

INTERNATIONAL NETWORK COMMUNICATIONS LIMITED

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

	<u>PAGE</u>
STATUTORY INFORMATION	1
DIRECTORS' REPORT	2
PROFIT AND LOSS ACCOUNT	3
BALANCE SHEET	4
NOTES TO THE FINANCIAL STATEMENTS	5

2647815



INTERNATIONAL NETWORK COMMUNICATIONS LIMITED

STATUTORY INFORMATION

COMPANY NUMBER

2674815

DIRECTORS

A J Weisz  
P R Brinham  
R G Franks

SECRETARY

A J Weisz

REGISTERED OFFICE

5 Carlton Hill  
London  
NW8 0JX

PRINCIPAL BANKERS

Midland Bank PLC  
Oxford Street Branch  
52 Oxford Street  
London  
W1A 1EG

INTERNATIONAL NETWORK COMMUNICATIONS LIMITEDDIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of the trading and maintaining of computer hardware and software.

DIRECTORS' INTERESTS

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

	<u>Ordinary shares of £1 each</u>	
	<u>31 December 1996</u>	<u>1 January 1996</u>
	<u>Number</u>	<u>Number</u>
A J Weisz	4,500	4,500
P R Brinham	4,500	4,500
R A Franks	1,000	1,000

This report has been prepared taking advantage of the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985.

By order of the Board



A J WEISZ  
Secretary

28 October 1997

INTERNATIONAL NETWORK COMMUNICATIONS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 1996

	<u>NOTES</u>	<u>1996</u>	<u>1995</u>
		<u>£</u>	<u>£</u>
TURNOVER	2	-	750
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	750
Administrative expenses		1,108	5,796
		<hr/>	<hr/>
OPERATING LOSS	3	(1,108)	(5,046)
Interest receivable and similar income		146	191
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(962)	(4,855)
Taxation	4	-	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(962)	(4,855)
Balance brought forward		(33,736)	(28,881)
		<hr/>	<hr/>
BALANCE CARRIED FORWARD		(34,698)	(33,736)
		<hr/>	<hr/>

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

All amounts relate to continuing activities.

The attached notes form part of these financial statements.

INTERNATIONAL NETWORK COMMUNICATIONS LIMITEDBALANCE SHEETAT 31 DECEMBER 1996

	<u>NOTES</u>	<u>1996</u>	<u>1995</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	1	1
Investments	6	35,585	35,585
		<u>35,586</u>	<u>35,586</u>
<b>CURRENT ASSETS</b>			
Debtors	7	1,543	1,387
Cash at bank and in hand		7,749	8,867
		<u>9,292</u>	<u>10,254</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	69,576	69,576
<b>NET CURRENT LIABILITIES</b>		<u>(60,284)</u>	<u>(59,322)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(24,698)</u>	<u>(23,736)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	10,000	10,000
Profit and loss account		(34,698)	(33,736)
<b>SHAREHOLDERS' FUNDS</b>	10	<u>(24,698)</u>	<u>(23,736)</u>

The financial statements were approved by the Board of Directors on

28/10/97

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The directors acknowledge their responsibilities for:

- i) ensuring that the company keeps accounting records which comply with section 221;
- 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 requirements of this Act relating to accounts, so far as applicable to the company.

The directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exemptions as a small company.

A J WEISZ - Director

The attached notes form part of these financial statements.

INTERNATIONAL NETWORK COMMUNICATIONS LIMITEDNOTES TO THE FINANCIAL STATEMENTSAT 31 DECEMBER 19961. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied within the same financial statements.

Basis of Preparation of the Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events relating to the year ended 31 December 1996 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 1996 and of the results for the year ended on that date.

Depreciation

Depreciation is provided on all tangible fixed assets, at the following annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life.

Computer equipment - 33% straight line

Deferred Taxation

The company has adopted the proposals of Statement of Standard Accounting Practice No.15 whereby no provision has been made for deferred taxation arising from the excess of accelerated capital allowances over depreciation charged in the financial statements as no liability of this nature is expected to arise in the foreseeable future.

Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

2. TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

	<u>1996</u>	<u>1995</u>
	£	£

3. OPERATING LOSS

This is stated after charging or (crediting):

Depreciation	-	-
Loss on exchange	-	-
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INTERNATIONAL NETWORK COMMUNICATIONS LIMITEDNOTES TO THE FINANCIAL STATEMENTSAT 31 DECEMBER 19964. TAXATION

There is no corporation tax due to losses incurred in the year.

5. TANGIBLE FIXED ASSETS

	<u>Computer Equipment</u>
	£
Cost:	
At 1 January 1996 and at 31 December 1996	18,595
	<hr/>
Depreciation:	
At 1 January 1996	18,595
Provided during the year	-
	<hr/>
At 31 December 1996	18,594
	<hr/>
Net book value at:	
31 December 1996	1
	<hr/>
31 December 1995	1
	<hr/>

6. FIXED ASSET INVESTMENTS

	<u>Unlisted</u>
	£
Trade investment	
Cost:	
At 1 January 1996	35,585
Additions	-
	<hr/>
At 31 December 1996	35,585
	<hr/>

The investment above represents a 25% holding in Lasrenet Inc., a company incorporated in the United States of America.

INTERNATIONAL NETWORK COMMUNICATIONS LIMITEDNOTES TO THE FINANCIAL STATEMENTSAT 31 DECEMBER 1996

	<u>1996</u>	<u>1995</u>
	£	£
<u>7. DEBTORS</u>		
Other debtors	1,543	1,387
Accrued income	-	-
	<hr/>	<hr/>
	1,543	1,387
	<hr/>	<hr/>

8. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR

Directors' loans	68,200	68,200
Other creditors	176	176
Accruals	1,200	1,200
	<hr/>	<hr/>
	69,576	69,576
	<hr/>	<hr/>

9. SHARE CAPITAL

	<u>Authorised</u>	Allotted, called up and fully paid
	£	£
Ordinary shares of £1 each	10,000	10,000
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There were no changes in the year.

	<u>1996</u>	<u>1995</u>
	£	£
<u>10. RECONCILIATION OF SHAREHOLDERS' FUNDS</u>		
Loss for the financial year	(962)	(4,855)
Opening shareholders' funds	(23,736)	(18,881)
	<hr/>	<hr/>
CLOSING SHAREHOLDERS' FUNDS	(24,698)	(23,736)
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