Transense Technologies PLC

(Registered No: 1885075)

Report and Accounts
For the Year Ended
31st December, 1994

DIRECTORS AND ADVISERS

Directors	G H Jarrett* Chairman J F George* A Lonsdale* B Lonsdale* J A H Perry *non-executive
Secretaries and Registered Office	Watlington Securities Limited 36 Elder Street London E1 6BT
Auditors	Burgis & Bullock Chartered Accountants 2 Chapel Court Holly Walk Leamington Spa Warwickshire CV32 4YS
Bankers	Lloyds Bank plc PO Box 663 79-81 Brompton Road London SW3 1DD
Solicitors	Bower & Bailey 35 High Street Banbury OX16 8ER
Stockbrokers	Astaire & Partners Limited 40 Queen Street London EC4R 1DD
Registrars	Security Exchange Limited James Yard 480 Larkshall Road London E4 9UA

CHAIRMAN'S STATEMENT

Dear Shareholder

The financial results for the year to December, 1994 reflect the early stages of development of your Company where the majority of effort has been in the development of Electrical Power Assisted Steering ("EPAS") systems for the automotive industry using our non-contact torque Surface Acoustic Wave ("SAW") sensors. An example of the benefits of this system is that power steering will become available to small motor cars which represent a World Market in excess of 20 million units. At present power steering is not practicable for small engined cars for reasons of component size, weight, fuel consumption and an unacceptable drain of engine power.

When I joined your Company as Chairman in September, 1994 it had already successfully raised additional funding for this development by way of a rights issue and placing and there have since been dealings under Rule 4.2 of The London Stock Exchange. Your Company is considering the benefits of seeking admission to the Alternative Investment Market ("AIM") of the Exchange. Your Company has also been successfully recognised under the Government's Enterprise Investment Scheme giving tax benefits to those eligible shareholders who took their share entitlement under the rights issue and placing. Any shareholders, uncertain of entitlement to relief, should seek advice from their financial adviser.

Since the rights issue and placing in September there has been a significant change in direction by many motor car and steering rack manufacturers. While EPAS is still in development, Electro Hydraulic Power Steering ("EHPS") has come to the forefront as the most likely technology for early introduction into small cars. Whilst the industry continues to use the established, tried and tested Hydraulic Steering technology, it is now proposed to add electronic rate/velocity sensors to the hydraulic system, which will make possible an earlier introduction of your Company's technology into high volume production cars. Your Company is well placed to meet this change and has already produced a number of prototypes for some of the major car manufacturers. Road tests have been carried out by TRW, a multinational automotive component manufacturer in a Clio, which Renault is currently evaluating. In addition tests are in progress with two other leading manufacturers. However the most likely outcome in the longer term is that the industry will adopt EPAS for small cars.

TRW have kindly given us permission to include the table on page 16 which illustrates relative energy savings against conventional power steering and on page 17 we have included drawings of the EHPS and EPAS steering systems which may assist shareholders in understanding the Company's products application.

In addition to the Transense SAW technology, which I consider to be the most exciting measuring device for EPAS, we are now producing prototype products to meet our customers' new demands for EHPS.

The fuel economies promised from EPAS are still gained with EHPS and therefore we could also see many of the large car manufacturers respond when field trials of our product are completed. I am pleased to announce that we are now in the advanced stages of entering into further development contracts with a number of new customers which, if successful, would give us cover in the USA, Far East and the Antipodes. In the meantime other automotive product developments are progressing.

We are supported by the skill, effort and dedication of Anthony and Bryan Lonsdale who have kept us in the forefront of the application for electronic sensors in automotive power steering and I wish to record my appreciation for their good work which allows me to be confident of the opportunities ahead for your Company.

Graham Jarrett
Chairman

21st June, 1995

REPORT OF THE DIRECTORS

for the year ended 31st December, 1994

Business activities, review of the business and future developments.

The principal activities of the Company during the year were the continuing development of a non-contact sensor which acts as a torque transducer to enable electric power assisted steering ("EPAS") to be introduced into motor vehicles; and the maintenance and updating of patent licences and other intellectual property rights in respect of the Company's World licence in respect of the automotive industry.

In addition to EPAS the Company has recently developed a system for use in hydraulic power steering ("EHPS"). This application for the Company's torque measuring technology is expected to lead to wider and earlier acceptability because it modifies and improves existing hydraulic steering systems.

A review of the Group's business for the year together with developments since the year end and for the future is included in the Chairman's Statement on page 2.

Results and dividends

The results for the year ended 31st December, 1994 show a loss of £42,417 (1993: loss £21,075). The directors do not recommend the payment of a dividend.

Directors

The present directors are listed on page 1. Mr G H Jarrett was appointed as an additional director on 15th September, 1994. Mr E G Fishlock-Lomax resigned as a director on 18th November, 1994. The directors retiring by rotation are Mr. B Lonsdale and Mr J A H Perry and, being eligible, they offer themselves for re-election.

Details of directors' service contracts

Details of existing service contracts are as follows:

	Expiry Date	Annual salary
J A H Perry	2 year rolling	£25,000

A Lonsdale and B Lonsdale

A Lonsdale and B Lonsdale have entered into Consultancy Agreements with the Company dated 28th August, 1991 (as varied by the agreements dated 22nd August, 1994) for a minimum period of four years to 1998 under which they will each be entitled to commission on direct sales at the following rates:

Annual Turnover	Percentage Commission
Up to £5 million	1¼ per cent.
Between £5 - £10 million	¾ per cent.
Over £10 million	½ per cent.

They will also be entitled to commission on royalties received from sub-licences at the following rates:

Annual Turnover	Percentage Commission
Up to £5 million	2½ per cent.
Between £5 - £10 million	1½ per cent.
Over £10 million	1 per cent.

In the event of the death of either of the Lonsdales during their consultancy the survivor will be entitled to his brothers's commissions in addition to his own.

Transactions with directors are detailed in note 17 of the accounts.

REPORT OF THE DIRECTORS – CONTINUED

Directors' interests

The interests of the current directors, all of which were beneficial, in the shares of the Company at the beginning and end of the year were as follows:

	Ordinary shares of 1p each	
	1994	1993
G H Jarrett (appointed 15/09/94)	18,764	-
J F George	39,690	29,768
A Lonsdale	711,539	711,539
B Lonsdale	674,089	674,089
J A H Perry	638,413	637,577

A Lonsdale and B Lonsdale jointly and severally hold the voting rights to a further 629,089 Ordinary Shares owned by Mr A J Ingham.

G H Jarrett was granted options of 50,000 ordinary 1p shares at 23p each and 50,000 ordinary 1p shares at 46p each, exercisable until 15th September, 1999 and subject to ratification at the Annual General Meeting to be held on 19th July, 1995.

On 22nd August, 1994 Messrs. A and B Lonsdale were, in consideration for the World rights relating to the automotive industry, granted options to subscribe for ordinary shares in the Company at any time within the next five years at a price of 23p per share for such number of shares as will, when added to their existing share holdings of 711,539 and 674,089 ordinary shares respectively and the voting rights attaching to the original share holding of Mr A J Ingham of 674,089 ordinary shares, give them a combined total number of voting rights equivalent to 51% of the ordinary share capital on the date of the exercise of the option.

Since the financial year end, J F George has sold 4,690 ordinary shares of 1p each reducing his holding to 35,000 ordinary shares.

Substantial shareholdings

At the date of this report the following substantial shareholdings have been notified to the Company.

	%	Ordinary Shares of 1p each
A J Ingham	12.50	629,089
Speciality Training Limited Retirement Benefit Scheme	5.98	301,240
A P Stirling	4.75	239,000
First Gresham Pension Fund Limited	3.72	187,000
Welsh Industrial Investment Trust plc	3.68	185,000

Fixed assets

The movements in tangible fixed assets are detailed in note 8 to the accounts.

The intangible fixed assets are included at a cost of £147,807. The directors believe the intellectual property rights are worth considerably in excess of this amount.

REPORT OF THE DIRECTORS – CONTINUED

Auditors

Messrs. Burgis & Bullock have signified their willingness to stand for reappointment as auditors, in accordance with section 384 of the Companies Act 1985.

Corporate governance

Your board is required to state whether or not it has complied with the Code of Best Practice set out in the report of the Committee on the Financial Aspects of Corporate Governance (the Cadbury Report) for the year ended 31st December, 1994. The directors have not reported on internal financial control as the guidance issued in December 1994 was not effective for the relevant period.

The company does not find it practical, because of its small size and management structure, to embrace fully all the recommendations of the Code. Of the 19 paragraphs contained within the Code the Company does not comply with paragraphs 1.4 and 1.5, which relate to matters specifically reserved to the board for decision and the provision, if necessary, of independent legal advice for directors, paragraph 2.3 concerning the appointment of non-executive directors for specified terms and paragraph 4.3 concerning the setting up of an audit committee.

As a matter of practice the remuneration of the executive director has been decided by the board as a whole and this policy will continue.

The directors are involved in all decisions of any consequence and the board will accommodate any valid request for independent legal advice and as such a set procedure is not considered to be necessary.

The board does not consider that the interests of shareholders or the auditors would be better served by the existence of an audit committee.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Statement of the director's responsibilities in respect of the accounts

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 year. In preparing those accounts, the directors are required to:—

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a 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 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 of fraud and other irregularities.

By Order of the Board

Watlington Securities Ltd.

Watlington Securities Limited

Company Secretaries
21st June, 1995.

36 Elder Street
London E1 6BT

REPORT OF THE AUDITORS

Auditors' Report to the Members of Transense Technologies PLC

We have audited the accounts on pages 7 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective Responsibilities of Directors and Auditors

As described on page 5 the Company's directors are responsible for the preparations of the accounts.
It is our responsibility as auditors to form an independent opinion based upon our audit on the accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31st December, 1994 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Burgis & Bullock.

Burgis & Bullock
Registered Auditor
Chartered Accountants

2 Chapel Court
Holly Walk
Leamington Spa

21st June, 1995

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 1994

	Notes	1994	1993
		£	£
Turnover	2	44,114	46,523
Cost of sales		(10,807)	—
Gross Profit		33,307	46,523
Administration Expenses		(91,444)	(71,267)
Operating Loss	5	(58,137)	(24,744)
Other Income		1,033	-
Interest Payable and Similar Charges	6	(313)	(31)
Loss on Ordinary Activities before Taxation		(57,417)	(24,775)
Taxation	7	15,000	3,700
Loss on Ordinary Activities after Taxation attributable to shareholders		(42,417)	(21,075)
Dividends		—	—
Loss retained for the year	14	(42,417)	(21,075)
Loss per share	15	**(1.0p)**	**(0.6p)**

Statement of Total Recognised Gains and Losses.

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

The reconciliation of movements in shareholder's funds can be found in note 16.

BALANCE SHEET

As at 31st December 1994

	Notes	1994	1993
		£	£
Fixed Assets			
Tangible Assets	8	22,073	10,697
Intangible Assets	9	147,807	147,807
Investments	10	26,216	26,216
		196,096	184,720
Current Assets			
Debtors	11	45,380	39,841
Cash at Bank and in Hand		104,483	549
		149,863	40,390
Creditors: Amounts Falling Due Within One Year			
Trade Creditors		8,564	26,380
Other Taxes and Social Security Costs		939	5,066
Accruals		2,000	11,850
Other Creditors		—	55,776
		11,503	99,072
Net Current Assets/(Liabilities)		138,360	(58,682)
Total Assets Less Current Liabilities		334,456	126,038
Provisions for Liabilities and Charges			
Deferred Taxation	12	(15,300)	(30,300)
		319,156	95,738
Capital and Reserves			
Called Up Share Capital	13	50,333	37,449
Share Premium Account	14	482,803	234,852
Other Capital Reserve	14	5,000	—
Profit and Loss Account	14	(218,980)	(176,563)
Shareholders' Funds		319,156	95,738

The accounts were approved by the Board on 21st June, 1995

J. A. H. Perry
Director

CASHFLOW STATEMENT

For the Year ended 31st December 1994

	Notes	1994 £	1994 £	1993 £	1993 £
Net Cash Inflow from Operating Activities	A		(145,133)		84,609
Returns on Investments and Servicing of Finance					
Interest received		1,033		–	
Interest paid		(313)		(31)	
Net Cash Inflow from Returns on Investments and Servicing on Finance			720		(31)
Taxation Paid			—		—
Investing Activities					
Payments to acquire intangible fixed assets		—		(83,304)	
Payments to acquire tangible fixed assets		(17,488)		(3,915)	
Net Cash Outflow from Investing Activities			(17,488)		(87,219)
Net Cash Inflow Before Financing			(161,901)		(2,641)
Net Cash Inflow From Financing	B		265,835		–
Increase/(Decrease) in Cash and Cash Equivalents	C		103,934		(2,641)

NOTES TO THE CASHFLOW STATEMENT

A Reconciliation of Operating Profit to Net Cash Inflow From Operating Activities

	1994 £	1993 £
Operating Loss	(58,137)	(24,744)
Depreciation	6,112	2,960
(Increase)/decrease in Debtors	(5,539)	26,736
(Decrease)/increase in Creditors	(87,569)	79,657
Net Cash (Outflow)/inflow from Operating Activities	(145,133)	84,609

B Analysis of Changes in Financing During the Year

	Share Capital (Including Share Premium) £
Balance at 1st January, 1994	272,301
Cash Inflow from Financing	265,835
Balance at 31st December, 1994	538,136

C Analysis of Changes in Cash and Cash Equivalents

	1994 £	1993 £	Change in Year £
Cash at Bank and in Hand	104,483	549	103,934

NOTES TO THE ACCOUNTS

For the Year ended 31st December 1994

1. Accounting Policies

a) Accounting Convention

The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention.

b) Depreciation

Intangible Fixed Assets represent development and patent costs in respect of the non-contact sensor technology. This is expenditure incurred by the Company which has been deferred to future periods. It is stated at cost. Amortisation will commence when income is being generated from the technology involved.

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

Plant and Equipment	20% Reducing balance.
Motor Vehicles	25% Reducing balance.

c) Deferred Taxation

Deferred Taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences, except for those which are not expected to reverse in the future.

d) Government Grants

Capital based Government grants are deducted from the cost of fixed assets on which the grants are claimed and are accordingly written off against profits over the estimated useful lives of the assets concerned. Revenue based Government grants are credited to the profit and loss account in the same year as the expenditure is charged.

2. Turnover

Turnover represents the invoiced amount of goods sold stated net of Value Added Tax.

The Turnover and pre-tax profit is attributable to one market and one activity.

3. Staff Costs

The average weekly number of employees (including the executive director) during the year was 1 (1993: 1) made up as follows:–

	1994	1993
	No.	No.
Management	1	1

	1994	1993
Staff Costs (for the above employees)	£	£
Wages and Salaries	20,000	20,000
Social Security Costs	2,078	2,078
	22,078	22,078

NOTES TO THE ACCOUNTS – CONTINUED

4. Directors' Emoluments

	1994	1993
	£	£
Fees	9,333	8,000
Remuneration, including pension contributions	22,078	22,078
	31,411	30,078

The emoluments of directors, excluding pension contributions, were as follows:–

	1994	1993
	£	£
Chairman	2,000	—
Highest paid director	20,000	20,000
Other directors in scale:–	No.	No.
Not more than £5,000	4	4

G H Jarrett, A Lonsdale and B Lonsdale were granted share options during the year as detailed in the Report of the Directors.

5. Operating Loss

This is stated after charging/(crediting):	1994	1993
	£	£
Depreciation of tangible fixed assets	6,112	2,960
Directors' emoluments	31,411	30,078
Auditors' remuneration	1,500	1,500
Bank interest receivable	(1,033)	—

6. Interest Payable and Similar Charges

	1994	1993
	£	£
On borrowings repayable within five years:		
Bank overdraft	313	31

7. Tax on Loss on Ordinary Activities

The credit based on the loss for the year comprises:–

	1994	1993
	£	£
Deferred tax at 25%	15,000	3,700

NOTES TO THE ACCOUNTS – CONTINUED

8. Tangible Fixed Assets

	Plant & Equipment	Motor Vehicles	Total
Cost			
At 1st January, 1994	34,935	—	34,935
Additions	5,988	11,500	17,488
At 31st December, 1994	40,923	11,500	52,423
Depreciation			
At 1st January 1994	24,238	—	24,238
Charge for the Year	3,237	2,875	6,112
At 31st December 1994	27,475	2,875	30,350
Net Book Value			
At 31st December, 1994	13,448	8,625	22,073
At 31st December, 1993	10,697	—	10,697

At 31st December 1994 there were no capital commitments (1993: nil)

9. Intangible Fixed Assets

	Patent Rights	Research & Development	Total
Cost	£	£	£
At 1st January and 31st December 1994	22,156	125,651	147,807

The above assets will be amortised from the commencement of income being generated from the technology involved.

10. Investments held as Fixed Assets

	The Company 1994	The Company 1993
	£	£
Shares in subsidiary undertaking	26,216	26,216

The subsidiary undertaking referred to above is Transense Technologies Research Limited which is wholly owned by the Company and incorporated in Great Britain. This company was dormant throughout the year.

NOTES TO THE ACCOUNTS – CONTINUED

11. Debtors

	1994	1993
	£	£
Due within one year:–		
Trade debtors	6,905	14,125
Other debtors	20,100	18,424
Prepayments	18,375	7,292
	45,380	39,841

12. Deferred Taxation

Deferred taxation provided in the accounts, and the total potential liability including the amounts for which provision has been made, are as follows:

	Amount Provided		Total Potential Liability	
	1994	1993	1994	1993
	£	£	£	£
Short term timing differences	15,300	30,300	15,300	30,300

13. Share Capital

	1994	1993
Authorised		
10,000,000 (1993: 10,000,000) Ordinary Shares of 1p each	£100,000	£100,000
Issued and Fully Paid		
5,033,253 (1993: 3,744,940) Ordinary Shares of 1p each	£50,333	£37,449

During the year there was a rights issue of 1 new ordinary share for every 3 existing ordinary shares, which involved the issue of 1,248,313 new ordinary shares of 1p each at 23p per share. The proceeds of the rights issue were required to reduce the existing borrowings of the Company necessitated for the purpose of funding the research and development, to finance the continuing development of the technology for use within the automotive industry, to enable the Company and the Lonsdales to apply for additional patents and to provide sufficient working capital for the Company to enter into licence agreements with potential customers. Subsequently the Company issued 40,000 new ordinary 1p shares at 23p each on the exercise of an option granted in lieu of fees in respect of the rights issue.

In addition to the options granted to directors as detailed in the Report of the Directors the following options on shares were granted during the year which remain outstanding at 31st December 1994.

i) 30,000 ordinary 1p shares at 25p each, for a consideration of £5,000, exercisable until 30th June 1999.

ii) 500,000 ordinary 1p shares at 23p each, in lieu of fees in respect of the rights issue.

NOTES TO THE ACCOUNTS – CONTINUED

14. Reserves

	Share Premium Account £	Other Capital Account £	Profit & Loss Account £	Total £
Equity Interest				
At 1st January 1994	234,852	—	(176,563)	58,289
Rights Issue, net of expenses	247,951	—	—	247,951
Retained loss for the year	—	—	(42,417)	(42,417)
At 31st December 1994	482,803	—	(218,980)	263,823
Non-Equity Interest				
At 1st January 1994	—	—	—	—
Consideration for Share Options	—	5,000	—	5,000
At 31st December 1994	—	5,000	—	5,000
Total	482,803	5,000	(218,980)	268,823

15. Loss per Share

The calculation of loss per share is based on the loss after taxation of £42,417 (1993: £21,075) and on 4,112,285 ordinary shares being the weighted average number of shares in issue during the year (1993: 3,774,940).

16. Reconciliation of Movement in Shareholders' Funds

	1994 £	1993 £
Equity Interest		
Opening Shareholder' Funds	95,738	116,813
Issue of Shares at par	12,883	—
Rights Issue – Share Premium	247,952	—
Loss for Year	(42,417)	(21,075)
	314,156	95,738
Non-Equity Interest		
Opening Shareholders' Funds	—	—
Consideration for Share Options	5,000	—
	5,000	—
Closing Shareholders' Funds	319,156	95,738

NOTES TO THE ACCOUNTS – CONTINUED

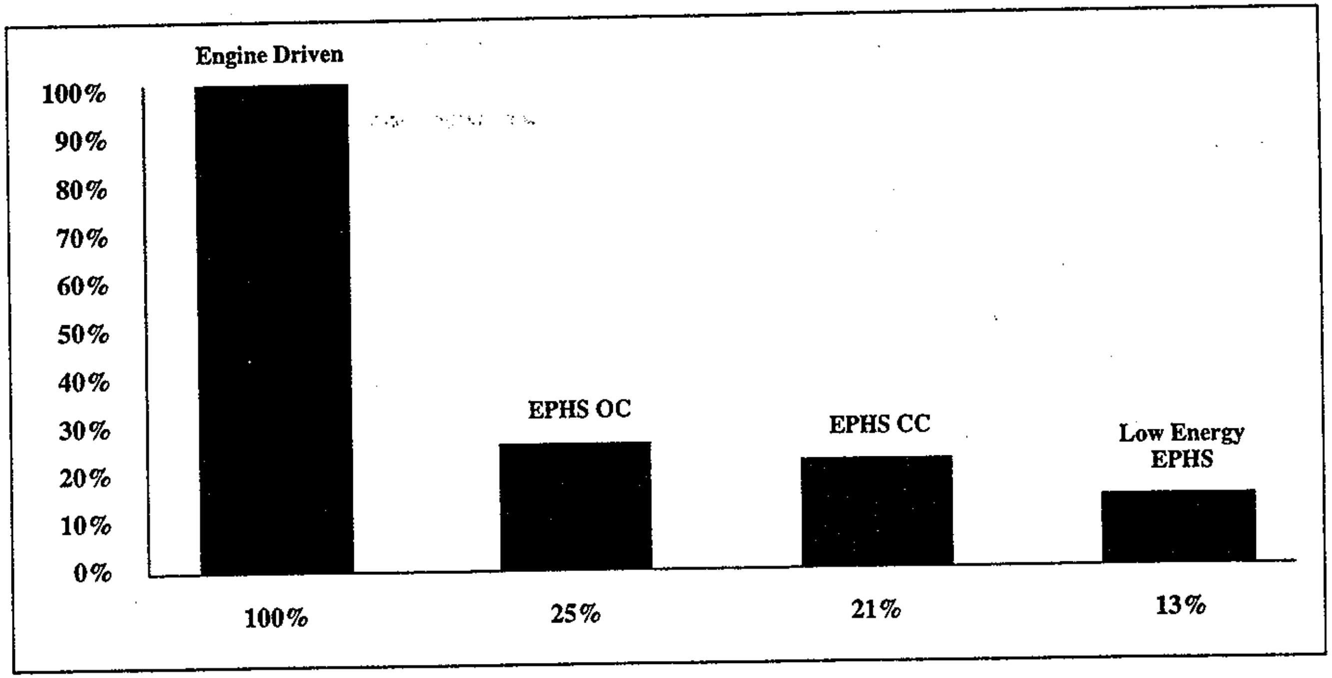
17. Transactions with Directors

The Company entered into an agreement on 28th June, 1991 with Sensor Technology Limited ("Sensor"), a company in which the sole directors and shareholders are A Lonsdale and B Lonsdale, for the provision of office facilities at a rate of £10,000 per annum

In addition, Sensor raised invoices to the Company during 1993 in the sum of £112,843 in respect of development work undertaken. No invoices were raised during 1994. Conversely the Company has raised invoices to Sensor for the hire of equipment in the sum of £30,420 (1993: £30,420). At 31st December 1994 Sensor owed the Company a sum of £16,697.

Energy Consumption for different Power Steering Systems driving on a reference route

23% City, 27% Motorway, 50% Country Roads



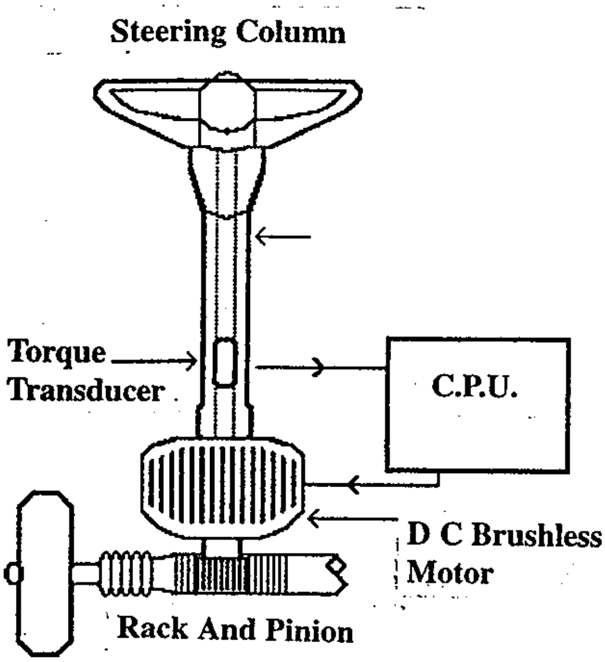
TRW

Steering and Suspension Systems - Europe

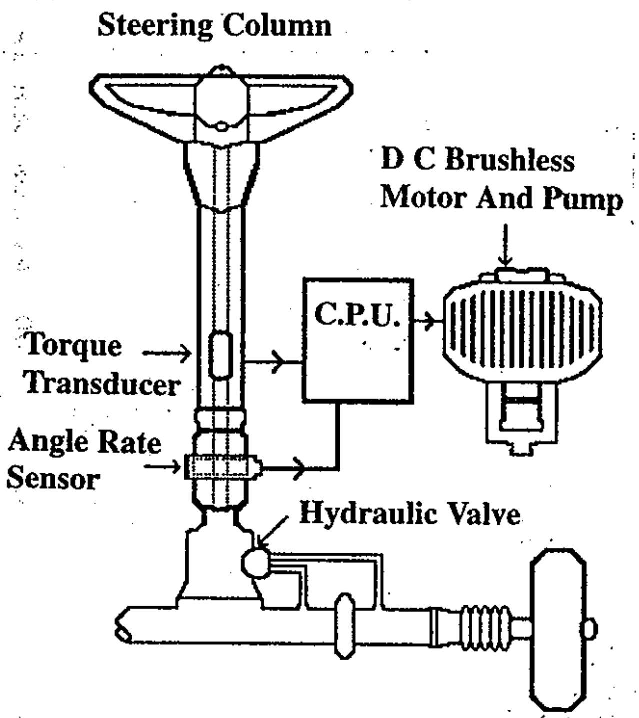
Key:

EPHS	—	Electro Hydraulic Power Steering.
OC	—	Open Circuit i.e constant flow of oil from the pump.
CC	—	Closed Circuit i.e. oil flow from the pump only when demanded.
Low Energy	—	As with closed circuit but utilising a rate sensor.

ELECTRIC POWER ASSISTED STEERING (EPAS)



ELECTRO HYDRAULIC POWER STEERING (EHPS)



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 36 Elder Street, London E1 6BT on 19th July, 1995 at 10.00 am for the following purposes:

1. Receiving and adopting the balance sheet and accounts for the year ended 31st December, 1994 and the reports of the Directors and Auditors.
2. To re-elect as a Director, Mr B Lonsdale, who retires by rotation and offers himself for re-election.
3. To re-elect as a Director, Mr J A H Perry, who retires by rotation and offers himself for re-election.
4. Re-appointing and authorising the Directors to fix the remuneration of the Auditors.
5. To ratify the share options granted to Mr G H Jarrett on 15th September, 1994.
6. Transacting any other ordinary business of an Annual General Meeting.

By Order of the Board

Watlington Securities Limited

Secretaries

Watlington Securities Ltd.

21st June, 1995

Registered Office:

36 Elder Street
London
E1 6BT

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member of the Company. Proxy forms must be received by the Registrars of the Company not less than forty eight hours before the time fixed for the meeting.

Copies of the directors' service contracts will be available for inspection at the Registered Office of the Company during normal business hours on each business day from 21st June, 1995 until the conclusion of the Annual General Meeting.

TRANSENSE TECHNOLOGIES PLC

FORM OF PROXY FOR ANNUAL GENERAL MEETING

I/We ....

of...
(Block Capitals please)

being (a) Member(s) of the above named Company, hereby appoint the Chairman of the Meeting*

....as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the

Company to be held on Wednesday 19th July, 1995 at 10.00 a.m. and at any adjournment thereof.

	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To receive and adopt the balance sheet and accounts for the year ended 31st December 1994 and the reports of the Directors and Auditors.	☐	☐
2.	To re-elect as a Director, Mr B Lonsdale, who retires by rotation and offers himself for re-election.	☐	☐
3.	To re-elect as a Director, Mr J A H Perry , who retires by rotation and offers himself for re-election.	☐	☐
4	To re-appoint Burgis & Bullock as auditors and to authorise the Directors to fix their remuneration.	☐	☐
5	To ratify the share options granted to Mr G H Jarrett on 15th September, 1994	☐	☐

Signed this ....day of...1995

....
(Please sign here)

Please indicate with an X in the appropriate space opposite each resolution how you wish your vote to be cast; on receipt of the form duly executed and in the absence of any specific direction, your proxy will vote or abstain as he thinks fit.

Notes:

(1) To be effective, this proxy, duly completed, must be lodged with Security Exchange Limited, James Yard, 480 Larkshall Road, London E4 9UA **not less than 48 hours before the time appointed for the Meeting.**

(2) If the shareholder is a corporation, this proxy should be under its Common Seal, or signed on its behalf by a duly authorised official.

(3) In the case of joint holders, the signature of one holder will suffice but the vote of the first named on the Register of Members will be accepted to the exclusion of the votes of the other joint holders.

*(4) If any other person is preferred as a proxy, strike out the words "the Chairman of the Meeting", insert the name of the proxy desired in the blank space and initial the alteration.

(5) The return of this proxy will not prevent a shareholder from attending the meeting and voting in person if he so wishes.

Second Fold

Please
affix
stamp

First Fold

Security Exchange Limited
James Yard
480 Larkshall Road
Chingford
London E4 9UA

Fold and tuck in