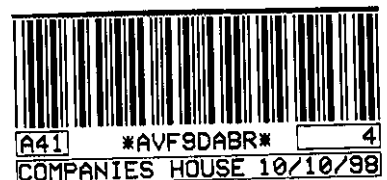


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ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 SEPTEMBER 1997**



ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997**

Contents	Pages
Company information	1
Director's 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 1997**

DIRECTOR

Ms I E Weiss

SECRETARY

P C Fletcher

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 1997.

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 £57,597.

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 director does not recommend payment of a dividend and the retained profit for the year of £57,597 will 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.

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	
	1997	1996
Ms I E Weiss	550	100

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.

SHARE CAPITAL

On 26 September 1997 the company issued 900 £1 ordinary shares at par to help finance working capital.

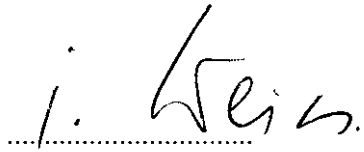
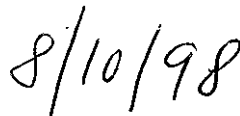
ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

DIRECTOR'S REPORT

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:

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 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 1997 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

8th October 1998

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1997**

	Notes	1997 £	1996 £
TURNOVER		2,007,987	1,574,714
Cost of sales		1,375,987	1,163,351
GROSS PROFIT		632,000	411,363
Administrative expenses		564,602	387,523
		67,398	23,840
Other operating income		16,800	3,000
OPERATING PROFIT	2	84,198	26,840
Investment income and interest receivable		196	101
Interest payable and similar charges	3	(4,391)	(2,378)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		80,003	24,563
Tax on profit on ordinary activities	5	(22,406)	(6,265)
PROFIT FOR THE FINANCIAL YEAR		57,597	18,298
Dividends	6	-	(11,250)
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	57,597	7,048

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.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

BALANCE SHEET
AT 30 SEPTEMBER 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		3,750		5,625
Tangible assets	8		138,034		139,594
			<u>141,784</u>		<u>145,219</u>
CURRENT ASSETS					
Stocks	9	30,622		39,964	
Debtors	10	508,734		439,029	
Cash at bank and in hand		17,341		3,626	
		<u>556,697</u>		<u>482,619</u>	
CREDITORS: amounts falling due within one year	11	(548,036)		(534,670)	
NET CURRENT ASSETS/(LIABILITIES)			<u>8,661</u>		<u>(52,051)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			150,445		93,168
CREDITORS: amounts falling due after more than one year	12		-		(1,220)
NET ASSETS			<u>150,445</u>		<u>91,948</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,000		100
Profit and loss account	14		149,445		91,848
EQUITY SHAREHOLDERS' FUNDS	15		<u>150,445</u>		<u>91,948</u>

The financial statements were approved on and signed by:

i. Weiss

8/10/98

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 1997

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) 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 1997

2. OPERATING PROFIT

Operating profit is stated:	1997 £	1996 £
After charging:		
Depreciation of fixed assets	75,035	62,033
Amortisation	2,189	2,189
(Profit)/loss on disposal of fixed assets	1,341	(2,112)
Auditors' remuneration	6,000	4,000
Profit on foreign exchange	(10,173)	(20,935)

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
On bank loans and overdrafts	4,125	1,808
Lease finance charges and hire purchase interest	266	570

4. INFORMATION ON DIRECTORS AND EMPLOYEES

Staff costs	1997 £	1996 £
Wages and salaries	1,056,543	761,020
Social security costs	103,173	73,454

	1997 No.	1996 No.
The average number of employees during the year was made up as follows:		
Number of employees	73	57

Directors' emoluments	1997 £	1996 £
Remuneration for management services	27,348	27,348

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
The taxation charge/(credit) comprises:		
UK Corporation tax at 21/24% (1996 - 24/25%)	21,878	6,265
Adjustment in respect of prior years	528	-
	<u>22,406</u>	<u>6,265</u>

6. DIVIDENDS PAID OR PROPOSED

	1997 £	1996 £
On ordinary shares:		
Dividend paid in the year	-	11,250
	<u>-</u>	<u>11,250</u>

7. INTANGIBLE FIXED ASSETS

	Copyright costs £
Cost:	
1 October 1996 and at 30 September 1997	7,500
Amortisation:	
At 1 October 1996	1,875
Charge for year	1,875
At 30 September 1997	<u>3,750</u>
Net book value:	
At 30 September 1997	<u>3,750</u>
At 30 September 1996	<u>5,625</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

8. TANGIBLE FIXED ASSETS

	Short leasehold	Fixtures, fittings and equipment	Computer equipment	Motor vehicle	Total
	£	£	£	£	£
Cost:					
At 1 October 96	4,000	89,159	190,421	10,064	293,644
Additions	-	32,038	43,092	-	75,130
Disposals	-	-	(18,029)	-	(18,029)
At 30 September 97	4,000	121,197	215,484	10,064	350,745
Depreciation:					
At 1 October 96	1,866	25,536	119,979	6,669	154,050
Charge for year	314	13,595	58,924	2,516	75,349
On disposals	-	-	(16,688)	-	(16,688)
At 30 September 97	2,180	39,131	162,215	9,185	212,711
Net book value:					
At 30 September 97	1,820	82,066	53,269	879	138,034
At 30 September 96	2,134	63,623	70,442	3,395	139,594

The net book value of motor vehicles includes £879 (1996: £3,395) in respect of assets held under finance leases. Depreciation charged in the year on these assets amounted to £2,516 (1996: £2,516).

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

9. STOCK AND WORK IN PROGRESS

	1997 £	1996 £
Short term work in progress	26,872	36,214
Finished goods and goods for resale	3,750	3,750
	<u>30,622</u>	<u>39,964</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

10. DEBTORS

	1997 £	1996 £
Trade debtors	438,602	421,079
Other debtors	28,732	1,822
Prepayments and accrued income	41,400	16,128
	<u>508,734</u>	<u>439,029</u>

11. CREDITORS: amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts	198,327	92,753
Receipts in advance	57,839	172,881
Trade creditors	155,142	195,362
Net obligations under finance leases and hire purchase contracts	1,198	3,371
Corporation tax	27,983	5,620
Other taxes and social security costs	41,466	28,501
Directors' current accounts	-	310
Other creditors	-	14,995
Accruals and deferred income	66,081	20,877
	<u>548,036</u>	<u>534,670</u>

The bank loans and overdraft are secured by a fixed charge dated 4 August 1997 over leasehold property.

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

	1997 £	1996 £
Net obligations under finance lease and hire purchase contracts	-	1,220
	<u>-</u>	<u>1,220</u>

13. SHARE CAPITAL

	1997 £	1996 £
Authorised:		
Equity interests:		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
Equity interests:		
1,000 Ordinary shares of £1 each	1,000	100
	<u>1,000</u>	<u>100</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997

13. SHARE CAPITAL - (continued)

On 26 September 1997 the company issued 900 £1 ordinary shares at par to help finance working capital.

14. PROFIT AND LOSS ACCOUNT

	1997 £	1996 £
Retained profit at 1 October 1996	91,848	84,800
Profit for the year	57,597	7,048
Retained profit at 30 September 1997	<u>149,445</u>	<u>91,848</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	57,597	18,298
Dividends	-	(11,250)
New share capital subscribed	900	-
Net addition to shareholders' funds	<u>58,497</u>	<u>7,048</u>
Opening shareholders' funds	91,948	84,900
Closing shareholders' funds	<u>150,445</u>	<u>91,948</u>
Represented by:-		
Equity interests	<u>150,445</u>	<u>91,948</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	
	1997 £	1996 £
Between two and five years	94,000	-
After five years	8,500	92,000
	<u>102,500</u>	<u>92,000</u>