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ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

REPORT AND  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30 SEPTEMBER 1999



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**ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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**ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED**

**COMPANY INFORMATION  
AS AT 30 SEPTEMBER 1999**

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**DIRECTOR**

Ms I E Weiss

**SECRETARY**

D Mortimer

**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

## DIRECTOR'S REPORT

The director presents her annual report with the financial statements of the company for the year ended 30 September 1999.

### 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 £57,858.

The director is pleased to report a profit for the year and expects that this trend will continue in the future.

### FIXED ASSETS

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

### DIRECTOR AND HER INTERESTS

The director in office in the year and her beneficial interest 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	
	1999	1998
Ms I E Weiss	550	550

### DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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 director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

### YEAR 2000

The director does not consider that potential computer problems generally referred to as "Year 2000" will have a material adverse effect on the company.

**ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED**

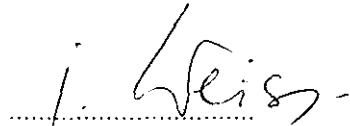
**DIRECTOR'S REPORT**

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**AUDITORS**

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

Signed by:



Ms I E Weiss  
Director

Approved by the board: *8 June 2000*

**ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED**

**AUDITORS' REPORT**

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of accounting policies set out on pages 7 and 8.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND AUDITORS**

As described in the director's report, the company's director is 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 director 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 1999 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**

*2 June 2000*

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1999

	Notes	1999 £	1998 £
<b>TURNOVER</b>		2,630,994	1,882,190
Cost of sales		1,909,385	1,474,671
<b>GROSS PROFIT</b>		721,609	407,519
Administrative expenses		653,183	556,454
		68,426	(148,935)
Other operating income		19,156	21,311
<b>OPERATING PROFIT/(LOSS)</b>	2	87,582	(127,624)
Investment income and interest receivable		1,096	918
Interest payable and similar charges	3	(29,070)	(19,811)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		59,608	(146,517)
Tax on profit/(loss) on ordinary activities	5	(1,750)	21,878
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		57,858	(124,639)
Dividends	6	-	(10,000)
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	14	57,858	(134,639)

**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 13 form part of these financial statements.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

BALANCE SHEET  
AT 30 SEPTEMBER 1999

	Notes	1999		1998	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	7	-	-	-	1,875
Tangible assets	8	-	152,170	-	108,561
Investment property	9	-	-	-	101,170
			<u>152,170</u>		<u>211,606</u>
<b>CURRENT ASSETS</b>					
Stocks	10	20,215	-	6,895	-
Debtors	11	714,690	-	454,635	-
Cash at bank and in hand		54,500	-	31,826	-
		<u>789,405</u>		<u>493,356</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	(867,911)		(689,156)	
<b>NET CURRENT LIABILITIES</b>			<u>(78,506)</u>		<u>(195,800)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>73,664</u>		<u>15,806</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13	-	1,000	-	1,000
Profit and loss account	14	-	72,664	-	14,806
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15		<u>73,664</u>		<u>15,806</u>

The financial statements were approved on 8 June 2000 and signed by:

*I. Weiss*

Ms I E Weiss  
Director

The notes on pages 7 to 13 form part of these financial statements.



# ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

### 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 four 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) Investment properties**

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No amortisation or depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to expiry.

**(f) 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.

**(g) 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.

**(h) 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.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999

1. STATEMENT OF ACCOUNTING POLICIES - (continued)

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.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated:	1999 £	1998 £
<b>After charging:</b>		
Depreciation of fixed assets	68,054	55,799
Amortisation	2,189	2,189
(Profit)/loss on disposal of fixed assets	4,449	9,083
Auditors' remuneration	4,675	5,043
Hire of equipment	3,774	-
Loss on foreign currencies	-	39,512
	<hr/>	<hr/>
<b>After crediting:</b>		
Rent received	(19,156)	(21,311)
Profit on foreign currencies	(65,113)	-
	<hr/>	<hr/>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
On bank loans and overdrafts	29,070	19,790
Lease finance charges and hire purchase interest	-	21
	<hr/>	<hr/>
	29,070	19,811
	<hr/>	<hr/>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999

4. INFORMATION ON DIRECTORS AND EMPLOYEES

	1999 £	1998 £
<b>Staff costs</b>		
Wages and salaries	1,346,685	1,119,063
Social security costs	128,684	109,205
	<u>1,475,369</u>	<u>1,228,268</u>

	1999 No.	1998 No.
The average number of employees during the year was made up as follows:		
Number of employees	<u>87</u>	<u>74</u>

	1999 £	1998 £
<b>Directors' emoluments</b>		
Remuneration for management services	<u>27,348</u>	<u>27,348</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
The taxation charge/(credit) comprises:		
UK Corporation tax at 20/21% (1998 - 21%)	<u>1,750</u>	<u>(21,878)</u>

6. DIVIDENDS PAID OR PROPOSED

	1999 £	1998 £
On ordinary shares:		
Dividend paid in the year	<u>-</u>	<u>10,000</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999

7. INTANGIBLE FIXED ASSETS

	Copyright costs £
<b>Cost:</b>	
1 October 1998 and at 30 September 1999	7,500
<b>Amortisation:</b>	
At 1 October 1998	5,625
Charge for year	1,875
At 30 September 1999	7,500
<b>Net book value:</b>	
At 30 September 1999	-
At 30 September 1998	1,875

8. TANGIBLE FIXED ASSETS

	Short leasehold	Fixtures, fittings and equipment	Computer equipment	Motor vehicle	Total
	£	£	£	£	£
<b>Cost:</b>					
At 1 October 98	4,000	121,197	158,370	10,064	293,631
Additions	-	2,006	109,982	-	111,988
Disposals	-	(5,571)	(33,043)	-	(38,614)
At 30 September 99	4,000	117,632	235,309	10,064	367,005
<b>Depreciation:</b>					
At 1 October 98	2,494	52,639	119,873	10,064	185,070
Charge for year	314	12,175	55,879	-	68,368
On disposals	-	(5,560)	(33,043)	-	(38,603)
At 30 September 99	2,808	59,254	142,709	10,064	214,835
<b>Net book value:</b>					
At 30 September 99	1,192	58,378	92,600	-	152,170
At 30 September 98	1,506	68,558	38,497	-	108,561

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999

9. INVESTMENT PROPERTY

	Investment property £
<b>Cost or revaluation</b>	
At 1 October 1998	101,170
Disposals	(101,170)
At 30 September 1999	-

10. STOCK AND WORK IN PROGRESS

	1999 £	1998 £
Short term work in progress	20,215	4,895
Finished goods and goods for resale	-	2,000
	<u>20,215</u>	<u>6,895</u>

11. DEBTORS

	1999 £	1998 £
Trade debtors	633,529	379,576
Other debtors	37,454	28,428
Prepayments and accrued income	43,707	46,631
	<u>714,690</u>	<u>454,635</u>

12. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	278,615	230,480
Receipts in advance	53,240	104,911
Trade creditors	253,317	185,535
Corporation tax	7,063	27,983
Other taxes and social security costs	116,966	32,321
Other creditors	24,295	24,488
Accruals and deferred income	134,415	83,438
	<u>867,911</u>	<u>689,156</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999

13. SHARE CAPITAL

	1999 £	1998 £
<b>Authorised:</b>		
<b>Equity interests:</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid:</b>		
<b>Equity interests:</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>

14. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
Retained profit at 1 October 1998	14,806	149,445
Profit/(loss) for the year	57,858	(134,639)
	<u>          </u>	<u>          </u>
Retained profit at 30 September 1999	72,664	14,806
	<u>          </u>	<u>          </u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
<b>Profit/(loss) for the financial year</b>	57,858	(124,639)
Dividends	-	(10,000)
	<u>          </u>	<u>          </u>
<b>Net addition/(reduction) to shareholders' funds</b>	57,858	(134,639)
Opening shareholders' funds	15,806	150,445
	<u>          </u>	<u>          </u>
<b>Closing shareholders' funds</b>	73,664	15,806
	<u>          </u>	<u>          </u>
<b>Represented by:-</b>		
Equity interests	73,664	15,806
	<u>          </u>	<u>          </u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999

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	
	1999	1998
	£	£
Between two and five years	94,000	94,000
After five years	8,500	8,500
	<u>102,500</u>	<u>102,500</u>

17. RELATED PARTY TRANSACTIONS

During the year the company had the following related party transactions with Data Factory for which P Nash, a shareholder in this company is the sole trader:

- Sales of £18,882 (1998: £7,088)
- Consultancy charges of £36,500 (1998: £117,000)

At the 30 September 1999 the company owed £338 to Data Factory, net of accrued invoices.