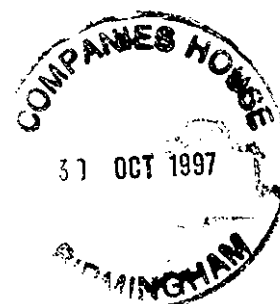


ALPHA SCAN COMPUTERS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1996
(REGISTERED NUMBER 2763553)



Godfrey Mansell & Co.
Chartered Accountants
Brook Hall
Brook Street
Warwick
CV34 4BL

ALPHA SCAN COMPUTERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

DIRECTORS

C Adamou
R Fallaize

SECRETARY

J M Pack

REGISTERED OFFICE

The Coach House
Rownhams House
Rownhams
Southampton
Hants
SO16 8LS

AUDITORS

Godfrey Mansell & Co.
Chartered Accountants
Brook Hall
Brook Street
Warwick
CV34 4BL

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ALPHA SCAN COMPUTERS LIMITED**REPORT OF THE DIRECTORS****FOR THE YEAR ENDED 31ST DECEMBER 1996**

The Directors present their Annual Report and the audited Financial Statements for the year ended 31st December 1996.

PRINCIPAL ACTIVITIES

The principal activities of the Company were those of buying and selling Computer hardware, software and Computer Systems Training

DIRECTORS

The following have served as Directors throughout the year and their beneficial interests in the Shares of Company are as shown below:-

	<u>Ordinary Shares</u>	
	<u>1996</u>	<u>1995</u>
C Adamou	94	94
R Fallaize	5	5

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 year. In preparing those Financial Statements, the Directors are required to:-

- * Select suitable accounting policies and then apply them consistently;
- * Make judgements and estimates that are reasonable and prudent;
- * Follow applicable accounting standards, subject to any material departures disclosed and explained in the Accounts.
- * Prepare the Accounts 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 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

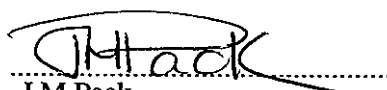
A resolution will be proposed at the Annual General Meeting to re appoint Godfrey Mansell & Co. as Auditors.

ALPHA SCAN COMPUTERS LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1996

SPECIAL EXEMPTIONS

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

BY ORDER OF THE BOARD


J M Pack
Secretary

28 October '97 Date

The Coach House
Rownhams House
Rownhams
Southampton
Hants
SO16 8LS

REPORT OF THE AUDITORS

TO THE MEMBERS OF ALPHA SCAN COMPUTERS LIMITED

FOR THE YEAR ENDED 31ST DECEMBER 1996

We have audited the Financial Statements on pages 4 to 9, which have been prepared under the Historical Cost Convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 1 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 Financial 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 Director 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, reliable and relevant evidence to give reasonable assurance that the Financial Statements are free from material misstatements, 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 31st December 1996 and of its profit for the year there ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Godfrey Mansell & Co.
Chartered Accountants & Registered Auditors
Brook Hall
Brook Street
Warwick
CV34 4BL

30 October 1997

ALPHA SCAN COMPUTERS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 1996**

	<u>Note</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
<u>TURNOVER</u>	2	936,085	860,886
Cost of Sales		(705,533)	(702,459)
		<u>230,552</u>	<u>158,427</u>
Administration Expenses		(205,979)	(134,346)
		<u></u>	<u></u>
Operating Profit	4	24,573	24,081
Interest Receivable		156	-
Interest Payable and Similar Charges	3	(945)	(1,096)
		<u></u>	<u></u>
Profit on ordinary activities before Taxation		23,784	22,985
Tax on profit on ordinary activities	5	(5,050)	(5,256)
		<u></u>	<u></u>
Profit on ordinary activities after Taxation		18,734	17,729
Profit and Loss account balance brought forward		21,236	3,507
		<u></u>	<u></u>
Profit and Loss account carried forward		39,970	21,236
		<u></u>	<u></u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit or loss for the above two financial periods.


ALPHA SCAN COMPUTERS LIMITED**BALANCE SHEET AT 31ST DECEMBER 1996**

	Notes	1996 £	1995 £
<u>FIXED ASSETS</u>			
Tangible Assets	6	28,478	15,337
<u>CURRENT ASSETS</u>			
Stock	7	12,452	6,355
Debtors	8	125,890	333,991
Cash at Bank and in Hand		13,626	18,049
		<u>151,968</u>	<u>358,395</u>
<u>CREDITORS</u>			
Amounts falling due within one year	9	136,050	340,016
		<u>136,050</u>	<u>340,016</u>
<u>NET CURRENT ASSETS</u>		15,918	18,379
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,396</u>	<u>33,716</u>
<u>CREDITORS</u>			
Amounts falling due after more than one year	9	4,326	12,380
		<u>40,070</u>	<u>21,336</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	10	100	100
Profit and Loss Account		39,970	21,236
	11	<u>40,070</u>	<u>21,336</u>

ALL THE ABOVE IS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS

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

Signed on behalf of the Board of Directors


 28/10/97 Date
 Director

Approved by The Board.

ALPHA SCAN COMPUTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1996****1. ACCOUNTING POLICIES**

- a) The Financial Statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

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

- b) Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding V.A.T.
- c) Depreciation is provided on fixed assets in instalments calculated to write off the assets over their effective lives. The following rates have been applied on cost:-

Motor Vehicles	- 25%
Fixtures & Fittings	- 25%
Office Equipment	- 25%

- d) Pensions. Contributions are normally charged in the period they are paid. All schemes operated by the Company are defined contribution schemes.

2. TURNOVER

The turnover and profit before taxation are attributable to the Company's principal activities and one market, the United Kingdom.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Hire Purchase Interest	205	-
Other Interest	740	1,096
	<u>945</u>	<u>1,096</u>

4. OPERATING PROFIT

The Operating Profit is stated after (crediting)/charging:

	<u>1996</u>	<u>1995</u>
Directors Remuneration	43,400	30,625
Pension Costs	1,800	1,800
Depreciation of Tangible Fixed Assets		
Owned by the Company	6,243	5,112
On Hire Purchase and Finance Lease	3,250	-
Auditors' Remuneration	1,200	1,350
Interest Payable	945	1,096
Profit on Sale of Fixed Assets	(1,522)	(3,233)
	<u></u>	<u></u>

5. TAXATION ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
The taxation charge for the year comprises:		
Corporation Tax @ 24% (1995 25%)	5,583	5,256
Overprovision in Prior Years	(533)	-
	<hr/>	<hr/>
	5,050	5,256
	<hr/>	<hr/>

ALPHA SCAN COMPUTERS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST DECEMBER 19966. TANGIBLE FIXED ASSETS

	Total	Motor Vehicle	Office Equipment	Fixtures & Fittings
Cost at 01.01.96	25,837	9,427	15,739	671
Additions	29,083	19,141	6,355	3,587
Disposals	(11,299)	(7,427)	(3,872)	-
At 31st December 1996	<u>43,621</u>	<u>21,141</u>	<u>18,222</u>	<u>4,258</u>
Depreciation at 01.01.96	10,500	3,027	7,233	240
Charge for period	9,493	5,160	3,329	1004
Disposals	(4,850)	(2,527)	(2,323)	-
As at 31st December 1996	<u>15,143</u>	<u>5,660</u>	<u>8,239</u>	<u>1,244</u>
Net Book Value At 31st December 1996	<u>28,478</u>	<u>15,481</u>	<u>9,983</u>	<u>3,014</u>
Net Book Value At 31st December 1995	<u>15,337</u>	<u>6,400</u>	<u>8,506</u>	<u>431</u>

Motor Vehicles with a net book value of £9,750 are being acquired under Hire Purchase and Finance Lease agreements.

7. <u>STOCK</u>	<u>1996</u>	<u>1995</u>
Finished Goods	12,452	6,355
	<u> </u>	<u> </u>
8. <u>DEBTORS</u>	<u>1996</u>	<u>1995</u>
Trade Debtors	121,868	330,123
Prepayments	4,022	3,868
	<u>125,890</u>	<u>333,991</u>
	<u> </u>	<u> </u>

ALPHA SCAN COMPUTERS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST DECEMBER 1996

9.	<u>CREDITORS</u>	<u>1996</u>	<u>1997</u>
	Amounts falling due within one year		
	Bank Loan	2,987	2,800
	Directors Loans	3,235	8,728
	Trade Creditors	95,815	305,271
	Corporation Tax	5,583	5,256
	Taxes & Social Security	18,115	8,496
	Creditors & Accruals	6,815	9,465
	Hire Purchase	3,500	-
		<u>136,050</u>	<u>340,016</u>
	Amounts falling due after more than one year		
	Hire Purchase	2,583	-
	Directors Loans	-	8,000
	Bank Loan	<u>1,743</u>	<u>4,380</u>
		<u>4,326</u>	<u>12,380</u>

The Bank Loan is repayable in monthly instalments over a period of five years commencing in August 1994. Interest is payable at 13.25%.

10.	<u>CALLED UP SHARE CAPITAL</u>	<u>1996</u>	<u>1995</u>
	Authorised		
	100,000 Ordinary Shares of one pound each	<u>100,000</u>	<u>100,000</u>
	Allotted and Fully Paid		
	100 Ordinary Shares of one pound each	<u>100</u>	<u>100</u>
11.	<u>RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS</u>	<u>1996</u>	<u>1995</u>
	Profit for the financial period after taxation	<u>18,734</u>	<u>17,729</u>
	Net Inflow of Shareholders Funds	18,734	17,729
	Opening Shareholders' funds at 1 January 1996	21,336	3,607
	Closing Shareholders' funds at 31 December 1996	<u>40,070</u>	<u>21,336</u>