REGISTRAR

INTEGRATED TECHNOLOGY SYSTEMS LIMITED

ABBREVIATED ACCOUNTS
AS AT 31 JANUARY 1997



Registered no. SC106113

INTEGRATED TECHNOLOGY SYSTEMS LIMITED

Directors	:	A I Wood (Jnr)
Secretary	:	M M Wood
Auditors	:	Whyte & Co, C A 9 Morven Park Glenrothes Fife
Bankers	:	The Royal Bank of Scotland PLC 3 Falkland Gate Glenrothes Fife
Registered Office	:	5 Holyrood Avenue Glenrothes Fife

AUDITORS' REPORT TO THE DIRECTORS OF INTEGRATED TECHNOLOGY SYSTEMS LTD

We have examined the abbreviated accounts on pages 5 to 8 together with the annual accounts of Integrated Technology Systems Ltd prepared under section 226 of the Companies Act 1985 for the year ended 31 January 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts 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 accounts, that the company is entitled to the exemptions claimed in the directors' statement on page 5 and that the abbreviated accounts have been properly prepared from those annual accounts. The scope of our work does not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the directors are entitled under Sections 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 year ended 31 January 1997 and the abbreviated accounts on pages 5 to 8 have been properly prepared in accordance with Schedule 8 to that Act.

Other information

As auditors of the company, we reported to the shareholders on 29 July 1997 on the annual accounts prepared under section 226 of the Companies Act 1985 and taking advantage of the provisions of the Companies Act applicable to small companies for the year ended 31 January 1997, and our audit report was as follows:-

'We have audited the accounts on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 January 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 applicable to small companies.'

Whyte & Co
Registered auditors
29 July 1997

Glenrothes

INTEGRATED TECHNOLOGY SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET

as at 31 January 1997

	Notes	£	1997 £	1996 £
FIXED ASSETS				
Tangible assets	2		37,848	46,197
INVESTMENTS	3		150,000	150,000
CURRENT ASSETS				
Stocks	1	-		-
Debtors	4	5,033		11,983
Bank		20,709		32,965
		25,742		44,948
CREDITORS : Amounts falling due within one year		126,619		142,702
NET CURRENT ASSETS/(LIABILITIES)			(100,877)	(97,754)
TOTAL ASSETS LESS CURRENT LIABILITIES			86,971	98,443
CREDITORS : Amounts falling due after one year	5		(85,498)	(94,670)
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	1		-	(692)
			1,473	3,081
CAPITAL AND RESERVES				
Called-up share capital	6		2	2
Profit and loss account			1,471	3,079
			1,473	3,081

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

In the preparation of the company's annual accounts, the directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

..... A.I. Wood (Jnr) (Director)

29 July 1997

INTEGRATED TECHNOLOGY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 January 1997

1. Accounting policies

Accounting convention
The Accounts are prepared under the historical cost convention.

Depreciation
Depreciation is provided on tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows :-

Office equipment	-	over 3 years
Office furniture and fittings	-	over 6 years
Motor vehicles	-	over 4 years.

Demonstration/evaluation equipment
Demonstration/evaluation equipment is purchased for development of software and for demonstration to prospective customers. This equipment is not expected to have a useful life of more than one year, and the cost is therefore written off in the year of purchase.

Stocks
Stocks are valued at the lower of cost and net realisable value.

Deferred taxation
Deferred taxation is provided on the liability method on all short term timing differences.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Pension scheme
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

2. Tangible fixed assets

	£
Cost or valuation :	
At 31 January 1996	144,832
Additions	9,223
Disposals	-
At 31 January 1997	154,055
Depreciation :	
At 31 January 1996	98,635
Provided for the year	17,572
Disposals	-
At 31 January 1997	116,207
Net book amounts 31 January 1997	37,848
Net book amounts 31 January 1996	46,197

Certain fixed assets are held for use in operating leases. These cost a total of £72,284 and there is related accumulated depreciation of £49,529.

3. Investments

	Investment in associated company £
Cost:	
At 31 January 1996	150,000
Additions	-
Disposals	-
At 31 January 1997	150,000

The investment in associated company comprises a holding of 150,000 £1 non-voting preference shares in Rothes Infographics Ltd, a company registered in Scotland.

4. Debtors

All debtors amounts are receivable within one year.

5. Creditors - Amounts falling due after one year

	1997	1996
	£	£
Term loan	85,498	94,670

A loan of £50,000 was advanced on 14 September 1992 and was supplemented by a further advance of £73,500 on 15 May 1995, the consolidated balance bearing interest at 3% above Bank base lending rate. The capital sum is repayable in full on 14 June 1998.

6. Share capital

	Authorised		Allotted, issued and fully paid	
	1997	1996	1997	1996
	No	No	£	£
Ordinary shares of £1 each	100	100	2	2

No additional shares were issued during the year.