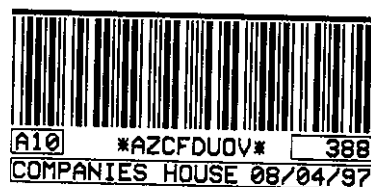


Reg. No.

Company Registration No. 2760528 (England and Wales)

SCITEC (EMA) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996**



SCITEC (EMA) LIMITED

COMPANY INFORMATION

Directors	M.D. Mayhew P. F. Magee
Secretary	E. Oepen
Company Number	2760528
Registered Office	55 Station Road, Beaconsfield, Bucks. HP9 1QL
Auditors	Rouse & Co., 55 Station Road, Beaconsfield, Bucks. HP9 1QL
Bankers	Barclays Bank Plc, 29 High Street, Windsor, Berk. SL4 1PG
Solicitors	Pitmans 47 Castle Street Reading Berk. RG1 7SR

SCITEC (EMA) LIMITED

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SCITEC (EMA) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1996

The directors present their report and financial statements for the year ended 30 June 1996.

Principal activities

The principal activity of the company was the provision of marketing and technical support in the UK, Europe, the Middle East and Africa on behalf of its' parent company, SCITEC LIMITED.

Directors

The following directors have held office since 1 July 1995:

O.P. Gilbert	(Resigned 18 January 1996)
M.L. Roe	(Resigned 31 January 1996)
H. Boedefeld	(Resigned 30 June 1996)
M.D. Mayhew	(Appointed 31 January 1996)
P. F. Magee	(Appointed 1 July 1996)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 June 1996	1 July 1995
H. Boedefeld	-	-
M.D. Mayhew	-	-

All of the directors have some interest in the shares of the parent company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Rouse & Co., be reappointed as auditors of the company will be put to the Annual General Meeting.

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:

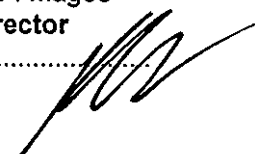
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the board

P. F. Magee
Director

..... 25.3.97

SCITEC (EMA) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF SCITEC (EMA) LIMITED

We have audited the financial statements on pages 3 to 10 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.

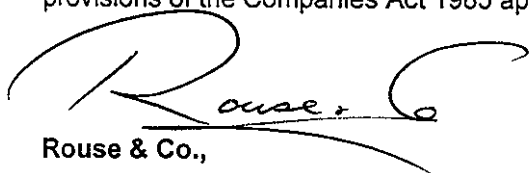
Basis of opinion

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.

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 1996 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.



Rouse & Co.,

Chartered Accountants
Registered Auditors

7/4/97

55 Station Road,
Beaconsfield,
Bucks.
HP9 1QL

SCITEC (EMA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1996

	Notes	1996 £	1995 £
Turnover		631,991	669,926
Distribution costs		(82,662)	(90,642)
Administrative expenses		(544,450)	(568,817)
Other operating income		46,020	53,020
Operating profit	2	50,899	63,487
Other interest receivable and similar income	3	1,418	839
Interest payable and similar charges	4	(1,975)	(5,520)
Profit on ordinary activities before taxation		50,342	58,806
Tax on profit on ordinary activities	5	(14,998)	(9,947)
Profit on ordinary activities after taxation	13	35,344	48,859

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SCITEC (EMA) LIMITED

BALANCE SHEET AS AT 30 JUNE 1996

	Notes	1996 £	£	1995 £	£
Fixed assets					
Tangible assets	6		24,554		62,073
Investments	7		1		1
			<u>24,555</u>		<u>62,074</u>
Current assets					
Debtors	8	117,031		103,500	
Cash at bank and in hand		48,108		41,727	
		<u>165,139</u>		<u>145,227</u>	
Creditors: amounts falling due within one year	9	(62,268)		(112,103)	
Net current assets			102,871		33,124
Total assets less current liabilities			<u>127,426</u>		<u>95,198</u>
Creditors: amounts falling due after more than one year	10		-		(3,116)
			<u>127,426</u>		<u>92,082</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		127,425		92,081
Shareholders' funds - equity interests	14		<u>127,426</u>		<u>92,082</u>

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the board on 25.3.97

P. F. Magee
Director



SCITEC (EMA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the operating costs incurred by the Company and recharged to its' Parent Company at cost plus 10%.

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:

Land and buildings Leasehold	Over the term of the lease
Service equipment	20% Straight Line
Fixtures and office equipment	20% , 33% and 40% Straight Line

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

SCITEC (EMA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2	Operating profit	1996	1995
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	46,870	47,045
	Operating lease rentals	145,409	143,977
	Auditors' remuneration	2,750	3,262
	Directors' emoluments	28,940	92,336
		<u> </u>	<u> </u>
3	Other interest receivable and similar income	1996	1995
		£	£
	Bank interest	1,418	839
		<u> </u>	<u> </u>
4	Interest payable	1996	1995
		£	£
	Lease finance charges	1,975	5,520
		<u> </u>	<u> </u>
5	Taxation	1996	1995
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 25% (1995 - 25%)	14,145	14,681
	Prior years		
	U.K. Corporation tax	853	(4,734)
		<u> </u>	<u> </u>
		<u>14,998</u>	<u>9,947</u>

SCITEC (EMA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

6 Tangible fixed assets

	Land and buildings Leasehold	Service equipment	Fixtures and office equipment	Total
	£	£	£	£
Cost				
At 1 July 1995	93,561	25,394	176,212	295,167
Additions	-	-	9,351	9,351
At 30 June 1996	93,561	25,394	185,563	304,518
Depreciation				
At 1 July 1995	71,625	17,353	144,116	233,094
Charge for the year	18,713	5,288	22,869	46,870
At 30 June 1996	90,338	22,641	166,985	279,964
Net book value				
At 30 June 1996	3,223	2,753	18,578	24,554
At 30 June 1995	21,936	8,041	32,096	62,073

Included above are assets held under finance leases or hire purchase contracts as follows:

	Service equipment	Fixtures and office equipment	Total
	£	£	£
Net book values			
At 30 June 1996	-	3,340	3,340
At 30 June 1995	-	17,697	17,697
Depreciation charge for the year			
30 June 1996	-	14,357	14,357
30 June 1995	-	16,216	16,216

SCITEC (EMA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

7 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 July 1995 & at 30 June 1996	1
At 30 June 1995	1

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Scitec Americas Inc.	U.S.A	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
Scitec Americas Inc.	(1,024,446)	(77,939)

8 Debtors

	1996 £	1995 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	94,884	45,521
Other debtors	22,147	57,979
	117,031	103,500

SCITEC (EMA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

9 Creditors: amounts falling due within one year	1996 £	1995 £
Net obligations under finance lease and hire purchase contracts	3,116	29,559
Trade creditors	2,744	12,631
Corporation tax	14,145	14,681
Other creditors	42,263	55,232
	<u>62,268</u>	<u>112,103</u>

10 Creditors: amounts falling due after more than one year	1996 £	1995 £
Net obligations under finance leases and hire purchase agreements	-	3,116
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	3,116	29,559
Repayable between one and five years	-	3,116
	<u>3,116</u>	<u>32,675</u>
	3,116	32,675
Included in liabilities falling due within one year	(3,116)	(29,559)
	<u>-</u>	<u>3,116</u>

11 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £12,439 (1995 - £6,129).

12 Share capital	1996 £	1995 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

SCITEC (EMA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

13 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Balance at 1 July 1995	92,081
Retained profit for the year	35,344
Balance at 30 June 1996	<u>127,425</u>

14 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit for the financial year	35,344	48,859
Opening shareholders' funds	92,082	43,223
Closing shareholders' funds	<u>127,426</u>	<u>92,082</u>

15 Financial commitments

At 30 June 1996 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1996 £	1995 £
Expiry date:		
Within one year	-	153,250
Between two and five years	35,000	-
	<u>35,000</u>	<u>153,250</u>

16 Ultimate parent company

The ultimate parent company is SCITEC LIMITED, a company registered in Australia.