the Companies Act 1985.

Income from investments

Investment income comprises dividends declared during the accounting period in respect of listed and un-listed investments, interest receivable on term deposits and fixed interest securities and rents receivable.

Depreciation

Depreciation is charged on the following bases to reduce the cost of the company's tangible fixed assets to their net realisable values over their estimated useful lives at the following rates:

Furniture and equipment	20% straight line basis
Computer equipment	20% straight line basis

Intangible fixed assets

The cost, less estimated residual value, of the company's intangible fixed assets is amortised over their estimated useful lives to the business as follows:

Development expenditure	over 5 years

Fixed asset investments

Fixed asset investments are included in the balance sheet at cost after provision for any permanent diminution in value.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are dealt with through the profit and loss account.

Pension fund arrangements

The company has entered into pension fund arrangements for the benefit of certain employees. Contributions are made by the company to the employees' personal pension funds which are independent from the company's assets.

Contributions which are expected to cover the cost of benefits arising from the current services of employees are charged to the profit and loss account as incurred.

2 **FIXED ASSETS**

	Tangible fixed assets	Intangible fixed assets	Fixed asset investment	Total
	£	£	£	£
COST				
At 1 April 2000	39,516	153,816	-	193,332
Additions	4,820	95,905	701	101,426
Disposals	(1,855)	-	-	(1,855)
At 31 March 2001	42,481	249,721	701	292,903
DEPRECIATION				
At 1 April 2000	16,808	111,717	-	128,525
Charge for the year	7,701	15,457	-	23,158
Released on disposals	(1,020)	-	-	(1,020)
At 31 March 2001	23,489	127,174	-	150,663
NET BOOK VALUE				
At 31 March 2000	22,708	42,099	-	64,807
At 31 March 2001	18,992	122,547	701	142,240

Basis of exemption from preparing group accounts

The financial statements present information about Transnational Management Associates Limited as an individual undertaking and do not include the results of its subsidiary undertakings:

	Country of incorporation	Class of share held	Percentage held
Transnational Management Associates Inc.	United States of America	Ordinary	100%

The company has taken advantage of Section 248(1) of the Companies Act 1985 which permits a parent undertaking not to prepare group accounts where the group in question satisfied two or more of the criteria set out in Section 249(3) of the Companies Act 1985 and so qualifies as a small or medium sized group.

Accordingly, no group accounts have been prepared.

3 DEBTORS

All amounts included in debtors are considered receivable within one year of the balance sheet date.

4 CALLED UP SHARE CAPITAL

	2001	2000
	£	£
Authorised		
Ordinary shares of £1 each	250,000	250,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	216,887	216,887

5 GOING CONCERN

The director is confident that the company will continue as a going concern for the foreseeable future. The company relies on the continuing support of the director and other shareholders who have introduced money into the company. The company has made a considerable investment to secure a position within this expanding market place and forecasts indicate the company will become profitable once its current development programme has been finished. Recently, new contracts have been signed with customers which supports the director's view.

It has also been agreed that the funds injected by the current shareholders up to 31 March 2001, amounting to £168,416 and currently included within creditors due after more than one year, are to be converted into equity share capital. This was formally agreed in a meeting of the shareholders on 30 October 2001.

The company has increased the authorised share capital at the same time to facilitate the issue of these new shares.

6 RELATED PARTY TRANSACTIONS

Included within creditors due after more than one year is the director's loan account of £98,416.

7 CONTROLLING PARTY

The company is controlled by the director by virtue of his shareholding.