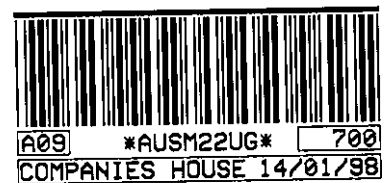


C.I.C. SOFTWARE LIMITED

COMPANY NUMBER

1787440

ABBREVIATED ACCOUNTS:
AS AT 31ST DECEMBER 1996



NORTH & CO.
Chartered Accountants
Hythe, Kent



NORTH & Co.

Chartered Accountants

FIRST FLOOR, DYNA HOUSE
LYMPNE INDUSTRIAL ESTATE
LYMPNE, HYTHE
KENT CT21 4LR

BARRY E. NORTH F.C.A.

AUDITORS' REPORT TO C.I.C. SOFTWARE LIMITED

UNDER SECTION 247B COMPANIES ACT 1985

We have examined the Abbreviated Accounts on pages 3,4 and 5 together with the Accounts of C.I.C. Software Limited for the year ended 31st December 1996 prepared under section 226 Companies Act 1985.

Respective Responsibilities of the Directors and the Auditors

The Directors are responsible for preparing the Abbreviated Accounts in accordance with Section 246 Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver Abbreviated Accounts prepared in accordance with Section 246 Companies Act 1985 to the Registrar of Companies and whether the Abbreviated Accounts to be delivered are properly prepared, in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the Accounts, that the Company is entitled to deliver Abbreviated Accounts and that the Abbreviated Accounts to be delivered are properly prepared. The scope of our work for the purposes of this report did not include examining or dealing with events after the date of our report on the Accounts.

Opinion

In our opinion the Company is entitled to deliver Abbreviated Accounts prepared in accordance with Section 246 Companies Act 1985 and the Abbreviated Accounts on pages 3, 4 and 5 are properly prepared in accordance with those provisions.

On 19th December 1997, we reported as auditors of C.I.C. Software Limited to the members on the accounts prepared under Section 226 Companies Act 1985 for the year ended 31st December 1996 and our audit report was as follows:

(1)

We have audited the Accounts on pages 4, 5, 6 and 7.

Respective Responsibilities of the Directors and the Auditors

As described on page 2 the Company's Directors are responsible for the preparation of the Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts 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 Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Accounts 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 consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the Accounts are free from material misstatement, whether caused by fraud or other irregularity or error. However, we were unable to obtain all the information and explanations which we considered necessary for the purposes of our audit. In addition, because we were appointed auditors on 20th October 1997, we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stock and work in progress appearing in the balance sheet at a value of £107944.

In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion: disclaimer on views given by the accounts.

Because of the possible affect of the limitation in evidence available to us, we are unable to form an opinion as to whether the Accounts give a true and fair view of the state of the Company's affairs as at 31st December 1996, and of it's loss for the year then ended. In all other respects, in our opinion the Accounts have been properly prepared in accordance with the Company's Act 1985 applicable to small companies.

19th December 1997



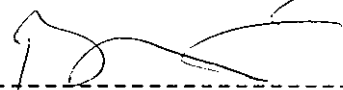
NORTH & CO.
Chartered Accountants and
Registered Auditor

C.I.C. SOFTWARE LTD

BALANCE SHEET

	NOTE	As at 31st December 1996		As at 31st December 1995	
		£	£	£	£
FIXED ASSETS at written down value					
Tangible assets	2				
Long Leasehold Property		50684		51196	
Motor Vehicles		6723		8964	
Furniture and equipment		<u>7051</u>		<u>8295</u>	
			64458		68455
CURRENT ASSETS					
Stocks and work in progress		107944		130762	
Trade Debtors		18182		19302	
Other Debtors		<u>3107</u>		<u>3431</u>	
		<u>129233</u>		<u>153495</u>	
CREDITORS due before 1st January 1998					
Trade Creditors		29787		27481	
Other Creditors		92982		56105	
Bank overdraft (secured)		51180		36915	
Bank loan (secured)		<u>2220</u>		<u>5333</u>	
		<u>176169</u>		<u>125834</u>	
NET CURRENT LIABILITIES (1995 - ASSETS)			(46936)		27661
CREDITORS due after 31st December 1997					
Other Creditors		45199		42496	
Bank loan (secured)		<u>8881</u>		<u>11931</u>	
			(54080)		(54427)
			<u>(36558)</u>		<u>41689</u>
CAPITAL AND RESERVES					
Called up share capital	3	25080		25080	
Profit and Loss Account		<u>(61638)</u>		<u>16609</u>	
		<u>(36558)</u>		<u>41689</u>	

The Accounts have been prepared in accordance with the special provisions of Part VII Companies Act 1985 relating to small companies



 B. Waddington
 Director

19th December, 1997

C.I.C. SOFTWARE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

1. ACCOUNTING POLICIES

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

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the accounts.

FIXED ASSETS AND DEPRECIATION

Depreciation is provided to write off the cost of the fixed assets over their estimated useful economic lives.

LEASES

Where the Company enters into a lease which entails taking substantially all of the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful economic life. Future instalments under such leases are included in Creditors. The rentals payable are apportioned between the interest element (which is charged to the Profit and Loss Account) and the capital element which reduces the amount outstanding for future instalments.

All other leases are treated as operating leases and the rental charges are charged to the Profit and Loss Account on a straight line basis.

STOCKS

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

TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will arise.

TURNOVER

Turnover represents the amounts of the invoiced value (excluding VAT) for goods and services supplied to third parties.

C.I.C. SOFTWARE LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

2 FIXED ASSETS

	Long Leasehold property £	Motor Vehicles £	Furniture and Equipment £	Total £
Cost				
At 1st January 1996	51196	41853	24396	117445
At 31st December 1996	51196	41853	24396	117445
Depreciation				
At 1st January 1996		32889	16101	48990
provided for the year	512	2241	1244	3997
At 31st December 1996	512	35130	17345	52987
Written down value				
At 31st December 1995	51196	8964	8295	68455
At 31st December 1996	50684	6723	7051	64458

3 SHARE CAPITAL

	As at 31st December 1996	As at 31st December 1995
Authorised		
50,000 ordinary shares of £1 each	50000	50000
Issued and fully paid		
25080 ordinary shares of £1 each	25080	25080