

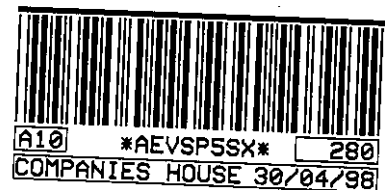
COMPANY REGISTRATION NUMBER 1819031

SMALL BUSINESS COMPUTERS LIMITED

DIRECTORS REPORT
and
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1997

Company Number 1819031 (England and Wales)



SMALL BUSINESS COMPUTERS LIMITED
COMPANY INFORMATION

DIRECTORS :

L J Perren Esq.

SECRETARY :

Mrs C M Perren

COMPANY NUMBER

1819031 (England and Wales)

REGISTERED OFFICE :

8, Cissbury Drive
Findon Valley
Worthing
West Sussex
BN14 0DT

**SMALL BUSINESS COMPUTERS LIMITED
DIRECTORS' REPORT**

The directors present their report and the financial statements for the year ended 30th June 1997.

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 and loss of the company for that period. In preparing these 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 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 irregularities.

Principle Activities

The company's principal activities continue to be those of computer systems and commercial consultants.

Review of Developments and Results

During the period turnover was £1,983 (1995 £1,020).

The loss for the period, after taxation and extraordinary items was £1,543 (1995 £2,450).

Directors

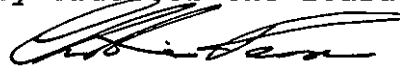
The directors who served during the year and their own and their families' beneficial interests in the company's issued ordinary share capital were:-

	Ordinary Shares	
	1997	1996
L J Perren Esq	100	100

No Director of the company has had during the period a significant interest in any contracts with the Company.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 26th April 1998

By Order of the Board



Secretary
Mrs C M Perren

ANNUAL REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR 1965

The following is a summary of the financial statements for the year 1965.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is responsible for the preparation of the financial statements of the company for the year 1965. The Board has reviewed the financial statements and is satisfied that they present a true and fair view of the company's financial position for the year 1965.

The Board has also reviewed the company's performance for the year 1965 and is satisfied that the company has achieved its objectives for the year. The Board has also reviewed the company's financial position and is satisfied that the company is in a sound financial position.

The Board has also reviewed the company's operations for the year 1965 and is satisfied that the company has achieved its objectives for the year. The Board has also reviewed the company's financial position and is satisfied that the company is in a sound financial position.

Principal Activities

The company's principal activities for the year 1965 were the production and sale of goods and services.

Review of Developments and Results

The company's results for the year 1965 were satisfactory. The company's revenue for the year 1965 was \$1,000,000 and its profit was \$200,000. The company's assets for the year 1965 were \$500,000 and its liabilities were \$300,000.

Directors

The following are the names of the directors of the company for the year 1965:

Name	Address
Mr. A. B. C.	123 Main Street, New York, N.Y.
Mr. D. E. F.	456 Main Street, New York, N.Y.
Mr. G. H. I.	789 Main Street, New York, N.Y.
Mr. J. K. L.	101 Main Street, New York, N.Y.

The company's results for the year 1965 were satisfactory. The company's revenue for the year 1965 was \$1,000,000 and its profit was \$200,000. The company's assets for the year 1965 were \$500,000 and its liabilities were \$300,000.

The company's results for the year 1965 were satisfactory. The company's revenue for the year 1965 was \$1,000,000 and its profit was \$200,000. The company's assets for the year 1965 were \$500,000 and its liabilities were \$300,000.

Director of the Year

Mr. A. B. C.

SMALL BUSINESS COMPUTERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1997

	Note	1997	1996
		£	£
Turnover	2	1,983	1,020
Cost of Sales		-	-
		-----	-----
Gross Profit		1,983	1,020
Distribution Costs		-	-
Administrative Expenses		3,525	4,332
		-----	-----
		3,525	4,332
		-----	-----
Operating Profit (Loss)	3	(1,542)	(3,312)
Interest Receivable		-	-
Interest Payable	4	1	4
		-----	-----
		1	4
Profit/(Loss) on Ordinary Activities before Taxation		-----	-----
		(1,543)	(3,316)
Taxation (Repayable) on Profit (Loss) on Ordinary Activities	5	-	(866)
		-----	-----
Profit/(Loss) on Ordinary Activities after Taxation		(1,543)	(2,450)
Dividends	6	-	3,750
		-----	-----
Retained Profit (Loss) for the Year		(1,543)	(6,200)
Retained Profit (Loss) Brought Forward		(1,296)	4,904
		-----	-----
Retained Profit/(Loss) Carried Forward		£ (2,839)	£ (1,296)
		=====	=====

There are no recognised gains or losses in the year other than those included in the profit and loss account.

None of the company's activities were acquired or discontinued during the year.

The notes on pages 5 to 9 form part of these financial statements.

FOR THE YEAR ENDING 31.12.1950
 PROFIT AND LOSS ACCOUNT
 OF THE COMPANY

1950

1951

1952

Revenue
 1950 1951 1952

Expenses

Profit before taxation

Income tax

Profit after taxation

Dividend

Reserves

Capital

Debt

Assets

Liabilities

Notes

Signatures

Date

SMALL BUSINESS COMPUTERS LIMITED
BALANCE SHEET
AS AT 30TH JUNE 1997

	Note	1997		1996	
		£	£	£	£
Fixed Assets					
Tangible Assets	7		75		294
Current Assets					
Debtors	8	2,093		1,583	
Bank		1,117		305	
		-----		-----	
		3,210		1,888	
Creditors - Amounts Falling					
Due Within One Year	9	216		3,378	
		-----		-----	
Net Current Assets/(Liabilities)			2,994		(1,490)
			-----		-----
Total Assets Less Current			3,069		1,196
Liabilities					
Creditors - Amounts Falling					
Due After More Than One Year	10		5,807		-
Provision for Liabilities					
and Charges					
Deferred Taxation	11	-		-	
		-----		-----	
			-		-
			-----		-----
			£ (2,738)		£ (1,196)
			=====		=====

BALANCE SHEET
AS AT 30TH JUNE 1997

1997	1996	
		Fixed Assets
		Land and Buildings
		Current Assets
		Stocks
		Debtors
		Creditors - Amounts Falling Due Within One Year
		Net Current Assets (Liabilities)
		Total Assets Less Current Liabilities
		Creditors - Amounts Falling Due After More Than One Year
		Provision for Liabilities and Charges
		Retained Earnings



SMALL BUSINESS COMPUTERS LIMITED
BALANCE SHEET (continued)
AS AT 30TH JUNE 1997

	1997	1996
Capital and Reserves		
Called up Share Capital	12	100
Profit and Loss Account	(2,838)	(1,296)
	-----	-----
Shareholders' Funds	£ (2,738)	£ (1,196)
	=====	=====

The Directors wish to take advantage of the audit exemptions applicable to companies with a turnover of less than £90,000 and thus declare:

- a) That the company was entitled to exemption under section 249A(1) of the Companies Act 1985.
- b) That no notice has been deposited under section 249B(2), and
- c) That the directors acknowledge their responsibilities for :
 - . Ensuring that the company keeps accounting records which comply with section 221, and
 - . Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the financial year under section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

Approved by the Board on 26th April 1997

 L Perren) Director
)
 C Perren) Company Secretary

Accounting policies and notes on pages 5 to 9 form part of these financial statements.

SMALL BUSINESS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1997

1. Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

(b) Turnover

Turnover comprises the invoiced value of services and goods supplied by the company, net of Value Added Tax and trade discounts.

(c) 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Equipment	- 25% per annum on cost
-----------	-------------------------

(d) Leasing and Hire Purchase

Assets obtained under finance leases and hire purchase contracts are capitalised as tangible fixed assets and depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of the ownership are assumed by the company. 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 applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

(e) Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

SMALL BUSINESS COMPANY FINANCIAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1997

1. Accounting Policies

(a) Basis of Preparation: The financial statements are prepared on an accrual basis.

The financial statements are prepared under the historical cost convention and include the results of the company's operations with the exception of the disposal of assets and liabilities which are measured at fair value.

The company has adopted the accounting policy of valuing its investments at fair value less costs to sell.

(b) Depreciation: Depreciation is provided on a straight-line basis over the estimated useful life of the assets.

The company has adopted the accounting policy of valuing its investments at fair value less costs to sell.

(c) Provisions: Provisions are made for liabilities or losses when the company has a present obligation (legal or constructive) as a result of a past event.

The company has adopted the accounting policy of valuing its investments at fair value less costs to sell.

(d) Intangible Assets: Intangible assets are measured at cost less accumulated amortisation and impairment losses.

(e) Financial Instruments: Financial instruments are measured at fair value.

The company has adopted the accounting policy of valuing its investments at fair value less costs to sell.

(f) Leases: Leases are classified as finance leases unless they do not transfer substantially all the risks and rewards of ownership to the lessee.

The company has adopted the accounting policy of valuing its investments at fair value less costs to sell.

SMALL BUSINESS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1997

(f) Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability will crystallise in the near future.

(g) Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amount payable by the company to the fund in respect of that year. No contributions payable 1997 or 1996.

2. Turnover

During the year ended 30th June 1997 none of the company's turnover was to markets outside the United Kingdom (1996: None).

3. Operating Profit (Loss)	1997	1996
	£	£
Operating profit (loss) is stated after charging:		
Depreciation of Tangible Fixed Assets	219	594

4. Interest Payable	1997	1996
	£	£
Bank Loans and Overdrafts	1	4
Other Loans wholly repayable within five years	-	-
	-----	-----
	£ 1	£ 4
	=====	=====

5. Taxation Payable (Repayable)	1997	1996
	£	£
U K Current Year Taxation		
Corporation Tax at 25%/24%	-	866
U K Prior Year Taxation		
Corporation Tax at 25%	-	-
	-----	-----
	£ -	£ 866
	=====	=====

6. Dividends	1997	1996
	£	£
For the Year	-	3,750
	=====	=====

SMALL BUSINESS CORPORATION (LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1997

(f) Deferred Taxation

Provision is made for taxation on the basis of a forecast of future profits. The provision is based on the forecast of future profits and is based on the forecast of future profits. The provision is based on the forecast of future profits and is based on the forecast of future profits.

(g) Pensions

The company operates a defined contribution pension scheme. The company operates a defined contribution pension scheme. The company operates a defined contribution pension scheme.

1 Turnover

During the year ended 30th June 1997, the company's turnover was £1,000,000. During the year ended 30th June 1996, the company's turnover was £1,000,000.

2. Operating Profit (Loss)

1997 1996

£ £

Operating Profit (Loss) is stated after charging:
Depreciation of tangible fixed assets

1997 1996

4. Interest Payable

1997 1996

£ £

Bank loans and overdrafts
Other loans, being repayable within
five years

5. Taxation Payable (Repayable)

1997 1996

£ £

U.K. Corporation Tax Provision
U.K. Corporation Tax at 28.25%

U.K. Rate of Taxation
for Corporation Tax at 28.25%

6. Dividends

1997 1996

£ £

For the year

1997 1996

SMALL BUSINESS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1997

7. Tangible Fixed Assets

	Equipment
	£
Cost or valuation:	
At 1st July 1996	2,378
Additions	-
Disposals	-

At 30th June 1997	£ 2,378
	=====
Depreciation:	
At 1st July 1996	2,084
Charge for year	219
Disposals	-

At 30th June 1997	£ 2,303
	=====
Net book value at 30th June 1997	£ 75
	=====
Net book value at 30th June 1996	£ 294
	=====

8. Debtors	1997	1996
	£	£
Trade Debtors	1,155	561
Other Debtors	938	1,022
	-----	-----
	£ 2,093	£ 1,583
	=====	=====

UNITED STATES GOVERNMENT
 OFFICE OF THE SECRETARY OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
 WASHINGTON, D. C. 20540

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Equipment

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SMALL BUSINESS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1997

9. Creditors = Amounts Falling Due Within One Year

	1997 £	1996 £
Trade Creditors	-	33
Other Creditors	151	3,345
	-----	-----
	£ 151	£ 3,378
	=====	=====

10. Creditors - amounts falling due after more than one year

	1997 £	1996 £
C Perren Loan	4,807	-
Other Loan	1,000	-
	-----	-----
	£ 5,807	£ -
	=====	=====

11. Deferred Taxation

The company's policy is detailed in Note 1(f) of the Notes to the Financial Statements but at 30th June 1997 the director considers' that any provision quantified under this policy would not be material and, in consequence, no provision has been made.

12. Called up Share Capital

	1997 £	1996 £
Authorised		
100 Ordinary Shares of £1	£ 100	£ 100
	=====	=====
Issued, Allotted, Called Up and Fully Paid:		
100 Ordinary Shares of £1 each	£ 100	£ 100
	=====	=====

13. Movement on Shareholders' Funds

	1997 £	1996 £
Profit (Loss) for the Year	1,543	2,450
Less: Dividends	-	3,750
	-----	-----
Retained Profit (Loss)	(1,543)	(6,200)
Opening Shareholders' Funds	(1,196)	5,004
	-----	-----
Closing Shareholders' Funds	£ (2,739)	£ (1,196)
	=====	=====

SMALL BUSINESS COMPANIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 1997

9. Creditors - Amounts falling due within one year

1997	1996
£	£
Trade Creditors	1,133,733
Other Creditors	1,133,733
	2,267,466

10. Creditors - amounts falling due after more than one year

1997	1996
£	£
Other Loans	4,000
Other Loans	4,000
	8,000

11. Deferred Taxation

The company's policy is to defer in full the amount of the losses to the Financial Statements for as long as the losses are expected to be carried forward. Any provision required under this policy would not be made. Consequently, no provision has been made.

12. Called up Share Capital

1997	1996
£	£
100 Ordinary Shares of £1	100
100 Ordinary Shares of £1 each	100
Issued, Allocated, Called up and Fully Paid:	
100 Ordinary Shares of £1 each	100

13. Movement on Shareholders' Funds

1997	1996
£	£
Profit (Loss) for the Year	1,244
Dividends	1,244
Retained Profit (Loss)	(1,244)
Shareholders' Funds	2,267,466
Shareholders' Funds	2,267,466

SMALL BUSINESS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1997

14. Capital Commitments

The company had no capital commitments at 30th June 1997 or at 30th June 1996.

15. Contingent Liabilities

The company had no contingent liabilities at 30th June 1997 or at 30th June 1996.

16. Transactions with Directors

During the year under review, no director has had any significant interest in any contracts with the company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30TH JUNE 1997

14. Capital management
15. Contingent liabilities
16. Transactions with directors

SMALL BUSINESS COMPUTERS LIMITED
INCOME AND EXPENSES
FOR THE YEAR ENDED 30TH JUNE 1997

	1997	1996
	£	£
Turnover	1,983	1,020
Overhead Expenses		
Staff Salaries	3,164	3,451
Stationery and Postage	52	108
Sundries	90	104
Bank Interest and Charges	1	4
Accountancy	-	75
Depreciation Equipment	219	594
	-----	-----
	3,526	4,336
	-----	-----
Net Profit/(Loss) For Year Before Taxation	(1,543)	(3,316)
Corporation Taxation	-	(866)
	-----	-----
Net Profit/(Loss) For Year After Taxation	(1,543)	(2,450)
Dividends	-	3,750
	-----	-----
Retained Profit (Loss) for the Year	(1,543)	(6,200)
Retained Profit/(Loss) Brought Forward	(1,296)	4,904
	-----	-----
Retained Profit/(Loss) Carried Forward	£ (2,839)	£ (1,296)
	=====	=====

SMALL BUSINESS COMPUTERS LIMITED
CORPORATION TAX COMPUTATION
FOR THE YEAR ENDED 30TH APRIL 1997

Loss per Accounts	1,543
Add : Depreciation	219

	1,324
Less : Capital Allowances	-

Adjusted Losses	£ 1,324
	=====

Corporation Tax thereon at 25% £nil

CAPITAL ALLOWANCES

	Pool
Brought forward	1,928
Additions	-
W D A	
Carried forward	----- 1,928 =====
Losses brought forward	£2,722
Loss in year	1,324

Losses carried forward	£4,046
	=====
A.C.T. brought forward	£937.50
A.C.T. carried forward	£937.50

SMALL BUSINESS COMPUTERS LIMITED
CORPORATION TAX COMPUTATION
FOR THE YEAR ENDED 30TH APRIL 1974

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