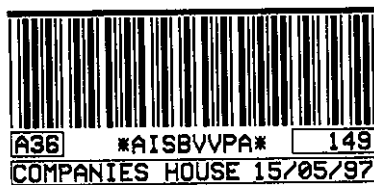


VDC TRADING LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31 JULY 1996

Registered number: 2708733



Robert John Specterman
Chartered Accountants
London

VDC TRADING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 July 1996

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VDC TRADING LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to
VDC Trading Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 July 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

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 July 1996, and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 31 January 1997 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 July 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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.

continued

VDC TRADING LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to
VDC Trading Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

Basis of opinion

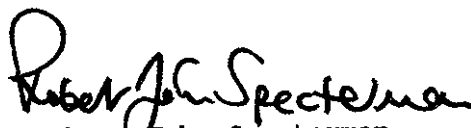
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 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 July 1996 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.'

London
31 January 1997


Robert John Specterman
Registered Auditors
Chartered Accountants

VDC TRADING LIMITED
ABBREVIATED BALANCE SHEET

at 31 July 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	2	29,809	32,365
Investments	2	2	2
		<u>29,811</u>	<u>32,367</u>
Current assets			
Stocks		176,673	126,282
Debtors	3	331,371	275,713
Cash at bank and in hand		197,106	133,068
		<u>705,150</u>	<u>535,063</u>
Creditors: amounts falling due within one year		<u>(497,041)</u>	<u>(476,129)</u>
Net current assets		<u>208,109</u>	<u>58,934</u>
Total assets less current liabilities		<u>237,920</u>	<u>91,301</u>
Creditors: amounts falling due after more than one year	4	(2,670)	(6,230)
		<u>235,250</u>	<u>85,071</u>
Capital and reserves			
Called up share capital	5	110	110
Share premium account		6,172	6,172
Profit and loss account		228,968	78,789
Total shareholders' funds		<u>235,250</u>	<u>85,071</u>

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.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 31 January 1997 and signed on its behalf by:


N Holden
Director

VDC TRADING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 July 1996

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	Period of lease
Motor vehicles	25% Reducing balance
Office equipment	25% Reducing balance

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

VDC TRADING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 July 1996

2 Fixed assets

	Tangible fixed assets £	Fixed asset investments £	Total £
Cost or valuation			
1 August 1995	53,438	2	53,440
Additions	7,381	-	7,381
31 July 1996	<u>60,819</u>	<u>2</u>	<u>60,821</u>
Depreciation			
1 August 1995	21,073	-	21,073
Charge for year	9,937	-	9,937
31 July 1996	<u>31,010</u>	<u>-</u>	<u>31,010</u>
Net book amount			
31 July 1996	<u>29,809</u>	<u>2</u>	<u>29,811</u>
1 August 1995	<u>32,365</u>	<u>2</u>	<u>32,367</u>

3 Debtors

	1996 £	1995 £
Amounts falling due within one year	<u>331,371</u>	<u>275,713</u>

4 Creditors: amounts falling due
after more than one year

Creditors include the following amounts:

Obligations under finance leases
and hire purchase contracts:

In the next year	2,670	3,560
In the second to fifth year	-	6,230
	<u>2,670</u>	<u>9,790</u>

VDC TRADING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 July 1996

5 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>