

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 SEPTEMBER 1996**



ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

Contents	Pages
Company information	1
Directors' report	2 - 3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**COMPANY INFORMATION
AS AT 30 SEPTEMBER 1996**

DIRECTORS

P M Nedo
Ms I E Weiss

SECRETARY

Ms I E Weiss

REGISTERED NUMBER

02197452

REGISTERED OFFICE

Intercell House
1 Coldhams Lane
Cambridge
CB1 3EP

AUDITORS

Chater Allan
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 30 September 1996.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review was the provision of technical translation services.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £18,298.

The directors are pleased to report a profit for the year and expect that this trend will continue in the future.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors recommended and paid a dividend during the year amounting to £11,250.

It is proposed that the retained profit for the year of £7,048 be transferred to reserves.

FIXED ASSETS

Full details of all movements in fixed assets during the year are set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

	Number of Shares	
	1996	1995
P M Nedo	-	-
Ms I E Weiss	100	100

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;
- comply with applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in 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.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

DIRECTORS' REPORT

AUDITORS

The auditors, Chater Allan, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the board:

i. Weiss

30/7/98

.....
Ms I E Weiss
Secretary

Approved by the board:

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

AUDITORS' REPORT

We have audited the financial statements on pages 5 to 12 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 September 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.



.....
Chater Allan
Registered Auditors
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

30th July 1997

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

	Notes	1996 £	1995 £
TURNOVER		1,577,714	1,137,434
Cost of sales		1,163,351	700,569
GROSS PROFIT		414,363	436,865
Administrative expenses		387,523	402,686
		26,840	34,179
Other operating income		-	13
OPERATING PROFIT	2	26,840	34,192
Investment income and interest receivable		101	169
Interest payable and similar charges	3	(2,378)	(3,486)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		24,563	30,875
Tax on profit on ordinary activities	5	(6,265)	(9,150)
PROFIT FOR THE FINANCIAL YEAR		18,298	21,725
Dividends	6	(11,250)	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	7,048	21,725

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 12 form part of these financial statements.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

BALANCE SHEET
AT 30 SEPTEMBER 1996

	Notes	1996		1995	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		5,625		-
Tangible assets	8		139,594		109,889
			<u>145,219</u>		<u>109,889</u>
CURRENT ASSETS					
Stocks	9	39,964		109,873	
Debtors	10	439,029		244,276	
Cash at bank and in hand		3,626		30,689	
		<u>482,619</u>		<u>384,838</u>	
CREDITORS: amounts falling due within one year	11	(534,670)		(405,236)	
NET CURRENT LIABILITIES			<u>(52,051)</u>		<u>(20,398)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			93,168		89,491
CREDITORS: amounts falling due after more than one year	12		(1,220)		(4,591)
NET ASSETS			<u>91,948</u>		<u>84,900</u>
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account	14		91,848		84,800
EQUITY SHAREHOLDERS' FUNDS	15		<u>91,948</u>		<u>84,900</u>

The financial statements were approved by the board of directors on and signed on its behalf by:

30/7/98

i. Weiss.

Ms I E Weiss
Director

The notes on pages 7 to 12 form part of these financial statements.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

1. STATEMENT OF ACCOUNTING POLICIES

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

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

(a) Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Turnover is generated from the principal activities of the company carried on in the United Kingdom.

(b) Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Computer equipment	33% on cost
Lease premium and improvements	Over the term of the lease
Motor vehicles	25% on cost
Office furniture, fittings and equipment	10% on cost

(c) Amortisation of intangible fixed assets

Copyright costs are capitalised in the balance sheet and amortised over the expected useful life of the asset of five years.

(d) Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated as the direct cost of services provided by both internal and external translators plus attributable overheads.

(e) Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

(f) 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 to the profit and loss account.

(g) 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.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996

2. OPERATING PROFIT

Operating profit is stated:	1996	1995
	£	£
After charging:		
Depreciation of fixed assets	62,033	45,248
Amortisation	2,189	291
(Profit)/loss on disposal of fixed assets	(2,112)	-
Auditors' remuneration	4,000	3,905
(Profit)/loss on foreign exchange	(20,935)	(1,156)
	<u> </u>	<u> </u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1996	1995
	£	£
On bank loans and overdrafts	1,808	2,059
Lease finance charges and hire purchase interest	570	549
Other interest	-	878
	<u> </u>	<u> </u>
	<u>2,378</u>	<u>3,486</u>

4. INFORMATION ON DIRECTORS AND EMPLOYEES

	1996	1995
	£	£
Staff costs		
Wages and salaries	761,020	512,984
Social security costs	73,454	50,562
	<u> </u>	<u> </u>
	<u>834,474</u>	<u>563,546</u>

	1996	1995
	No.	No.
The average number of employees during the year was made up as follows:		
Number of employees	57	36
	<u> </u>	<u> </u>

	1996	1995
	£	£
Directors' emoluments		
Remuneration for management services	45,348	45,148
	<u> </u>	<u> </u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996	1995
	£	£
The taxation charge comprises:		
UK Corporation tax at 24/25% (1995 - 25%)	6,265	42
Adjustment in respect of prior years	-	9,108
	<u>6,265</u>	<u>9,150</u>

6. DIVIDENDS PAID OR PROPOSED

	1996	1995
	£	£
On ordinary shares:		
Dividend paid in the year	11,250	-
	<u>11,250</u>	<u>-</u>

7. INTANGIBLE FIXED ASSETS

	Copyright costs
	£
Cost:	
Additions	7,500
Amortisation:	
Charge for year	1,875
Net book value:	
At 30 September 1996	<u>5,625</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996

8. TANGIBLE FIXED ASSETS

	Lease	Fixtures, fittings and equipment	Computer equipment	Motor vehicle	Total
	£	£	£	£	£
Cost:					
At 1 October 95	4,000	65,337	120,023	18,375	207,735
Additions	-	23,822	70,398	(1,761)	92,459
Disposals	-	-	-	(6,550)	(6,550)
At 30 September 96	4,000	89,159	190,421	10,064	293,644
Depreciation:					
At 1 October 95	1,552	18,143	69,052	9,098	97,845
Charge for year	314	7,393	50,927	3,713	62,347
On disposals	-	-	-	(6,142)	(6,142)
At 30 September 96	1,866	25,536	119,979	6,669	154,050
Net book value:					
At 30 September 96	2,134	63,623	70,442	3,395	139,594
At 30 September 95	2,448	47,194	50,970	9,277	109,889

The net book value of motor vehicles includes £5,913 (1995: £8,869) in respect of assets held under finance leases. Depreciation charged in the year on these assets amounted to £2,956 (1995: £2,956).

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

9. WORK IN PROGRESS

	1996 £	1995 £
Short term work in progress	36,214	109,873
Finished goods and goods for resale	3,750	-
	<u>39,964</u>	<u>109,873</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

10. DEBTORS

	1996	1995
	£	£
Trade debtors	421,079	230,133
Other debtors	1,822	5,196
ACT Recoverable	-	688
Prepayments and accrued income	16,128	8,259
	<u>439,029</u>	<u>244,276</u>

11. CREDITORS: amounts falling due within one year

	1996	1995
	£	£
Bank loans and overdrafts	92,753	-
Receipts in advance	172,881	163,046
Trade creditors	195,362	172,799
Net obligations under finance leases and hire purchase contracts	3,371	3,088
Corporation tax	5,620	42
Other taxes and social security costs	28,501	26,672
Directors' current accounts	310	310
Other creditors	14,995	-
Accruals and deferred income	20,877	39,279
	<u>534,670</u>	<u>405,236</u>

12. CREDITORS: amounts falling due after more than one year

	1996	1995
	£	£
Net obligations under finance lease and hire purchase contracts	1,220	4,591
	<u>1,220</u>	<u>4,591</u>

13. SHARE CAPITAL

	1996	1995
	£	£
Authorised:		
Equity interests:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
Equity interests:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

14. PROFIT AND LOSS ACCOUNT

	1996	1995
	£	£
Retained profit at 1 October 1995	84,800	63,075
Profit for the year	7,048	21,725
Retained profit at 30 September 1996	<u>91,848</u>	<u>84,800</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996	1995
	£	£
Profit for the financial year	18,298	21,725
Dividends	(11,250)	-
Net addition to shareholders' funds	<u>7,048</u>	<u>21,725</u>
Opening shareholders' funds	84,900	63,175
Closing shareholders' funds	<u>91,948</u>	<u>84,900</u>
Represented by:-		
Equity interests	<u>91,948</u>	<u>84,900</u>

16. FINANCIAL COMMITMENTS

At the year end the company was committed to making the following payments during the next year in respect of non-cancellable operating leases with expiry dates as follows:

	Land and buildings	
	1996	1995
	£	£
After five years	92,000	92,000
	<u>92,000</u>	<u>92,000</u>