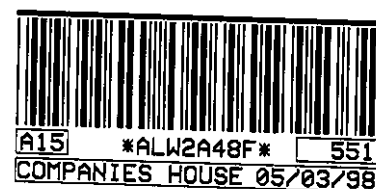


**RESERO TECHNOLOGY SYSTEMS LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS  
FOR THE PERIOD 30 JULY 1996 TO 31 JULY 1997**

**Company Number: 3231248**



**RESERO TECHNOLOGY SYSTEMS LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS  
FOR THE PERIOD 30 JULY 1996 TO 31 JULY 1997**

**CONTENTS**

	<b>Page</b>
Auditors' report to the directors	1/2
Abbreviated balance sheet	3
Notes to the abbreviated financial statements	4/5

**AUDITORS' REPORT TO THE DIRECTORS OF RESERO TECHNOLOGY SYSTEMS LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985.**

We have examined the abbreviated financial statements on pages 3 to 5 together with the financial statements of Resero Technology Systems Limited prepared under Section 226 of the Companies Act 1985 for the period ended 31 July 1997.

**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 prepare abbreviated financial statements and whether they 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 claimed in the directors' statement on page 3 and that the abbreviated financial statements have been properly prepared from those financial statements.

**Opinion**

In our opinion the company is entitled under Section 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 period ended 31 July 1997 and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

**Other information**

On 27 February 1998 we reported, as auditors of Resero Technology Systems Limited to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 August 1997, and our audit report was as follows:

"We have audited the financial statements on pages 5 to 9 which have been prepared following the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 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.

**AUDITORS' REPORT TO THE DIRECTORS OF RESERO TECHNOLOGY SYSTEMS LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

Continued.....

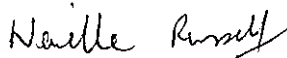
**Basis of opinion**

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 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 31 July 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



NEVILLE RUSSELL  
CHARTERED ACCOUNTANTS  
and Registered Auditors

Pearl Assurance House  
32 Queen Street  
WAKEFIELD  
WF1 1LE

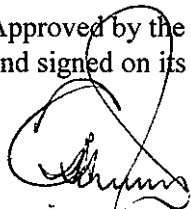
Dated: 27 February 1998

**RESERO TECHNOLOGY SYSTEMS LIMITED**

**ABBRECIATED BALANCE SHEET AT 31 JULY 1997**

	Notes	£
<b>FIXED ASSETS</b>		
Tangible assets	2	2,160 -----
<b>CURRENT ASSETS</b>		
Cash at bank and in hand		1,386
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		(13,000) -----
<b>NET CURRENT LIABILITIES</b>		(11,614) -----
<b>NET LIABILITIES</b>		(9,454) =====
<b>CAPITAL AND RESERVES</b>		
Called up share capital	3	4
Profit and loss account		(9,458) -----
<b>SHAREHOLDER'S FUNDS</b>		(9,454) =====

Approved by the board on 27 February 1998  
and signed on its behalf by:



\_\_\_\_\_  
G S R Hunter, Director

## **RESERO TECHNOLOGY SYSTEMS LIMITED**

### **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JULY 1996 TO 31 JULY 1997**

#### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards.

##### **(a) Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **(b) Turnover**

Turnover represents amounts invoiced, excluding value added tax, in respect of services to customers.

##### **(c) Depreciation**

Depreciation is calculated to write off the cost or revalued amount less estimated residual value of fixed assets using the reducing balance basis over their estimated useful lives.

##### **(d) Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

##### **(e) Research and development expenditure**

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred, except development expenditure incurred on individual projects. Where the recoverability of this development expenditure can be foreseen with reasonable assurance it is carried forward and amortised in line with sales from the relevant projects.

**RESERO TECHNOLOGY SYSTEMS LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE PERIOD 30 JULY 1996 TO 31 JULY 1997**

**2. TANGIBLE FIXED ASSETS**

	<b>Office Equipment</b>
	<b>£</b>
<b>COST OR VALUATION</b>	
Additions and at 31 July 1997	2,879
	-----
<b>ACCUMULATED DEPRECIATION</b>	
Charge for the period and at 31 July 1997	719
	-----
<b>NET BOOK VALUE</b>	
At 31 July 1997	2,160
	=====
<b>Depreciation rate</b>	25%
	Reducing balance basis

**3. SHARE CAPITAL**

	<b>Authorised</b>	<b>Allotted, Issued and</b>
	<b>£</b>	<b>Fully Paid</b>
		<b>£</b>
Ordinary shares of £1 each	1,000,000	4
	=====	=====