

DATA SYSTEMS TERMINALS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

SIGNED COPY



Clareville House
26/27 Oxendon Street
London
SW1Y 4EP

ROTHMAN PANTALL & CO.
Chartered Accountants

DATA SYSTEMS TERMINALS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

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DATA SYSTEMS TERMINALS LIMITED
COMPANY INFORMATION
AS AT 30 JUNE 1997

DIRECTORS: N D Roberts
S J Roberts
S D Roberts

SECRETARY: S J Roberts

REGISTERED NUMBER: 01367328

AUDITORS: Rothman Pantall & Co
Clareville House
26/27 Oxendon Street
London
SW1Y 4EP

DATA SYSTEMS TERMINALS LIMITED**DIRECTORS' REPORT**

The directors present their annual report with the financial statements of the company for the year ended 30 June 1997.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review continued to be that of suppliers of point of sale equipment and related stationery.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £49,451 .

In the opinion of the directors, the company was in a satisfactory position at the year end.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARES

The directors in office in the year and their beneficial interests in the share capital of the company were as follows:

		Number of Shares	
		1997	1996
N D Roberts	Ordinary shares of £1 each	2,600	5,000
S J Roberts	Ordinary shares of £1 each	1,000	1,000
S D Roberts	Ordinary shares of £1 each	2,400	-

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 as at the end of the financial year 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 judgements 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 its business.

The directors are responsible for maintaining 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.

DATA SYSTEMS TERMINALS LIMITED
DIRECTORS' REPORT

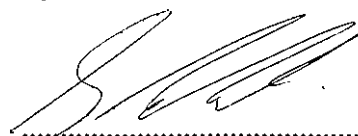
AUDITORS

The auditors, Rothman Pantall & Co, have been appointed by the directors. They will be proposed for re-appointment in accordance with Section 285 of the Companies Act 1985.

Registered Office

2 Gatwick Metro Centre
Balcombe Road
Horley
Surrey
RH6 9GA

By Order of the Board



.....
S J Roberts
Secretary

Dated: 30/9/97

AUDITORS' REPORT TO THE MEMBERS OF
DATA SYSTEMS TERMINALS LIMITED
FOR THE YEAR ENDED 30 JUNE 1997

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the Directors' Report, 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

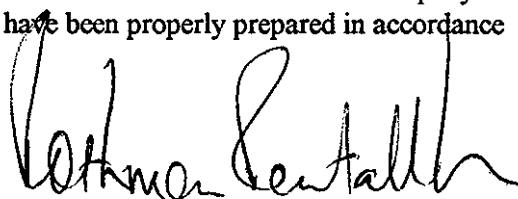
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 as to whether 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 affairs of the company as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date 30 September 1997



ROTHMAN PANTALL & CO
Chartered Accountants &
Registered Auditors
Clareville House
26/27 Oxendon Street
London SW1Y 4EP

DATA SYSTEMS TERMINALS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997

	Note	1997 £	1996 £
TURNOVER	2	1,882,022	1,541,704
Cost of sales		(1,158,129)	(973,180)
		<hr/>	<hr/>
GROSS PROFIT		723,893	568,524
Distribution costs		(71,620)	(84,060)
Administrative expenses		(536,280)	(415,423)
		<hr/>	<hr/>
OPERATING PROFIT	3	115,993	69,041
Interest payable and similar charges	4	(18,850)	(18,386)
Loss on sale of fixed assets		(15,438)	(34,564)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		81,705	16,091
Tax on profit on ordinary activities	6	(26,253)	(8,417)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		55,452	7,674
Diminution in freehold property values		(6,001)	(22,420)
		<hr/>	<hr/>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		49,451	(14,746)
Retained profits brought forward		67,457	82,203
		<hr/>	<hr/>
RETAINED PROFITS CARRIED FORWARD	16	£ 116,908	£ 67,457
		<hr/>	<hr/>

The company had no recognised gains or losses other than the results shown above.


None of the above activities were acquired or discontinued during the year.

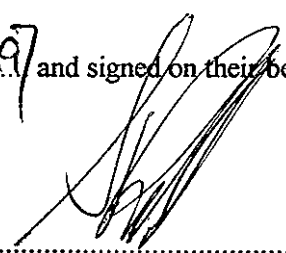
The notes on pages 7 to 13 form part of these accounts.

DATA SYSTEMS TERMINALS LIMITED**BALANCE SHEET****AT 30 JUNE 1997**

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	7	366,982	277,303
CURRENT ASSETS			
Stocks	8	158,533	133,223
Debtors	9	491,207	433,546
Cash at bank and in hand		6,214	547
		<hr/> 655,954	<hr/> 567,316
CREDITORS: Amounts falling due within one year	10	(704,523)	(765,796)
NET CURRENT LIABILITIES		<hr/> (48,569)	<hr/> (198,480)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 318,413	<hr/> 78,823
CREDITORS: Amounts falling due after more than one year	11	(195,505)	(5,366)
NET ASSETS		<hr/> £ 122,908	<hr/> £ 73,457
CAPITAL AND RESERVES		<hr/>	<hr/>
Called up share capital	14	6,000	6,000
Profit and loss account		116,908	67,457
TOTAL SHAREHOLDERS' FUNDS	17	<hr/> £ 122,908	<hr/> £ 73,457

The Accounts were approved by the Board of Directors on 30 September 1997 and signed on their behalf by:


..... Director
N D Roberts


..... Director
S D Roberts

The notes on pages 7 to 13 form part of these Accounts.

DATA SYSTEMS TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

1. STATEMENT OF ACCOUNTING POLICIES

ACCOUNTING CONVENTION AND BASIS OF PREPARATION

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

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:-

Motor vehicles	25% reducing balance
Equipment, fixtures and tools	15% reducing balance

No depreciation is charged on freehold properties. The directors consider that the level of repairs and maintenance on freehold buildings will result in their lives being so long and their residual values so high that their depreciation is insignificant.

STOCKS

Stock has been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Costs include all direct expenditure and an appropriate proportion of fixed and variable overheads.

DEFERRED TAXATION

Provision is made for deferred taxation on the liability basis in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

LEASING AND HIRE PURCHASE COMMITMENTS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

PENSION COSTS

The company operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

DATA SYSTEMS TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

2. TURNOVER

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

3. OPERATING PROFIT

Operating profit is stated after charging:

	1997 £	1996 £
Depreciation of fixed assets	16,673	22,881
Auditors' remuneration	4,500	4,074
Operating lease rentals - plant, machinery and vehicles	73,518	52,491
	<hr/>	<hr/>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
On bank loans and overdrafts	17,129	15,100
On overdue tax	-	52
Lease finance charges and hire purchase interest	1,721	3,234
	<hr/>	<hr/>
	£ 18,850	£ 18,386
	<hr/>	<hr/>

DATA SYSTEMS TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

5. INFORMATION ON DIRECTORS AND EMPLOYEES

Staff costs, including directors' remuneration were:

	1997 £	1996 £
Wages and salaries	412,833	333,966
Social security costs	40,785	26,094
Other pension costs	25,572	16,956
	<hr/>	<hr/>
	£ 479,190	£ 377,016
	<hr/>	<hr/>
Directors' remuneration:	£	£
Emoluments for services as directors, including benefits	92,959	76,200
Pension contributions	12,593	10,579
	<hr/>	<hr/>
Average number of employees:	No	No
Administration and management	6	6
Sales and support services	17	13
	<hr/>	<hr/>
	23	19
	<hr/>	<hr/>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge in the profit and loss account comprises:

	1997 £	1996 £
UK Corporation tax at 24%/21% (1996 - 25%/24%)	21,638	8,417
Underprovision from previous years	4,615	-
	<hr/>	<hr/>
	£ 26,253	£ 8,417
	<hr/>	<hr/>

DATA SYSTEMS TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

7. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Equipment £	Motor Vehicles £	Total £
Cost:				
At 1 July 1996	180,001	130,403	94,974	405,378
Additions	203,571	51,382	-	254,953
Disposals	(130,000)	-	(52,418)	(182,418)
Diminution in value	(6,001)	-	-	(6,001)
At 30 June 1997	247,571	181,785	42,556	471,912
Depreciation:				
At 1 July 1996	-	69,503	58,572	128,075
Charge for year	-	10,722	5,951	16,673
On disposals	-	-	(39,818)	(39,818)
At 30 June 1997	-	80,225	24,705	104,930
Net Book Value:				
At 30 June 1997	£ 247,571	£ 101,560	£ 17,851	£ 366,982
At 30 June 1996	£ 180,001	£ 60,900	£ 36,402	£ 277,303

Included above are assets held under finance leases or hire purchase contracts as follows:

	1997 £	1996 £
Net book values:		
Fixtures and fittings	48,015	16,678
Motor vehicles	10,688	10,688
	58,703	27,366
Depreciation charge for the year:		
Fixtures and fittings	3,154	2,943
Motor vehicles	2,172	3,563
	5,326	6,506

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

DATA SYSTEMS TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

8. STOCKS

	1997 £	1996 £
Goods for resale	£ 158,533	£ 133,223

9. DEBTORS

	1997 £	1996 £
Trade debtors	26,471	4,186
Factored debts	423,975	378,369
Other debtors	18,739	4,880
Prepayments and accrued income	22,022	46,111
	<u>£ 491,207</u>	<u>£ 433,546</u>

The net amount of factored debts after amounts received on account (see note 10) at 30 June 1997 was £210,136 (1996: £246,746).

10. CREDITORS: Amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts (secured)	30,890	196,656
Net obligations under finance leases and hire purchase contracts	17,645	12,113
Payments received on account of factoring	213,839	131,623
Trade creditors	260,504	244,916
Corporation tax	21,638	9,794
Other taxes and social security costs	41,970	31,896
Directors' current accounts	-	14,279
Accruals and deferred income	118,037	124,519
	<u>£ 704,523</u>	<u>£ 765,796</u>

BANK SECURITY

As security for bank loans and overdrafts advanced, the company's bankers hold a legal charge over the freehold properties and a debenture dated 17 October 1983 over certain assets of the company.

11. CREDITORS: Amounts falling due after more than one year

	1997 £	1996 £
Bank loans (secured)	174,244	-
Net obligations under finance leases and hire purchase contracts	21,261	5,366
	<u>£ 195,505</u>	<u>£ 5,366</u>

DATA SYSTEMS TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

12. BORROWINGS

	1997 £	1996 £
The company's borrowings are repayable as follows:		
Up to one year and on demand	48,535	208,769
Between one and two years	37,379	5,366
Between two and five years	158,126	-
	<hr/>	<hr/>
	£ 244,040	£ 214,135
	<hr/>	<hr/>

13. DEFERRED TAXATION

The full potential liability for deferred taxation, together with the amount provided was as follows:

	Full Potential Liability		Amount Provided	
	1997 £	1996 £	1997 £	1996 £
Accelerated Capital Allowances	£ 5,917	£ 3,006	£ -	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

In accordance with the accounting policy stated above, the Directors consider that no provision is necessary.

14. SHARE CAPITAL

	1997 £	1996 £
Authorised:		
10,000 ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
6,000 ordinary shares of £1 each	6,000	6,000
	<hr/>	<hr/>

15. REVALUATION RESERVE

	1997 £	1996 £
Balance at beginning of year	-	17,341
Released during the year	-	(17,341)
	<hr/>	<hr/>
Balance at year end	£ -	£ -
	<hr/>	<hr/>

DATA SYSTEMS TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

16. PROFIT AND LOSS ACCOUNT

	1997 £	1996 £
Retained profit at 1 July 1996	67,457	82,203
Profit for the year	55,452	7,674
Permanent diminution in freehold property	(6,001)	2,420
	<hr/>	<hr/>
Retained profits at 30 June 1997	£ 116,908	£ 67,457
	<hr/>	<hr/>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	55,452	7,674
Movement on revaluation of properties	(6,001)	(39,761)
	<hr/>	<hr/>
Net movement in shareholders' funds	49,451	(32,087)
Opening shareholders' funds	73,457	105,544
	<hr/>	<hr/>
Closing shareholders' funds	£ 122,908	£ 73,457
	<hr/>	<hr/>

18. CAPITAL COMMITMENTS

At 30 June 1997 the company had no material capital expenditure commitments (1996 - Nil).

OTHER FINANCIAL COMMITMENTS

The company has annual commitments under operating leases as follows:

	1997 £	1996 £
Leases expiring in:		
Up to one year	33,220	3,849
Between one and two years	16,897	27,967
Between two and five years	33,362	42,569
	<hr/>	<hr/>

19. CONTINGENT LIABILITIES

At 30 June 1997 the company had no material contingent liabilities (1996 - Nil).

20. RELATED PARTY DISCLOSURES

Mr N Roberts holds beneficial interests in the majority of the company's issued share capital and is therefore the company's ultimate controlling party.