

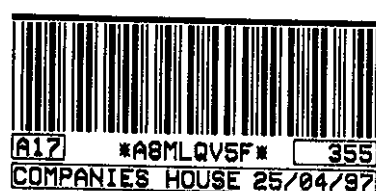
COMPANY REGISTRATION NUMBER 1819031

SMALL BUSINESS COMPUTERS LIMITED

DIRECTORS REPORT
and
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1996

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 1996.

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 £1,020 (1995 £17,408).

The loss for the period, after taxation and extraordinary items was £2,450 (1995 profit £5,341).

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	
	1996	1995
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 11th April 1997

By Order of the Board


Secretary
Mrs C M Perren

SMALL BUSINESS COMPUTERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1996

	Note	1996	1995
		£	£
Turnover	2	1,020	17,408
Cost of Sales		-----	2,204
Gross Profit		1,020	15,204
Distribution Costs		-	614
Administrative Expenses		4,332	6,181
		-----	-----
		4,332	6,795
Operating Profit (Loss)	3	(3,312)	8,409
Interest Receivable		-	-
Interest Payable	4	4	-
		-----	-----
		4	-
Profit/(Loss) on Ordinary Activities before Taxation		-----	-----
		(3,316)	8,409
Taxation (Repayable) on Profit (Loss) on Ordinary Activities	5	(866)	3,068
		-----	-----
Profit/(Loss) on Ordinary Activities after Taxation		(2,450)	5,341
Dividends	6	3,750	7,000
		-----	-----
Retained Profit (Loss) for the Year		(6,200)	(1,659)
Retained Profit Brought Forward		4,904	6,564
		-----	-----
Retained Profit/(Loss) Carried Forward		£ (1,296)	£ 4,905
		=====	=====

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
BALANCE SHEET
AS AT 30TH JUNE 1996

	Note	1996		1995	
		£	£	£	£
Fixed Assets					
Tangible Assets	7		294		738
Current Assets					
Debtors	8	1,583		2,028	
Bank		305		6,064	
		-----		-----	
		1,888		8,092	
Creditors - Amounts Falling Due Within One Year	9	3,378		3,825	
		-----		-----	
Net Current Assets/(Liabilities)			(1,490)		4,267
			-----		-----
Total Assets Less Current Liabilities			(1,196)		5,005
Creditors - Amounts Falling Due After More Than One Year	10	-		-	
Provision for Liabilities and Charges					
Deferred Taxation	11	-		-	
		-----		-----	
			-		-
			-----		-----
			£ (1,196)		£ 5,005
			=====		=====


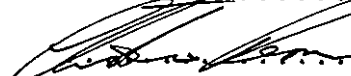
SMALL BUSINESS COMPUTERS LIMITED
BALANCE SHEET (continued)
AS AT 30TH JUNE 1996

	1996	1995
Capital and Reserves		
Called up Share Capital	12	100
Profit and Loss Account	(1,296)	4,905
	-----	-----
Shareholders' Funds	£ (1,196)	£ 5,005
	=====	=====

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 11th 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 1996

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 COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1996

(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 1996 or 1995.

2. Turnover

During the year ended 30th June 1996 none of the company's turnover was to markets outside the United Kingdom (1995: None).

3. Operating Profit (Loss)

1996 1995

£ £

Operating profit (loss) is stated after charging:

Depreciation of Tangible Fixed Assets	594	557
---------------------------------------	-----	-----

4. Interest Payable

1996 1995

£ £

Bank Loans and Overdrafts	4	-
---------------------------	---	---

Other Loans wholly repayable within five years	-	-
--	---	---

	£ 4	£ -
	=====	=====

5. Taxation Payable (Repayable)

1996 1995

£ £

U K Current Year Taxation Corporation Tax at 25%	-	3,068
--	---	-------

U K Prior Year Taxation Corporation Tax at 25%	(866)	
--	-------	--

	£ (866)	£ 3,068
	=====	=====

6. Dividends

1996 1995

£ £

For the Year	3,750	7,000
--------------	-------	-------

	=====	=====
--	-------	-------

SMALL BUSINESS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1996

7. Tangible Fixed Assets

	Equipment
	£
Cost or valuation:	
At 1st July 1995	2,228
Additions	150
Disposals	-

At 30th June 1996	£ 2,378
	=====
Depreciation:	
At 1st July 1995	1,490
Charge for year	594
Disposals	-

At 30th June 1996	£ 2,084
	=====
Net book value at 30th June 1996	£ 294
	=====
Net book value at 30th June 1995	£ 738
	=====

8. Debtors	1996	1995
	£	£
Trade Debtors	561	162
Other Debtors	1,022	1,866
	-----	-----
	£ 1,583	£ 2,028
	=====	=====

SMALL BUSINESS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1996

9. Creditors - Amounts Falling Due Within One Year

	1996 £	1995 £
Trade Creditors	33	200
Other Creditors	3,345	3,625
	-----	-----
	£ 3,378	£ 3,825
	=====	=====

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

	1996 £	1995 £
	£ -	£ -
	=====	=====

11. Deferred Taxation

The company's policy is detailed in Note 1(f) of the Notes to the Financial Statements but at 30th June 1996 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

	1996 £	1995 £
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

	1996 £	1995 £
Profit (Loss) for the Year	2,450	5,341
Less: Dividends	3,750	7,000
	-----	-----
Retained Profit (Loss)	(6,200)	(1,659)
Opening Shareholders' Funds	5,004	6,664
	-----	-----
Closing Shareholders' Funds	£ (1,196)	£ 5,005
	=====	=====

SMALL BUSINESS COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1996

14. Capital Commitments

The company had no capital commitments at 30th June 1996 or at 30th June 1995.

15. Contingent Liabilities

The company had no contingent liabilities at 30th June 1996 or at 30th June 1995.

16. Transactions with Directors

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

SMALL BUSINESS COMPUTERS LIMITED
INCOME AND EXPENSES
FOR THE YEAR ENDED 30TH JUNE 1996

	1996	1995
	£	£
Turnover	1,020	17,408
Overhead Expenses		
Staff Salaries	3,451	5,199
Subcontract	-	2,204
Stationery and Postage	108	94
Sundries	104	18
Travelling Expenses	-	614
Bank Interest and Charges	4	14
Accountancy	75	299
Depreciation Equipment	594	557
	-----	-----
	4,336	8,999
	-----	-----
Net Profit/(Loss) For Year Before Taxation	(3,316)	8,409
Corporation Taxation	(866)	3,068
	-----	-----
Net Profit/(Loss) For Year After Taxation	(2,450)	5,341
Dividends	3,750	7,000
	-----	-----
Retained Profit (Loss) for the Year	(6,200)	(1,659)
Retained Profit Brought Forward	4,904	6,564
	-----	-----
Retained Profit/(Loss) Carried Forward	£ (1,296)	£ 4,905
	=====	=====

SMALL BUSINESS COMPUTERS LIMITED
CORPORATION TAX COMPUTATION
FOR THE YEAR ENDED 30TH APRIL 1996

Loss per Accounts	3,316
Add : Depreciation	594

	2,722
Less : Capital Allowances	-

Adjusted Losses	£ 2,722
	=====

Corporation Tax thereon at 25% £nil

CAPITAL ALLOWANCES

	Pool
Brought forward	1,778
Additions	150
W D A	

Carried forward	1,928
	=====
Losses carried forward £2,722	