

SAXON SYSTEMS LIMITED

DIRECTOR'S REPORT

RESPONSIBILITIES OF DIRECTORS

The Company's Directors are responsible for the preparation of the accounts as Saxon Systems is claiming exemption from audit regulations. The Directors are required by law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the revenue of the company for that period. They are also responsible for ensuring that adequate accounting records are maintained and that the assets of the company are safeguarded. The accounts have been prepared on a going concern basis, appropriate accounting policies have been used and consistently applied and reasonable and prudent judgements and estimates have been made in the preparation of the accounts. Applicable UK accounting standards have been followed.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30th June 1996 although no trading revenue accrued as the company is effectively dormant. The accounts have been properly prepared in accordance with the Companies Act 1985.

Approved at a meeting of the Board of Directors, this date 10th March 1997.

Saxon Systems Limited
Peter J Kalinowski
Director
10th March 1997



Page 1

SAXON SYSTEMS LIMITED

(a) TRADING AND PROFIT AND LOSS ACCOUNT

1st July 1995 to 30th June 1996.

The company did not trade during this period.

Expenses incurred	£ 18.00
Bank interest received	£ 194.56
net of tax	
Net profit	£ 176.56

SAXON SYSTEMS LIMITED

(b) BALANCE SHEET

1st July 1995 to 30th June 1996.

Closing assets balance at 30 th June 1995		£ 9311.96
Assets (cash at Bank)	£ 9488.52	Profit £7360.68
Dividend provision	£ 1250.00	Invested capital £ 877.84
Net	£ 8238.52	£ 8238.52

Signed on the behalf of Saxon Systems Limited

Peter J Kalinowski

Director

10th March 1997

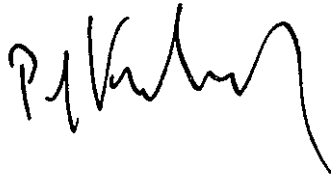


SAXON SYSTEMS LIMITED: CONTINUATION OF BALANCE SHEET

Saxon Systems claims exemption from audit.

- (a) for the year in question the company was entitled to the exemption conferred by subsection (1) of Section 249A.
- (b) no notice has been deposited under subsection (2) of Section 249B in relation to its accounts for the financial year.
- (c) that the Directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.
- (e) in the opinion of the Directors, the company is entitled to those exemptions on the basis that it qualifies as a small company.

Signed on the behalf of Saxon Systems Limited
Peter J Kalinowski
Director
10th March 1997

A handwritten signature in black ink, appearing to read 'P J Kalinowski', written over the printed name and date.