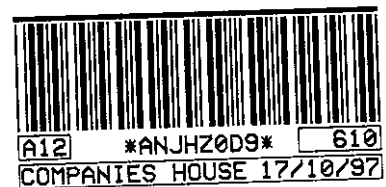


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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1997
FOR
REMOTESPARK LIMITED



REMOTESPARK LIMITED

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FOR THE YEAR ENDED 31 MAY 1997

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REMOTESPARK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 1997

DIRECTORS: A P Tuffin
L Di Giovanni
K G Bygrave

SECRETARY: Mr A.P. Tuffin

REGISTERED OFFICE: Unit 1, Ironcraft Industrial Estate
18 Baldock Road
Stotfold
Hitchin
Hertfordshire
SG5 4PA

REGISTERED NUMBER: 02123796

AUDITORS: PRESCOTT GENDY ASLAM & CO
REGISTERED AUDITORS
Authorised Public Accountants
42 High Street
Flitwick
Bedfordshire
MK45 1DU

REMOTESPARK LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 MAY 1997**

The directors present their report with the financial statements of the company for the year ended 31 May 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Engineering.

DIRECTORS

The directors during the year under review were:

A P Tuffin
L Di Giovanni
K G Bygrave

The beneficial interests of the directors holding office on 31 May 1997 in the issued share capital of the company were as follows:

	31.5.97	1.6.96
Ordinary £1 shares		
A P Tuffin	51	51
L Di Giovanni	33	33
K G Bygrave	15	15

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments 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 in business.

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

AUDITORS

The auditors, PRESCOTT GENDY ASLAM & CO, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Mr A.P. Tuffin - SECRETARY

Dated: 13-10-97

REMOTESPARK LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
REMOTESPARK LIMITED

We have audited the financial statements on pages four to ten which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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.

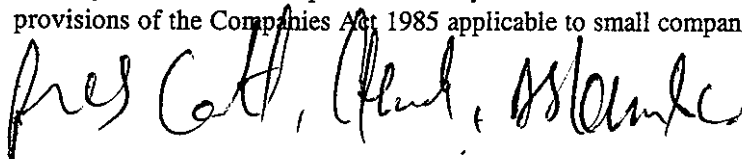
Basis of opinion

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 judgments 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 31 May 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



PRESCOTT GENDY ASLAM & CO
REGISTERED AUDITORS
Authorised Public Accountants
42 High Street
Flitwick
Bedfordshire
MK45 1DU

Dated: 13/10/97

REMOTESPARK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1997

		31.5.97	31.5.96
	Notes	£	£
TURNOVER	2	375,013	383,469
Cost of sales		215,900	217,928
GROSS PROFIT		159,113	165,541
Administrative expenses		157,488	127,653
OPERATING PROFIT	4	1,625	37,888
Interest payable and similar charges	5	1,437	2,343
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		188	35,545
Tax on profit on ordinary activities	6	(53)	9,000
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		241	26,545
Dividends	7	-	27,000
		241	(455)
Retained profit brought forward		66,428	66,883
RETAINED PROFIT CARRIED FORWARD		£66,669	£66,428

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

REMOTESPARK LIMITED**BALANCE SHEET**
31 MAY 1997

		31.5.97		31.5.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		40,872		36,226
CURRENT ASSETS:					
Stocks	9	24,700		26,700	
Debtors	10	88,609		102,176	
Cash at bank and in hand		39,332		37,319	
		152,641		166,195	
CREDITORS: Amounts falling due within one year	11	114,695		122,758	
NET CURRENT ASSETS:			37,946		43,437
TOTAL ASSETS LESS CURRENT LIABILITIES:			78,818		79,663
CREDITORS: Amounts falling due after more than one year	12		(7,556)		(9,062)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(4,494)		(4,074)
			£66,768		£66,527
CAPITAL AND RESERVES:					
Called up share capital	15		99		99
Profit and loss account			66,669		66,428
Shareholders' funds	16		£66,768		£66,527

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


K G Bygrave - DIRECTOR

Approved by the Board on 13-10-97

REMOTESPARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MAY 1997**

1. ACCOUNTING POLICIES

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	31.5.97	31.5.96
	£	£
Wages and salaries	198,206	97,221
Social security costs	19,886	13,070
Other pension costs	3,600	3,600
	221,692	113,891

The average monthly number of employees during the year was as follows:

	31.5.97	31.5.96
Office management	3	3
Manufacturing	7	8
	10	11

REMOTESPARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.5.97	31.5.96
	£	£
Depreciation - owned assets	5,104	4,776
Auditors' remuneration	3,490	3,125
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	90,128	62,838
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.5.97	31.5.96
	£	£
Bank loan interest	994	1,504
Interest on overdue taxes	178	318
Paye interest	-	521
Hire purchase	265	-
	<u> </u>	<u> </u>
	1,437	2,343
	<u> </u>	<u> </u>

6. TAXATION

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	31.5.97	31.5.96
	£	£
UK Corporation Tax	(473)	8,584
Deferred taxation	420	416
	<u> </u>	<u> </u>
	(53)	9,000
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 24% (1996 - 25%).

7. DIVIDENDS

	31.5.97	31.5.96
	£	£
Equity shares:		
Final - share type 1	-	27,000
	<u> </u>	<u> </u>

REMOTESPARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 June 1996	54,215	3,629	15,200	73,044
Additions	9,750	-	-	9,750
At 31 May 1997	63,965	3,629	15,200	82,794
DEPRECIATION:				
At 1 June 1996	22,777	2,218	11,823	36,818
Charge for year	4,119	141	844	5,104
At 31 May 1997	26,896	2,359	12,667	41,922
NET BOOK VALUE:				
At 31 May 1997	37,069	1,270	2,533	40,872
At 31 May 1996	31,438	1,411	3,377	36,226

9. STOCKS

	31.5.97	31.5.96
	£	£
Stock and work in progress	24,700	26,700

Stock and work in progress

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.5.97	31.5.96
	£	£
Trade debtors	85,816	99,275
Other debtors	558	1,120
Prepayments	1,760	1,781
Corporation tax recoverable	475	-
	88,609	102,176

REMOTESPARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.5.97 £	31.5.96 £
Bank loans and overdrafts (see note 13)	3,900	3,900
Trade creditors	17,368	24,831
Directors current accounts	25,834	53,386
Hire purchase	2,000	-
Social security & other taxes	17,048	17,541
Taxation	-	1,834
Advance corporation tax	-	6,750
Accrued expenses	48,545	14,516
	<u>114,695</u>	<u>122,758</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.5.97 £	31.5.96 £
Bank loans (see note 13)	4,723	9,062
Hire purchase	2,833	-
	<u>7,556</u>	<u>9,062</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.5.97 £	31.5.96 £
Amounts falling due within one year or on demand:		
Bank loans	<u>3,900</u>	<u>3,900</u>
Amounts falling due between two and five years:		
Bank loans	<u>4,723</u>	<u>9,062</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	31.5.97 £	31.5.96 £
Deferred taxation	<u>4,494</u>	<u>4,074</u>

REMOTESPARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997

14. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred taxation £	Deferred taxation £
Balance at 1 June 1996	4,074	3,658
Transfer to profit and loss	420	416
Balance at 31 May 1997	4,494	4,074

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.5.97	31.5.96
			£	£
1,000	Ordinary	£1	1,000	1,000
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.5.97	31.5.96
			£	£
99	Ordinary	£1	99	99

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.5.97	31.5.96
	£	£
Profit for the financial year	241	26,545
Dividends	-	(27,000)
NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS	241	(455)
Opening shareholders' funds	66,527	66,982
CLOSING SHAREHOLDERS' FUNDS	66,768	66,527
Equity interests	66,768	66,527