

ADVANTAGE TECHNOLOGIES LIMITED2794849
AUDITORS' REPORT ON ABBREVIATED STATEMENTS

Auditors' report to the Directors of Advantage Technologies Ltd.
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985.

We have examined the abbreviated financial statements on pages 2 and 3 together with the full financial statements of Advantage Technologies Ltd. for the year ended 31 March 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the Directors statement on page 2 and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 March 1996 and the abbreviated financial statements on pages 2 and 3 have been properly prepared in accordance with that Schedule.

On 29 January 1997, we reported, as auditors of Advantage Technologies Ltd. to the Members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 1996 and our audit report was as follows:

We have audited the financial statements on pages 2 and 3 which have been prepared under the accounting policies set out on page 3.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 5, 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 ON OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practises 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.

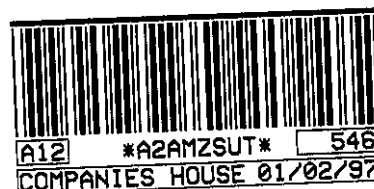
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985 applicable to small companies.'

WINCH & COMPANY
Registered Auditor
& Chartered Accountants

Winch & Co



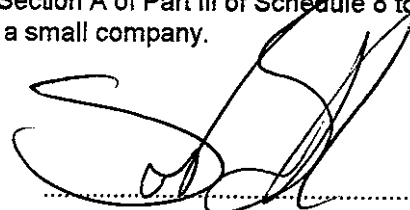
29 January 1997

ADVANTAGE TECHNOLOGIES LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 1996

	Notes	£	1996 £
<u>FIXED ASSETS</u>			
Tangible Assets	3		53,895
Intangible Assets			12,500
			<hr/>
			66,395
<u>CURRENT ASSETS</u>			
Stock		15,841	
Debtors		212,983	
Cash at Bank and in Hand		77,417	
		<hr/>	
		306,241	
Creditors (amounts falling due within one year)		247,890	
		<hr/>	
<u>NET CURRENT ASSETS</u>			58,351
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<hr/> 124,746
<u>CREDITORS</u>			
Amounts falling due after more than one year.			67,865
<u>PROVISION FOR LIABILITIES AND CHARGES</u>			
Deferred Taxation			NIL
			<hr/>
			£ 56,881
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	2		50,000
Profit and Loss Account			6,881
			<hr/>
			£ 56,881
			<hr/>

The abbreviated financial statements on pages 2 and 3 were approved by the board on 29 January 1997. The Directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the Company qualifies as a small company.

.....Director

29 January 1997

ADVANTAGE TECHNOLOGIES LIMITED

NOTES TO AND FORMING PART OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 19961. ACCOUNTING POLICIESACCOUNTING CONVENTION

These accounts are prepared under the Historical Cost Convention.

DEPRECIATION

Depreciation is provided on all tangible assets, on a reducing basis, at rates calculated to write off the cost or valuation, less estimated residual value, of each assets over its expected useful life, as follows:

Motor Vehicles	25%
Equipment, Furniture & Fixtures	20%

STOCKS

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

DEFERRED TAXATION

Deferred taxation is provided on all timing differences.

LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to Profit and Loss Account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income as incurred.

2. SHARE CAPITAL

	AUTHORISED	ALLOTTED, CALLED UP AND FULLY PAID
ORDINARY SHARES @ £1 Each	No. <u>100,000</u>	£ <u>50,000</u>

3. TANGIBLE FIXED ASSETS

COST	£
Additions	68,813
AS AT 31 MARCH 1996	£ 68,813
DEPRECIATION	
Charge for the Year	14,918
AS AT 31 MARCH 1996	£ 14,918
NET BOOK VALUES	
AS AT 31 MARCH 1996	£ 53,895

ADVANTAGE TECHNOLOGIES LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Report and Accounts for the year ended 31 March 1996.

RESULTS AND DIVIDENDS

The trading profit for the period after taxation amounted to £6,881.

The Directors do not recommend the payment of a final ordinary dividend.

REVIEW OF THE BUSINESS

The Company's principle activities for the year were that of Computer Maintenance Contracts and Networking.

FIXED ASSETS

The changes in Fixed Assets during the year are summarised in the Notes to the Accounts.

FUTURE DEVELOPMENTS

The Company continues to expand.

DIRECTORS AND THEIR INTERESTS

The Director at 31 March 1996 and his business interests in the Share Capital was as follows:

S. Barnett

At 31 March 1996
Ordinary Shares

37,500

SMALL COMPANY EXEMPTIONS

The Company has taken advantage in the preparation of this report, exemptions applicable to small companies.

AUDITORS

The Company has elected to dispense with the annual appointment of Auditors. In the absence of a specific resolution to the contrary, Winch & Company will continue in office.

ON BEHALF OF THE BOARD



Secretary

29 January 1997