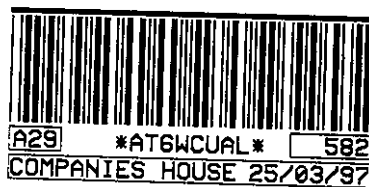


Company number
2614829

ANOVAR LIMITED

Financial Statements
30 September 1996



DIRECTOR'S REPORT
30 September 1996

The director submits her report and financial statements for the year ended 30 September 1996.

PRINCIPAL ACTIVITIES

During the year the company's principal activities related to the manufacture of computer hardware and software.

RESULTS AND DIVIDENDS

Details of the results for the year are shown in the profit and loss account and related notes.

No dividends have been paid or are recommended for payment.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The director is satisfied with the results for the year and is confident that the company will continue to trade profitably in the future.

DIRECTORS

The director who served during the year together with her beneficial interests in the 25p ordinary shares of the company is as follows:-

At 30 September 1995 and
30 September 1996

L G Standley	3,960
--------------	-------

FIXED ASSETS

Movements in fixed assets during the year are set out on page 7.

RESPONSIBILITIES OF THE DIRECTOR

Company law requires the director 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 its profit or loss for that period. In preparing those financial statements, the directors are required to:-

- * select suitable accounting policies and 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 that the company will continue to operate.

DIRECTORS' REPORT (continued)
30 September 1996

DIRECTORS RESPONSIBILITIES ... continued

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The reappointment of O'Brien & Co, Chartered Accountants and Registered Auditor, as auditors will be proposed at the Annual General Meeting.

By Order of the Board



L G STANDLEY
Director

26 February 1997

AUDITORS' REPORT TO THE SHAREHOLDERS OF ANOVAR LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Director's Report the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

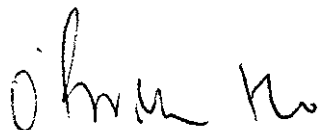
BASIS OF OPINION

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of 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 financial statements 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1996 and of its profit the year then ended and have been properly prepared in accordance with the Companies Act 1985.



O'BRIEN & CO
Chartered Accountants and
Registered Auditor
31a Finkle Street
Selby
YO8 ODT

26 February 1997

PROFIT AND LOSS ACCOUNT
Year ended 30 September 1996

		1996	1995
	note	£	£
TURNOVER	2	478,004	448,392
Cost of sales		360,820	324,603
GROSS PROFIT		117,184	123,789
Administrative expenses		108,135	96,974
Operating profit		9,049	26,815
Interest payable	3	1,937	889
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	4	7,112	25,926
Tax on profit on ordinary activities	6	2,682	7,327
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	13	4,430	18,599

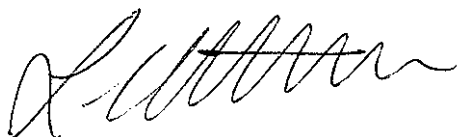
There are no recognised gains or losses other than the profit for the year.

All activities derive from continuing operations.

BALANCE SHEET
30 September 1996

	note	1996		1995	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		13,724		15,184
CURRENT ASSETS					
Stock	8	9,883		17,556	
Debtors	9	90,503		35,065	
Cash at bank and in hand		11,662		46,354	
		<u>112,048</u>		<u>98,975</u>	
CREDITORS: amounts falling due within one year	10	60,420		57,564	
		<u>-----</u>		<u>-----</u>	
NET CURRENT ASSETS			51,628		41,411
			<u>-----</u>		<u>-----</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			65,352		56,595
CREDITORS: amounts falling due in more than one year	11		4,327		-
			<u>-----</u>		<u>-----</u>
			61,025		56,595
			<u>=====</u>		<u>=====</u>
CAPITAL AND RESERVES					
Called up share capital	12		1,000		1,000
Profit and loss account	13		60,025		55,595
			<u>-----</u>		<u>-----</u>
			61,025		56,595
			<u>=====</u>		<u>=====</u>

Director
L G STANDLEY



These financial statements were approved by the Board on 26 February 1997

NOTES TO THE FINANCIAL STATEMENTS
30 September 1996

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

STOCK

Stock is stated at the lower of cost and net realisable value.

Cost has been calculated on the 'first in, first out' basis. Net realisable value comprises anticipated proceeds of sale less anticipated costs relating thereto.

DEPRECIATION

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives at the following rates:-

	Per annum
Computer equipment	33 1/3%
Office equipment, fixtures & fittings	20%
Motor vehicles	25%

DEFERRED TAX

Deferred tax, in respect of accelerated capital allowances and other timing differences, is provided under the liability method except where such timing differences are expected, with reasonable probability, to continue in the foreseeable future.

CASH FLOW STATEMENT

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

2 TURNOVER

Turnover represents the total amount receivable in the ordinary course of business exclusive of VAT.

The turnover and pre-tax profit is attributable to one activity the manufacture of computer hardware and software.

3 INTEREST PAYABLE

	1996	1995
	£	£
On bank overdraft	459	-
On hire purchase contracts	1,360	889
On overdue corporation tax	118	-
	-----	-----
	1,937	889
	=====	=====

NOTES ON THE FINANCIAL STATEMENTS (continued)
30 September 1996

4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAX:	1996	1995
	is stated after charging:	£	£
	Depreciation of fixed assets	11,310	10,120
	Auditors' remuneration	1,700	1,850
	Operating lease rentals	-	-
	Directors' remuneration	12,200	5,500
		=====	=====
5	STAFF COSTS	1996	1995
		£	£
	Wages and salaries	53,517	44,940
	Employer's NIC	4,228	3,916
		-----	-----
		57,745	48,856
		=====	=====
	The average number of employees during the year was as follows		
	Selling & distribution	4	4
	Administration	2	2
		--	--
		6	6
		==	==
6	TAX ON PROFIT ON ORDINARY ACTIVITIES	1996	1995
		£	£
	The charge is based on the results for the year before tax and consists of:		
	Corporation tax at 25%	2,707	7,327
	Adjustment in respect of previous periods	(25)	-
		-----	-----
		2,682	7,327
		=====	=====

There is no potential deferred tax liability.

7	TANGIBLE FIXED ASSETS				
		Office equipment, fixtures & fittings	Computer equipment	Motor vehicles	Total
	COST	£	£	£	£
	At 1 October 1995	4,467	29,819	9,047	43,333
	Additions	-	-	9,850	9,850
		-----	-----	-----	-----
	As at 30 September 1996	4,467	29,819	18,897	53,183
		-----	-----	-----	-----
	ACCUMULATED DEPRECIATION				
	At 1 October 1995	2,916	20,710	4,523	28,149
	Charge for the year	893	5,693	4,724	11,310
		-----	-----	-----	-----
	At 30 September 1996	3,809	26,403	9,247	39,459
		-----	-----	-----	-----
	NET BOOK VALUE				
	At 30 September 1996	658	3,416	9,650	13,724
		=====	=====	=====	=====
	At 30 September 1995	1,551	9,019	4,524	15,184
		=====	=====	=====	=====

NOTES ON THE FINANCIAL STATEMENTS (continued)
30 September 1996

7 TANGIBLE FIXED ASSETS (continued)

The cost of motor vehicles at 30 September 1996 includes an amount of £18,897 (1995:£9,047) in respect of assets held under hire purchase contracts. The depreciation charged during the year on these assets was £4,724 (1995:£2,261).

8	STOCK	1996 £	1995 £
	Goods held for resale	9,883 =====	17,556 =====
9	DEBTORS	1996 £	1995 £
	Trade debtors	84,566	33,467
	Prepayments	5,937	1,598
		----- 90,503 =====	----- 35,065 =====
10	CREDITORS: amounts falling due within one year	1996 £	1995 £
	Bank overdraft	-	-
	Trade creditors	29,986	31,909
	Corporation tax	4,552	7,327
	Accruals	12,960	2,997
	Other taxes and social security costs	2,440	10,681
	Director's loan account	550	550
	Hire purchase	2,239	3,025
	Other creditors	7,693	1,075
		----- 60,420 =====	----- 57,564 =====
11	CREDITORS: amounts falling due after more than one year	1996 £	1995 £
	Hire purchase	4,327 =====	- =====
12	SHARE CAPITAL	1996 £	1995 £
	Authorised, allotted, called up and fully paid 4,000 ordinary shares of 25p each	1,000 =====	1,000 =====
13	PROFIT AND LOSS ACCOUNT	£	
	As at 1 October 1995	55,595	
	Retained profit for the year	4,430	

	As at 30 September 1996	60,025 =====	

NOTES ON THE FINANCIAL STATEMENTS (continued)
30 September 1996

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1996	1995
	£	£
Profit for the year	4,430	18,599
Dividend	-	-
	-----	-----
Opening Shareholders' funds	4,430	18,599
	56,595	37,996
	-----	-----
Closing Shareholders' funds	61,025	56,595
	=====	=====

15 DIRECTORS INTERESTS IN CONTRACTS

During the period in the ordinary course of business the company received goods and services from YACC and YACC Labs Limited, businesses in which Mrs L Standley has an interest, amounting to £331 and £6,191 respectively and supplied goods and services to YACC and YACC Labs Limited amounting to £19,506 and £81,450 respectively.

All transactions are on normal commercial terms.