COMPANY REGISTRATION NUMBER 1819011

SMALL BUSINESS COMPUTERS LIMITED

DIRECTORS REPORT
and
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1998

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
COMPANY INFORMATION

SMALL BUSINESS COMPUTERS LIMITED
DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 30th June 1998.

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 £1,725 (1997 £1,983).
The loss for the period, after taxation and extraordinary items was £1,571 (1997 £1,543).

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	
	1998	1997
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 6th April 1999

By Order of the Board

Secretary
Mrs C M Perren

SMALL BUSINESS COMPUTERS LIMITED
DIRECTORS' REPORT

[illegible]

STATEMENT OF DIRECTORS' RESPONSIBILITIES

[illegible]

[illegible]

[illegible]

Principle Activities

[illegible]

Review of Developments and Results

[illegible]

Directors

[illegible]

Ordinary Shares

[illegible]	[illegible]
[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

By Order of the Board

Secretary
[illegible]

SMALL BUSINESS COMPUTERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1998

	Note	1998 £	1998 £	1997 £	1997 £
Turnover	2		1,725		1,983
Cost of Sales			-		-
Gross Profit			1,725		1,983
Distribution Costs		-		-	
Administrative Expenses		3,296		3,525	
			3,296		3,525
Operating Profit (Loss)	3		(1,571)		(1,542)
Interest Receivable		-		-	
Interest Payable	4	-		1	
			-		1
Profit/(Loss) on Ordinary Activities before Taxation			(1,571)		(1,543)
Taxation (Repayable) on Profit (Loss) on Ordinary Activities	5		-		-
Profit/(Loss) on Ordinary Activities after Taxation			(1,571)		(1,543)
Dividends	6		-		-
Retained Profit (Loss) for the Year			(1,571)		(1,543)
Retained Profit (Loss) Brought Forward			(2,838)		(1,296)
Retained Profit/(Loss) Carried Forward			£ (4,409)		£ (2,839)

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.

SMALL BUSINESS COMPUTERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1998

	Note	1998		1997	
		£	£	£	£
Turnover	2		[illegible]		[illegible]
Cost of Sales					
Gross Profit			[illegible]		[illegible]
[illegible]					
Other Operating Expenses		[illegible]			[illegible]
			[illegible]		[illegible]
Operating Profit (Loss)	3		(1 [illegible])		(1,[illegible])
[illegible]					
[illegible]	4				
Profit\(Loss) on Ordinary Activities before Taxation			(1,[illegible])		(1,[illegible])
Taxation (Repayable) on Profit (Loss) on Ordinary Activities	5				
Profit\(Loss) on Ordinary Activities after Taxation			(1,[illegible])		(1,[illegible])
Dividends	6				
Retained Profit (Loss) for the Year			[illegible]		[illegible]
Retained Profit (Loss) Brought Forward			(2,[illegible])		[illegible]
Retained Profit\(Loss) Carried Forward			£ [illegible],409)		£ [illegible]

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 in the year.

The notes on pages [illegible] to [illegible] form part of these financial statements.

SMALL BUSINESS COMPUTERS LIMITED
BALANCE SHEET
AS AT 30TH JUNE 1998

	Note	1998		1997	
		£	£	£	£
Fixed Assets					
Tangible Assets	7		38		75
Current Assets					
Debtors	8	1,243		2,093	
Bank		577		1,117	
		1,820		3,210	
Creditors - Amounts Falling Due Within One Year	9	191		216	
Net Current Assets/(Liabilites)			1,629		2,994
Total Assets Less Current Liabilities			1,667		3,069
Creditors - Amounts Falling Due After More Than One Year	10		5,975		5,807
Provision for Liabilities and Charges					
Deferred Taxation	11	-		-	
			-		-
			£ (4,308)		£ (2,738)

SMALL BUSINESS COMPUTERS LIMITED
BALANCE SHEET
AS AT 30TH JUNE 1998

	Note	1998	1997
Fixed Assets			
Tangible Assets	7	[illegible]	[illegible]
Current Assets			
[illegible]	8	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
Creditors - Amounts Falling Due Within One Year	9	[illegible]	[illegible]
Net Current Assets\(Liabilities)		[illegible]	[illegible]
Total Assets Less Current Liabilities		[illegible]	[illegible]
Creditors - Amounts Falling Due After More Than One Year	10	[illegible]	[illegible]
Provision for Liabilities and Charges Deferred Taxation	11		
[illegible]		[illegible]	[illegible]

SMALL BUSINESS COMPUTERS LIMITED
BALANCE SHEET (continued)
AS AT 30TH JUNE 1998

		1998	1997
Capital and Reserves			
Called up Share Capital	12	100	100
Profit and Loss Account		(4,408)	(2,839)
Shareholders' Funds		£ (4,308)	£ (2,739)

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 loss 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 6th April 1999

..... 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
BALANCE SHEET (continued)
AS AT 30TH JUNE 1998

	1998	1997
Capital and Reserves		
[illegible]	12	10[illegible]
[illegible]		([illegible])
Shareholders' Funds	[illegible]	[illegible]

The directors [illegible] the statutory exemptions [illegible] audit [illegible] £[illegible]

[illegible] company was entitled to exemption under section 249A(1) of the Companies Act [illegible]

[illegible] been delivered under sec[illegible]

[illegible] acknowledge their responsibilities for [illegible] accounting records which comply with [illegible]
Preparation [illegible] in view of the [illegible] the end of the financial year and of its profit [illegible] section 226 and which comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

[illegible] Board on 8th April 1999

[illegible] Director

[illegible] Secretary

Accounting policies and notes on pages [illegible] to [illegible] form part of these financial statements.

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.

(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 1998 or 1997.

2. Turnover

During the year ended 30th June 1998 none of the company's turnover was to markets outside the United Kingdom (1997: None).

3. Operating Profit (Loss)

	1998 £	1997 £
Operating profit (loss) is stated after charging:		
Depreciation of Tangible Fixed Assets	38	219

4. Interest Payable

	1998 £	1997 £
Bank Loans and Overdrafts	-	1
Other Loans wholly repayable within five years	-	-
	£ -	£ 1

5. Taxation Payable (Repayable)

	1998 £	1997 £
U K Current Year Taxation		
Corporation Tax at 24%/21%	-	-
U K Prior Year Taxation		
Corporation Tax at 24%	-	-
	£ -	£ -

6. Dividends

	1998 £	1997 £
For the Year	-	-

(f) Deferred Taxation

[illegible]

(g) Pensions

[illegible]

2. Turnover

[illegible]

3. Operating Profit (Loss)

	1998	1997
	£	£

[illegible]

4. Interest Payable

	1998	1997
	£	£
[illegible]		
[illegible]		
[illegible]		
	£	

5. Taxation Payable (Repayable)

	1998	1997
	£	£
[illegible]		
[illegible]		
[illegible]		

6. Dividends

	1998	1997
	£	£
[illegible]		

7. Tangible Fixed Assets

	Equipment
	£
Cost or valuation:	
At 1st July 1997	2,378
Additions	-
Disposals	-
At 30th June 1998	£ 2,378
Depreciation:	
At 1st July 1997	2,303
Charge for year	38
Disposals	-
At 30th June 1998	£ 2,340
Net book value at 30th June 1998	£ 38
Net book value at 30th June 1997	£ 75

8. Debtors

	1998	1997
	£	£
Trade Debtors	305	1,155
Other Debtors	938	938
	£ 1,243	£ 2,093

7. Tangible Fixed Assets

Equipment

£

8. Debtors

	1998	1997
	£	£

9. Creditors - Amounts Falling Due Within One Year

	1998 £	1997 £
Trade Creditors	-	-
Other Creditors	191	216
	£ 191	£ 216

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

	1998 £	1997 £
C Perren Loan	5,975	4,807
Other Loan	-	1,000
	£ 5,975	£ 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 1998 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

	1998 £	1997 £
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

	1998 £	1997 £
Profit (Loss) for the Year	(1,571)	(1,543)
Less: Dividends	-	-
Retained Profit (Loss)	(1,571)	(1,543)
Opening Shareholders' Funds	(2,738)	(1,196)
Closing Shareholders' Funds	£ (4,309)	£ (2,739)

9. Creditors - Amounts falling Due Within One Year

	1998	1997
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

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

	1998	1997
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

11. Deferred Taxation

[illegible] amounts not at 30th June 1998 the directors consider [illegible] any provision for deferred taxation. [illegible] would not be [illegible], in [illegible] circumstances, [illegible] in the near future.

12. Called up Share Capital

	1998 £	1997 £
Authorised		
[illegible]	[illegible]	[illegible]
Issued, Allotted, Called Up and Fully Paid:		
[illegible]	[illegible]	[illegible]

13. Movement in Shareholders' Funds:

	1998 £	1997 £
Profit [illegible] for the Year	[illegible]	[illegible]
Opening [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

14. Capital Commitments

The company had no capital commitments at 30th June 1998 or at 30th June 1997.

15. Contingent Liabilities

The company had no contingent liabilities at 30th June 1998 or at 30th June 1997.

16. Transactions with Directors

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

14. Capital Commitments

There were no capital commitments as at 30th June 1998 or at 30th June 1997.

15. Contingent Liabilities

There were no contingent liabilities at 30th June 1998 or at 30th June 1997.

16. Transactions with Directors

[illegible] the year under review, no director has [illegible] interest in any contracts with the company