

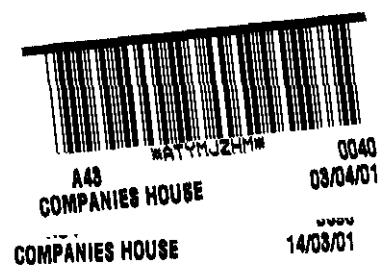
THOMAS RESEARCH SERVICES LIMITED

FINANCIAL STATEMENTS

31st AUGUST 2000

COMPANY NUMBER 2518421

E. DAVID GRAY - CHARTERED ACCOUNTANT - THORNGUMBALD



THOMAS RESEARCH SERVICES LIMITED

Directors' Report

The directors present their report and the unaudited accounts for the year ended 31 August 2000.

Directors' Responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Activities

The company's principal activity, which is unchanged since last year, is the provision of consultancy services in respect of slag analysis.

Directors and their Interests

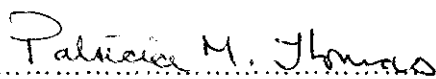
The directors at 31 August 2000 and their interests in the share capital of the company throughout the year were as follows:-

Ordinary Shares

G. H. Thomas Esq.	4,208
Mrs. P. M. Thomas	4,208
I. D. Thomas Esq.	4,208

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

By order of the board


Secretary - Mrs. P. M. Thomas
21st February 2001

Registered Office

Wolds End
Wold Road
Barrow upon Humber
North Lincolnshire

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS

ON THE UNAUDITED ACCOUNTS FOR THOMAS RESEARCH SERVICES LIMITED

I report on the accounts for the year ended 31st August 2000 set out on pages 3 – 7.

Respective responsibilities of directors and reporting accountants.

As described on page 1 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

Basis of opinion

My work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so my procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion.

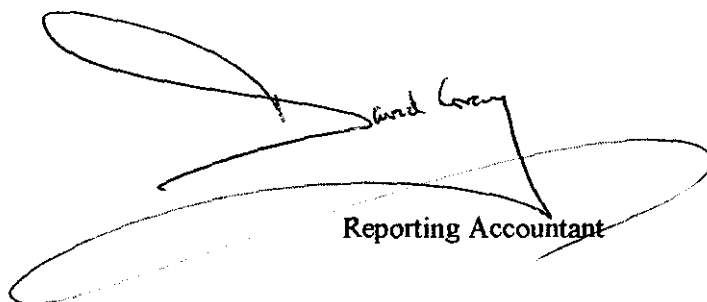
Opinion

In my opinion

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985:
- (b) having regard only to and on the basis of the information contained in those accounting records
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not at any time within that year fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)

THORNGUMBALD

21st February 2001



Reporting Accountant

THOMAS RESEARCH SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st AUGUST, 2000

<u>Notes</u>	<u>1999/2000</u>	<u>1998/99</u>
2 <u>Turnover</u>	83968	317087
Cost of Sales	53030	93098
<u>Gross profit</u>	<u>30938</u>	<u>223989</u>
Administrative expenses	125892	140337
<u>Operating profit (loss)</u>	<u>(94954)</u>	<u>83652</u>
Interest receivable	5935	7403
Interest payable	--	(833)
	<u>5935</u>	<u>6570</u>
3 <u>Profit (Loss) on ordinary activities before taxation</u>	(89019)	90222
4 Tax on profit on ordinary activities	<u>(16642)</u>	<u>25446</u>
<u>Profit for the financial year on ordinary activities after taxation</u>	(72377)	64776
Dividends	--	6000
	<u>(72377)</u>	<u>58776</u>
Balance brought forward	<u>182590</u>	<u>123814</u>
<u>Retained profit carried forward</u>	<u>£ 110213</u>	<u>£ 182590</u>

THOMAS RESEARCH SERVICES LIMITED

BALANCE SHEET AS AT 31st AUGUST 2000

<u>Notes</u>	<u>2000</u>	<u>1999</u>
5 <u>Tangible fixed assets</u>	79758	97110
<u>Current assets</u>		
Stock and Work In Progress	17000	4071
6 Debtors	32488	9537
Cash at bank and in hand	<u>26966</u>	<u>205581</u>
	76454	219189
7 <u>Creditors: Amounts falling due</u>		
Within one year	<u>29167</u>	<u>116877</u>
	47287	102312
<u>Total assets less current liabilities</u>	<u>£ 127045</u>	<u>£ 199422</u>
<u>Capital and reserves</u>		
8 Called up share capital	16832	16832
Profit and Loss Account	<u>110213</u>	<u>182590</u>
	<u>£ 127045</u>	<u>£ 199422</u>

For the year ended 31st August 2000 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

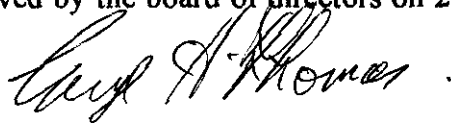
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibilities for:

- i) Ensuring the company keeps accounting records which comply with section 221; and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The accounts are 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 21st February 2001 and signed on their behalf by:



Director - G. H. Thomas Esq.

THOMAS RESEARCH SERVICES LIMITED

NOTES TO THE ACCOUNTS AT 31st AUGUST 2000

1 **Accounting policies**

Depreciation

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

Laboratory equipment	20% written down value
Laboratory fixtures and fittings	10% written down value
Office Equipment	20% written down value
Motor vehicles	25% written down value

Stocks and Work in Progress

These are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

	<u>2000</u>	<u>1999</u>
2 <u>Turnover</u>		
The percentage of turnover relating to non-UK markets is:	0.00%	0.00%
3 <u>Profit on ordinary activities before taxation</u>		
This is stated after charging:		
Directors' emoluments	<u>£ 49664</u>	<u>£ 58248</u>
Auditors' remuneration	<u>NIL</u>	<u>NIL</u>
Depreciation – owned assets	<u>£ 21598</u>	<u>£ 26824</u>

NOTES TO THE ACCOUNTS AT 31st AUGUST 2000

Deferred taxation has not been provided in these accounts, and the provisions made in earlier years have been written back. Deferred taxation arises from the timing differences between depreciation provisions on fixed assets and the capital allowances claims made for tax purposes. The amount of Corporation Tax so deferred at 31st August 2000 is £1575.

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THOMAS RESEARCH SERVICES LIMITED

NOTES TO THE ACCOUNTS AT 31st AUGUST 2000

	<u>2000</u>	<u>1999</u>
7 <u>Creditors:</u> Amounts falling due within one year		
Trade Creditors	41	195
Corporation tax	--	21330
Other taxation and social security	2369	19145
Directors' account	23070	73132
Other creditors	3687	3075
	<u>£ 29167</u>	<u>£ 116877</u>
8 <u>Called up share capital</u>		
Ordinary shares of £1 each:		
Authorised	<u>£ 20,000</u>	<u>£ 20,000</u>
Allotted and fully paid	<u>£ 16832</u>	<u>£ 16832</u>