FORERUNNER (ELECTRONIC) LIMITED

DIRECTOR'S REPORT
AND
FINANCIAL STATEMENTS

Year ended 31 AUGUST 1997

Company Number: 1701521

HILTON SHARP & CLARKE
Chartered Accountants
30 New Road
Brighton
BN1 1BN

A32 *AF21A1UX* 246
COMPANIES HOUSE 09/12/97

FORERUNNER (ELECTRONIC) LIMITED

DIRECTOR'S REPORT

The director presents his report and the financial statements for the year ended 31 August 1997.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of computer electronics.

The results for the year are set out on page 2. The director considers the company's financial position at the year end to be satisfactory.

DIVIDENDS AND APPROPRIATIONS

The director does not recommend that a dividend is paid (1996:£NIL).

DIRECTOR AND INTERESTS IN SHARES

The director of the company who served during the year and number of shares in which he had an interest, as defined by the Companies Act 1985, was as follows:

	Ordinary shares of £1 each At 1 September 1996 and 31 August 1997
A.R. HAWKINS	2

AUDIT EXEMPTION

The director has take advantage of the exemptions under Section 249A Companies Act 1985 and has dispensed with the annual audit of the company's financial statements.

By order of the board

M.E. HAWKINS
Secretary

Registered office:
64A Franklin Road
Brighton
East Sussex

FORERUNNER (ELECTRONIC) LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 AUGUST 1997

	Note	1997 £	1996 £
TURNOVER	1	166	721
Cost of sales		-	(356)
GROSS PROFIT		166	365
Administrative expenses		(813)	(1,633)
OPERATING LOSS	2	(647)	(1,268)
Interest receivable and similar income		-	2
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(647)	(1,266)
Taxation	3	-	-
LOSS FOR THE FINANCIAL YEAR		(647)	(1,266)
Accumulated (loss)/profit brought forward		(512)	754
ACCUMULATED LOSS CARRIED FORWARD		£ (1,159)	£ (512)

The notes on pages 4 to 6 form part of these financial statements.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities and the accumulated loss for the year stated above and their historical cost equivalents.

There were no discontinued operations during the year.

FORERUNNER (ELECTRONIC) LIMITED

BALANCE SHEET
As at 31 AUGUST 1997

	Note	1997 £	1997 £	1996 £	1996 £
FIXED ASSETS					
Tangible assets	4		1,385		1,731
CURRENT ASSETS					
Debtors	5	166		-	
Cash at bank		235		709	
		401		709	
CREDITORS: amounts falling due within one year	6	(2,943)		(2,950)	
NET CURRENT LIABILITIES			(2,542)		(2,241)
			£ (1,157)		£ (510)
CAPITAL AND RESERVES					
Called up share capital	7		2		2
Profit and loss account			(1,159)		(512)
EQUITY SHAREHOLDERS' FUNDS	8		£ (1,157)		£ (510)

The notes on pages 4 to 6 form part of these financial statements.

I confirm that for the year ended 31 August 1997 the company was entitled to exemption under sub-section 1 of section 249A, Companies Act 1985.

No member or members have requested an audit pursuant to sub-section 2 of section 249B, Companies Act 1985.

I acknowledge my 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 this Act relating to accounts.

Approved by the board on: 6TH DEC 1997

A. R. Hawkins

A.R. HAWKINS - Director

FORERUNNER (ELECTRONIC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 AUGUST 1997

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents the total fees receivable by the company from its principal activity.

Tangible fixed assets

Tangible fixed assets have been depreciated so as to write them off over their anticipated useful lives at the following annual rates:

Equipment	-	20 %	Reducing balance

2. OPERATING LOSS

The operating loss is stated after charging:

	1997 £	1996 £
Depreciation of fixed assets	346	433
Auditors' remuneration - non audit fees	411	411

3. TAXATION

The results for the year do not give rise to charge to corporation tax (1996 - Nil).

FORERUNNER (ELECTRONIC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 AUGUST 1997

4. TANGIBLE ASSETS

	Equipment £
Cost	
At 1 September 1996 and at 31 August 1997	£ 8,938
Depreciation	
At 1 September 1996	7,207
Charge for year	346
At 31 August 1997	£ 7,553
Net Book Value	
At 31 August 1997	£ 1,385
At 1 September 1996	£ 1,731

5. DEBTORS

	1997 £	1996 £
Trade debtors	£ 166	£ -

6. CREDITORS: amounts falling due within one year

Director's loan account	2,517	2,517
Accruals and deferred income	426	433
	£ 2,943	£ 2,950

FORERUNNER (ELECTRONIC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 AUGUST 1997

7. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
100 Ordinary shares of £1 each	£ 100	£ 100
Allotted, issued and fully paid		
2 Ordinary shares of £1 each	£ 2	£ 2

8. RECONCILIATION OF THE MOVEMENTS IN SHAREHOLDER'S FUNDS

	1997 £	1996 £
Loss for the financial year and net withdrawal from shareholder's funds	(647)	(1,266)
Opening shareholder's funds	(510)	756
Closing shareholder's funds	£ (1,157)	£ (510)