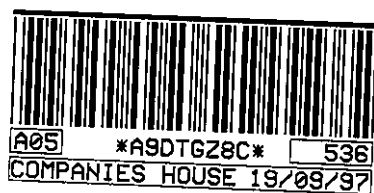


Company No: 03086310

PAT SYSTEMS LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1ST AUGUST 1995 TO 31ST AUGUST 1996



PAT SYSTEMS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD 1ST AUGUST 1995 TO 31ST AUGUST 1996

CONTENTS

	Pages
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4
Notes forming part of the financial statements	5 - 7
Detailed profit and loss account	8 - 9

PAT SYSTEMS LIMITED

DIRECTORS' REPORT

The directors submit their first report and the financial statements for the period ended 31st August 1996. The company was incorporated on 1st August 1995.

Statement of 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 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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. The directors 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.

Activity

The principal activity of the company which has remained unchanged during the financial period was the development of software to support trading systems.

Directors and their interests

The directors and their interests, as defined by the Companies Act, in the shares of the company at the period end were as follows:

	Ordinary shares of £1 each	
	31.8.96	1.8.95
Hallmark Registrars Limited (resigned 1.8.95)	-	1
T. Theys (appointed 1.8.95)	2	-
I. Bell (appointed 1.8.95)	-	-

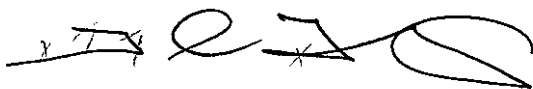
Basis of preparation

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

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing reappointment of Casson Beckman, chartered accountants, as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD



T. Theys

Secretary

20th May 1997

PAT SYSTEMS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF PAT SYSTEMS LIMITED

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

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

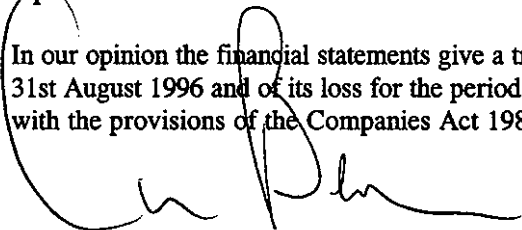
Basis of opinion

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, are consistently applied and are 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 affairs of the company as at 31st August 1996 and of its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



CASSON BECKMAN

Chartered Accountants
and Registered Auditors

Hobson House
155 Gower Street
London WC1E 6BJ

20th May 1997

PAT SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 1ST AUGUST 1995 TO 31ST AUGUST 1996

	Notes	1st August 1995 to 31st August 1996 £
Administrative expenses		(11,870)
Operating loss	2	(11,870)
Interest receivable		229
Loss on ordinary activities before taxation		(11,641)
Tax on loss on ordinary activities		-
Loss for the financial period	7	£(11,641)

There are no recognised gains or losses other than the loss for the financial year.

Turnover and operating loss all derive from continuing operations.

PAT SYSTEMS LIMITED

BALANCE SHEET

AT 31ST AUGUST 1996

	Notes	£	£
Fixed assets			
Tangible assets	3		1,157
Current assets			
Debtors	4	77,991	
Cash at bank		4,656	
		<u>82,647</u>	
Creditors: Amounts falling due within one year	5	(95,443)	
		<u></u>	
Net current liabilities			(12,796)
Total assets less current liabilities			<u>£(11,639)</u>
Capital and reserves			
Called up share capital	6		2
Profit and loss account	7		(11,641)
			<u></u>
Shareholders' funds			<u>£(11,639)</u>

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

Approved by the Board on 20th May 1997 and signed on its behalf by



T. Theys - Director

PAT SYSTEMS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST AUGUST 1995 TO 31ST AUGUST 1996

1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis. The company has substantial net liabilities at the year end and this along with the inherent risks associated with new companies in this field may mean that this is not appropriate. The directors believe that the company is a going concern as substantial investment in the company has taken place since the year end which has provided sufficient working capital for the operation of the company in the foreseeable future.

Turnover

Turnover represents amounts invoiced by the company in respect of goods sold and services rendered during the period stated net of value added tax.

Tangible fixed assets

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

Plant and machinery	-	25% straight line basis
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Research and development

Research and development expenditure is written off to the profit and loss account in the period in which the cost is incurred.

Deferred taxation

Deferred taxation is calculated on the liability method. It is provided to the extent that it is considered, with reasonable probability, that a liability will become payable within the foreseeable future.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All differences are taken to the profit and loss account.

PAT SYSTEMS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31ST AUGUST 1996

2. Operating loss	1st August 1995 to 31st August 1996 £
Operating loss is stated after:	
Depreciation	385
Rentals under operating leases	780
Auditors' remuneration	2,500
3. Tangible fixed assets	Plant and machinery etc £
Cost	
Additions at cost	1,542
At 31st August 1996	£1,542
Depreciation	
Charge for the period	385
At 31st August 1996	£385
Net book value	
At 31st August 1996	£1,157
4. Debtors	£
Sundry debtors	11,416
Prepayments	66,575
	£ 77,991
5. Creditors: Amounts falling due within one year	£
Trade creditors	36,757
Other creditors	58,686
	£95,443

PAT SYSTEMS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1ST AUGUST 1995 TO 31ST AUGUST 1996

6. Share capital	£
Authorised:	
100,000 ordinary shares of £1 each	£100,000
Allotted, issued and fully paid:	
2 ordinary shares of £1 each	£ 2

7. Reserves and reconciliation of Movements in Shareholders' Funds

	Share Capital £	Profit and loss account £	Total shareholders' funds £
New share capital subscribed	2	-	2
Loss for the financial period	-	(11,641)	(11,641)
Closing shareholders' funds	£ 2	£(11,639)	£(11,639)

8. Post balance sheet event

Since the period end 998 ordinary shares have been issued for consideration totalling £190,808.