REGISTRAR

MICRO MINDER PLC

FINANCIAL STATEMENTS

31 MARCH 1997

Registered number: 1831793

JOHN CUMMING & PARTNERS

CHARTERED CERTIFIED ACCOUNTANTS

252 Goswell Road

London EC1V 7EB

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COMPANIES HOUSE 28/10/97

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MICRO MINDER PLC

FINANCIAL STATEMENTS

for the year ended 31 March 1997

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COMPANY INFORMATION

31 March 1997

INCORPORATED	in England and Wales on 11 July 1984
NUMBER	1831793
CHAIRMAN	B G Sheth
OTHER DIRECTORS	Mrs K B Sheth
SECRETARY	V Shah
REGISTERED OFFICE	8A Wadsworth Road Perivale,Greenford Middlesex UB6 7JD
BANKERS	National Westminster Bank PLC 1 Mincing Lane London EC3M 3JH
SOLICITORS	Kumar & Company Talbot House 204-226 Imperial Drive Harrow Middlesex HA2 7HH
AUDITORS	John Cumming & Partners Chartered Certified Accountants Pumabrook House 252 Goswell Road London EC1V 7EB

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DIRECTORS' REPORT

31 March 1997

The directors present their report and the audited financial statements for the year ended 31 March 1997.

Principal activity
The principal activity of the company during the year was that of dealing in computer hardware and software and provision of ancilliary services.

Business review
The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £180,497.

Results and dividends
The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend (1996- 114.29p per ordinary share).The retained profit for the year has been transferred to reserves.

Fixed assets
In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 9.

Directors
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 March 1997 Ordinary shares	1 April 1996 Ordinary shares
B G Sheth	50,000	35,000
Mrs K B Sheth	50,000	35,000

Share capital
Changes in share capital are detailed in note 16.

Supplier payment policy
It is the company's policy to settle the terms of payment with suppliers when agreeing each transaction or series of transactions, to ensure that suppliers are made aware of these terms and abide by them.In 1996/1997 it was the company policy to pay bills 30 days after the date of receipt of the invoice, provided that the goods or work to which the invoice relates have been received or completed to our satisfaction and any credit period has not expired. The trade creditors outstanding at the year end represented 43 days' purchases.

Future developments
The directors are optimistic about the long-term prospects for continued growth.

Auditors
John Cumming & Partners have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

V Shah
Secretary

8A Wadsworth Road
Perivale,Greenford
Middlesex UB6 7JD
27/10/1997

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MICRO MINDER PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under Company law 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 or loss of the company for that period. In preparing those financial statements, we are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies Act 1985. We are 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.

27/10/1997

On behalf of the board

B G Sheth
Director

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MICRO MINDER PLC

AUDITORS' REPORT

Auditors' report to the members of

Micro Minder Plc

We have audited the financial statements on pages 5 to 16 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 on page 3, the company's directors are 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 error or other irregularity. 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 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

John Cumming & Partners
Chartered Certified Accountants and Registered Auditors
Pumabrook House
252 Goswell Road
London EC1V 7EB

27/10/1997

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MICRO MINDER PLC

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1997

	Note	1997 £	1996 £
Turnover	2	**1,108,819**	1,904,807
Cost of sales		**(839,043)**	(1,431,912)
Gross profit		**269,776**	472,895
Net operating expenses			
Distribution costs		**-**	(875)
Administrative expenses		**(265,666)**	(255,878)
Other operating income		**6,255**	-
Operating profit	3	**10,365**	216,142
Investment income	5	**120**	146
Interest payable	6	**(7,478)**	(10,789)
Profit on ordinary activities before taxation		**3,007**	205,499
Taxation	7	**(2,896)**	(52,299)
Profit on ordinary activities after taxation		**111**	153,200
Dividends	8	**-**	(80,000)
Retained profit for the year	17	**111**	73,200

Movements in reserves are shown in note 17.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

There is no difference between the profit on ordinary activities before taxation and retained profit for the year stated above and their historical cost equivalents.

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BALANCE SHEET

at 31 March 1997

	Note	1997 £	1997 £	1996 £	1996 £
Fixed assets					
Tangible assets	9		162,279		182,569
Current assets					
Stocks	11	56,593		86,670	
Debtors	12	333,362		720,441	
Cash at bank and in hand		25,193		25,361	
		415,148		832,472	
Creditors: amounts falling due within one year	13	(342,975)		(765,253)	
Net current assets			72,173		67,219
Total assets less current liabilities			234,452		249,788
Creditors: amounts falling due after more than one year	14		(53,955)		(69,402)
			180,497		180,386
Capital and reserves					
Called up share capital	16		100,000		70,000
Profit and loss account	17		80,497		110,386
Total shareholders' funds	15		180,497		180,386

The financial statements on pages 5 to 16 were approved by the board of directors on 27 /10 /1997 and signed on its behalf by:

B. G. Sheth

B G Sheth
Director

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CASH FLOW STATEMENT

for the year ended 31 March 1997

	Note	1997 £	1997 £	1996 £	1996 £
Net cash inflow from operating activities	19		203,150		108,744
Returns on investments and servicing of finance					
Interest received		120		146	
Interest paid		(6,125)		(9,066)	
Interest element of finance lease rental payments		(1,353)		(1,723)	
			(7,358)		(10,643)
Taxation					
Corporation tax paid (including ACT)			(54,529)		(29,151)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(3,883)		(22,474)	
Sale of tangible fixed assets		11,650		8,000	
			7,767		(14,474)
			149,030		54,476
Equity dividends paid			(77,500)		(30,000)
			71,530		24,476
Financing					
Debt due within a year:					
Bank loan repayments		(7,970)		(8,092)	
Debt due beyond a year:					
Bank loan (repayments)/advances		(1,270)		121	
Capital element of finance lease rentals		(11,868)		(12,924)	
			(21,108)		(20,895)
Increase in cash			50,422		3,581

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MICRO MINDER PLC

NOTES ON FINANCIAL STATEMENTS

31 March 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold buildings	2.5% p.a. on straight line basis
Plant and machinery	25% p.a. on straight line basis
Motor vehicles	25% p.a. on straight line basis
Fixtures and fittings	25% p.a. on straight line basis

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged on a straight line basis over the lease term.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Comparative amounts

Certain corresponding amounts are restated to ensure comparability without affecting the relevant net results.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

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MICRO MINDER PLC

NOTES ON FINANCIAL STATEMENTS

31 March 1997

3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Profit on sale of assets	915	514
and after charging		
Auditors' remuneration	3,588	3,500
Operating leases		
Hire of plant and machinery	4,187	-
Depreciation of tangible fixed assets (note 9)		
owned assets	12,072	4,829
leased assets	6,936	9,712
	19,008	14,541
The total amount charged against profits in respect of finance leases and hire purchase contracts is (of which part is shown as depreciation and the balance is shown as interest payable in note 6)	8,289	11,435

4 Directors and employees

Staff costs including directors' emoluments	1997 £	1996 £
Wages and salaries	157,826	154,915
Social security costs	15,980	11,574
	173,806	166,489

	Number	Number
Average monthly number employed including executive directors:		
Office and management	13	11

Directors	£	£
Emoluments	52,198	45,528

5 Investment income

	1997 £	1996 £
Interest receivable	120	146

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NOTES ON FINANCIAL STATEMENTS

31 March 1997

6 Interest payable

	1997 £	1996 £
Bank interest	400	2,207
Bank loan interest	5,589	6,859
Hire purchase interest	1,353	1,723
Interest on late payment of tax	136	-
	7,478	10,789

7 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 24% (1996 25%)	3,100	52,234
(Over)/under provision in earlier years	(204)	65
	2,896	52,299

8 Dividends

	1997 £	1996 £
Dividends proposed on equity shares	-	80,000

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NOTES ON FINANCIAL STATEMENTS

31 March 1997

9 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1 April 1996	47,670	18,536	5,918	139,483	211,607
Additions	-	9,240	214	-	9,454
Disposals	-	(12,615)	-	-	(12,615)
31 March 1997	47,670	15,161	6,132	139,483	208,446
Depreciation					
1 April 1996	10,894	5,019	5,126	8,000	29,039
Charge for year	11,918	3,222	381	3,487	19,008
Disposals	-	(1,880)	-	-	(1,880)
31 March 1997	22,812	6,361	5,507	11,487	46,167
Net book amount					
31 March 1997	24,858	8,800	625	127,996	162,279
1 April 1996	36,776	13,518	792	131,483	182,569

The net book amount of fixed assets includes £22,895 (1996 £36,776) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

10 Land and buildings

	1997 £	1996 £
Freehold	127,996	131,483

In the opinion of the directors there is no significant difference between the present market value of the property and the amount stated in the financial statements.

11 Stocks

	1997 £	1996 £
Raw materials	56,593	86,670
	56,593	86,670

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MICRO MINDER PLC

NOTES ON FINANCIAL STATEMENTS

31 March 1997

12 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	**301,720**	686,772
Other debtors	**9,243**	-
Advance corporation tax	**17,500**	27,500
Prepayments and accrued income	**4,899**	6,169
	333,362	720,441

The amount of factored debts included in the trade debtors amounts to **£174,378** (1996 - £181,253)

13 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank loan and overdraft	**42,033**	91,274
Trade creditors	**214,363**	447,950
Corporation tax	**520**	44,734
Other taxation and social security	**31,144**	46,338
Dividend	**32,500**	110,000
Other creditors	**2,499**	510
Accruals and deferred income	**10,880**	13,972
Obligations under finance leases and hire purchase contracts - note 14	**9,036**	10,475
	342,975	765,253

14 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Bank loan	52,563	63,152
Obligations under finance leases	1,392	6,250
	53,955	69,402

Maturity of debt

In one year or less, or on demand - see note 13	9,319	7,970
Between one and two years	10,244	7,968
Between two and five years	37,245	23,911
In five years or more	5,074	31,273
	61,882	71,122

Amounts falling due after more than five years:

Bank loan	5,074	31,273

Obligations under finance leases and hire purchase contracts

These are repayable over varying periods by monthly instalments as follows:

In the next year - see note 13	9,036	10,475
In the second to fifth years	1,392	6,250
	10,428	16,725

The bank loan and overdraft are secured by a debenture over all the assets of the company and by a legal mortgage over the freehold property situated at 8A Wadsworth Road, Perivale, Greenford, Middlesex UB6 7JD.

The bank loan is repayable by monthly instalments together with interest at 2.5% above the base rate.

15 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	111	153,200
Dividends	-	(80,000)
Net addition to shareholders' funds	111	73,200
Opening shareholders' funds	180,386	107,186
Closing shareholders' funds	180,497	180,386

MICRO MINDER PLC

NOTES ON FINANCIAL STATEMENTS

31 March 1997

16 Called up share capital

	1997 Number of shares	1997 £	1996 Number of shares	1996 £
Authorised				
Equity shares				
Ordinary shares of £1 each	**250,000**	**250,000**	100,000	100,000
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	100,000	70,000	70,000	50,000
Bonus issue	30,000	30,000	30,000	20,000
		100,000		70,000

On 09/09/1996, the board of directors approved and increased the issued share capital from £70,000 to £100,000 by a scrip issue of 30,000 ordinary shares of £1 each.

17 Profit and loss account

	1997 £
1 April 1996	110,386
Retained profit for the year	111
Scrip issue	(30,000)
31 March 1997	80,497

18 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 1998

	1997 Plant & Other £	1996 Plant & Other £
Expiring		
Within two to five years	6,281	-
	6,281	-

19 Notes to the cash flow statement

Reconciliation of operating profit to operating cash flows

	1997 £	1996 £
Operating profit	10,365	216,142
Depreciation charges	19,008	14,541
Profit on sale of fixed assets	(915)	(514)
Decrease/(increase) in stocks	30,077	(57,745)
Decrease/(increase) in debtors	384,499	(417,973)
(Decrease)/increase in creditors	(239,884)	354,293
Net cash inflow from operating activities	203,150	108,744

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash in hand, at bank	25,361	(168)	-	25,193
Overdrafts	(83,304)	50,590	-	(32,714)
		50,422		
Debt due within 1 year	(7,970)	7,970	(9,319)	(9,319)
Debt due after 1 year	(63,152)	1,270	9,319	(52,563)
Finance leases	(16,725)	11,868	(5,571)	(10,428)
		21,108		
Total	(145,790)	71,530	(5,571)	(79,831)

Reconciliation of net cash flow to movement in net debt

	1997 £	1996 £
Increase in cash in the year	50,422	3,581
Cash outflow from decrease in debt and lease financing	21,108	20,895
Change in net debt resulting from cash flows	71,530	24,476
New finance leases	(5,571)	(15,000)
Movement in net debt in the year	65,959	9,476
Net debt at 1 April 1996	(145,790)	(155,266)
Net debt at 31 March 1997	(79,831)	(145,790)

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20 Related party transaction and control

For the whole year, the company was under the control of Mr B G Sheth and his wife Mrs K B Sheth who are both directors and shareholders of the company.

During the year, the company paid dividends of £77,500 to the shareholders relating to dividends proposed in 1995 and 1996.