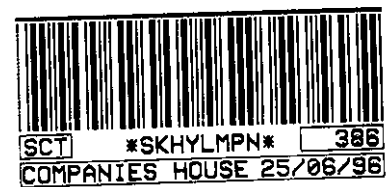


AFS IMAGE SETTERS LIMITED
REPORT AND ABBREVIATED FINANCIAL STATEMENTS
For the year ended 31 January 1996

2



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AFS IMAGE SETTERS LIMITED

COMPANY INFORMATION

DIRECTORS:

A.D.H. Stanger
J.I. Scott

SECRETARY:

N. Scott

REGISTERED OFFICE:

4/10 Darnley Street
Glasgow
G41 2SD

REGISTERED NUMBER:

142021

ACCOUNTANTS:

Downie Wilson
Chartered Accountants
135 Buchanan Street
Glasgow G1 2JA

REPORT OF THE ACCOUNTANTS TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
AFS IMAGE SETTERS LIMITED

The following reproduces the text of the report prepared for the purposes of Section 249A(2) of the Companies Act 1985 in respect of the company's annual financial statements, from which the abbreviated financial statements (set out on pages three to six) have been prepared.

We report on the financial statements for the year ended 31 January 1996 set out on pages four to twelve.

Respective responsibilities of directors and reporting accountants

As described on page two the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

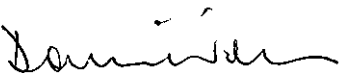
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



Downie Wilson
Chartered Accountants
135 Buchanan Street
Glasgow G1 2JA

Dated: 21 May 1996

AFS IMAGE SETTERS LIMITED

ABBREVIATED BALANCE SHEET
As at 31 January 1996

	Notes	1996		1995	
		£	£	£	£
FIXED ASSETS:					
Tangible Assets	2		26,833		13,833
CURRENT ASSETS:					
Stocks		9,633		6,049	
Debtors		42,966		21,048	
Cash at Bank and In Hand		4,050		14,359	
		<u>56,649</u>		<u>41,456</u>	
CREDITORS: Amounts falling due within one year		<u>49,488</u>		<u>34,753</u>	
NET CURRENT ASSETS:			<u>7,161</u>		<u>6,703</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			33,994		20,536
CREDITORS: Amounts falling due after more than one year			(8,125)		—
PROVISION FOR LIABILITIES AND CHARGES:			(211)		(491)
			<u>£25,658</u>		<u>£20,045</u>
CAPITAL AND RESERVES:					
Called Up Share Capital	3		2		2
Profit & Loss Account			25,656		20,043
Shareholders' Funds			<u>£25,658</u>		<u>£20,045</u>

The company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ending 31 January 1996.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

AFS IMAGE SETTERS LIMITED

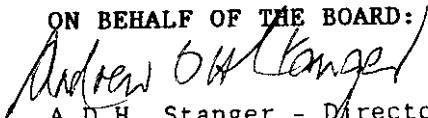
ABBREVIATED BALANCE SHEET

As at 31 January 1996

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


A.D.H. Stanger - Director

Approved by the Board on 21 May 1996

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 January 1996

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible Fixed Assets

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

Plant & Machinery	- 20% on cost
Fixtures & Fittings	- 10% on cost
Motor Vehicles	- 25% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 January 1996

2. TANGIBLE FIXED ASSETS

	Total
	<u>£</u>
COST:	
As at 1 February 1995	23,486
Additions	23,170
Disposals	(867)
	<u>45,789</u>
As at 31 January 1996	<u>45,789</u>
DEPRECIATION:	
As at 1 February 1995	9,653
Charge for Year	9,476
Eliminated on Disposals	(173)
	<u>18,956</u>
As at 31 January 1996	<u>18,956</u>
NET BOOK VALUE:	
As at 31 January 1996	<u>£26,833</u>
As at 31 January 1995	<u>£13,833</u>

3. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal Value:	1996	1995
		£1	£	£
50,000	Ordinary shares		<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal Value:	1996	1995
		£1	£	£
2	Ordinary shares		<u>2</u>	<u>2</u>

4. DEFERRED GOVERNMENT GRANTS

	1996	1995
	£	£
Grant received during year	2,975	—
Released to profit & loss	595	—
	<u>2,380</u>	<u>—</u>