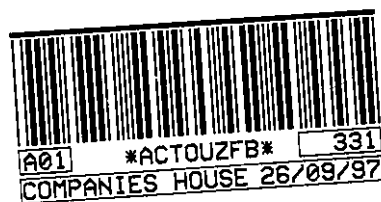


MICRO DATA SYSTEMS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 1996





MICRO DATA SYSTEMS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 1996

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LARKING GOWEN

CHARTERED ACCOUNTANTS

The following reproduces the text of the report prepared for the purposes of section 249A(2) Companies Act 1985 in respect of the company's annual accounts, from which the abbreviated accounts (set out on pages 2 to 5) have been prepared.

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ABBREVIATED ACCOUNTS OF MICRO DATA SYSTEMS LIMITED

We report on the financial statements for the year ended 31st December 1996 set out on pages 3 to 11.

Respective responsibilities of directors and reporting accountants

As described on page 1 the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

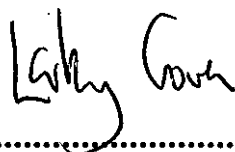
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



.....
Larking Gowen
Reporting accountants
Norwich

24th September 1997

7 Queen Street, Norwich NR2 4ST
13 West Street, Cromer NR27 9HZ
1 Tavern Lane, Dereham NR19 1PX
19 Mere Street, Diss IP22 3AD
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Tel: 01263 712017 Fax: 01263 712771
Tel: 01263 824550 Fax: 01263 824876

MICRO DATA SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31st DECEMBER 1996

	Notes	£	1996	£	£	1995	£
Fixed assets							
Intangible assets	2.			10,623			8,523
Tangible assets	2.			23,455			14,681
				<hr/>			<hr/>
				34,078			23,204
Current assets							
Stocks			109			109	
Debtors			6,931			6,893	
Cash at bank and in hand			1,176			28	
			<hr/>			<hr/>	
			8,216			7,030	
			<hr/>			<hr/>	
Creditors: amounts falling due within one year							
				26,464		29,936	
				<hr/>		<hr/>	
Net current liabilities				(18,248)		(22,906)	
Total assets less current liabilities				<hr/>		<hr/>	
				15,830		298	
Creditors: amounts falling due after more than one year							
				(14,438)		-	
				<hr/>		<hr/>	
Net assets				1,392		298	
				<hr/>		<hr/>	

MICRO DATA SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET (CONTINUED)

AS AT 31st DECEMBER 1996

Notes	1996 £	1995 £
Capital and reserves		
Called up share capital	2	2
Profit and loss account	1,390	296
	<hr/>	<hr/>
Equity shareholders' funds	1,392	298
	<hr/>	<hr/>

For the year in question the company was entitled to exemption from audit under Companies Act 1985, Section 249A(2).

We confirm that no notice has been deposited requesting an audit under Section 249B(2), and that we acknowledge our responsibilities for:

- i) Ensuring that the company keeps accounting records which comply with Section 221, and
- ii) 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 or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

Advantage has been taken of the exemptions for small companies conferred by Part III of schedule 8, of the Companies Act 1985, because in the directors' opinion, the company is entitled to benefit from those exemptions as a small company.

Advantage is also taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. In the directors' opinion, the company is entitled to those exemptions as a small company.

Approved by the board of directors on 18.9.1997 and signed on its behalf by:-

M.D. Spencer

M.D. Spencer

)

)

) Directors

)

L. Spencer

)

Lyn M. Spencer

MICRO DATA SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 1996

1. Accounting policies

The significant accounting policies used in the preparation of these financial statements are:-

a. Basis of accounting

The financial statements are prepared under the Historical Cost Convention.

b. Turnover

Turnover represents the value of goods and services invoiced to customers, less returns, after deducting trade and other discounts and excluding value added tax.

c. Depreciation

Depreciation of tangible fixed assets is calculated on the straight line basis at a fixed percentage per annum, in order to write down the cost of each asset to its residual value over its estimated useful economic life.

The principal annual rate used is:-

Office equipment	25
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d. Deferred taxation

Deferred taxation is not provided on timing differences between the tax and accounting treatments as it can be reasonably demonstrated that these are not likely to crystallise in the foreseeable future.

e. Cash flow statement

A cash flow statement is not included as part of these financial statements in view of the company falling outside the scope of Financial Reporting Standard No. 1.

f. Leasing

All leases are operating leases and the annual rentals are charged to the profit and loss account over the lease term.

MICRO DATA SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31st DECEMBER 1996

2. Fixed assets

	Intangible assets £	Tangible fixed assets £	Total £
Cost or valuation			
At 1st January 1996	8,523	31,483	40,006
Additions	2,100	13,661	15,761
At 31st December 1996	10,623	45,144	55,767
Amortisation			
At 1st January 1996	-	16,802	16,802
Charge for the year	-	4,887	4,887
At 31st December 1996	-	21,689	21,689
Net book value			
At 31st December 1996	10,623	23,455	34,078
Net book value			
At 31st December 1995	8,523	14,681	23,204

3. Called up share capital

	1996 £	1995 £
Authorised		
Equity 1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
Equity 2 ordinary shares of £1 each	2	2

4. Creditors

Bank loans and overdraft amounting to £13,421 (1995 £9,583) are secured by personal guarantee of the managing director, M.D. Spencer.