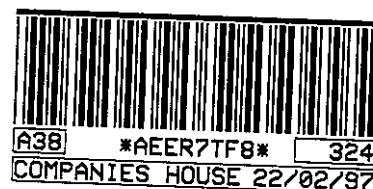


2938818

Orion Graphics Limited

Financial Statements for the Year ended
30th June 1996



Orion Graphics Limited

Index to the Financial Statements

For The Year ended 30th June 1996

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The following page does not form part of the Statutory Financial Statements.

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| 9. | Trading and Profit and Loss Account |
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Orion Graphics Limited

Company Information

For The Year ended 30th June 1996

Company Number

02938818

Director

Mr J. G. Thomason
Mrs M. M. Thomason

Secretary

Mrs M. M. Thomason

Registered Office

8 Ouseley Road
Old Windsor
Berkshire
SL4 2SQ

Accountants

Colin G. Armstrong
Certified Accountant
Oakford
Leckhampstead
Newbury
Berkshire
RG20 8QG

Bankers

Midland Bank Plc
1 Lyndwood Parade
St. Lukes Road
Old Windsor
Berkshire
SL4 2QX

Orion Graphics Limited

Report of the Director

For The Year ended 30th June 1996

The directors present their report and financial statements for the year ended 30th June 1996.

Activities of the Company

The activities of the company are those of graphic design, artwork and print handling.

Statement of Directors Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit and 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;
- 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 keeping 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.

Directors

The directors who served during the year and their beneficial interest in the issued share capital was:

	30th June 1996	30th June 1995
	Ordinary £1 shares	Ordinary £1 shares
J. G. Thomason	1	1
Mrs M. M. Thomason	9	1

Status

The Company is a close company under the provisions of the Taxes Acts.

Advantage is taken in the preparation of the directors report of the special exemptions applicable to small companies conferred by part II of Schedule 8 of the Companies Act 1985.

By Order of the Board

Name Mrs M. M. Thomason
Secretary
Date

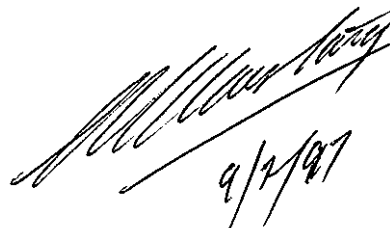
M. M. Thomason
11.11.97
9/2/97

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED ACCOUNTS OF
ORION GRAPHICS LIMITED

In accordance with the instructions of the company's directors and in order to assist the directors to fulfil their responsibilities I have prepared the financial statements on pages 4 to 8 from the accounting records and from information and explanations supplied to me.

As described on the balance sheet the company's directors are responsible for the preparation of the financial statements, and they believe that the company is exempt from an audit.

I have not performed an audit in accordance with Auditing Standards or procedures in accordance with the Statements of Standards for Reporting Accountants and accordingly I express no opinion on the accounts.



9/12/97

Colin G Armstrong
"Oakford"
Leckhampstead
Newbury
Berkshire
RG20 8QG

Orion Graphics Limited

Profit and Loss Account

For The Year ended 30th June 1996

	Note	<u>1996</u> £	<u>1995</u> £
Turnover	1c	80421	60085
Cost of Sales		<u>52520</u>	<u>25251</u>
Gross Profit		27901	34834
Other Operating Expenses (Net)		<u>21522</u>	<u>13515</u>
Operating Profit	2	6379	21319
Interest Payable and similar charges		<u>144</u>	<u>10</u>
(Loss)/Profit on Ordinary Activities before Taxation		6235	21309
Taxation on (Loss)/Profit on Ordinary Activities	3	<u>1615</u>	<u>5380</u>
(Loss)/Profit on Ordinary Activities after Taxation		<u>4620</u>	<u>15929</u>

There are no recognised gains and losses other than those included in the (Loss)/profit above, and therefore no separate statement of total recognised gains and losses has been presented.

None of the companys activities were discontinued during the financial period.

There is no difference between the (Loss)/profit on ordinary activities before taxation and the retained (Loss)/profit for the year stated above, and their historical cost equivalents.

ORION GRAPHICS LIMITED

Balance Sheet

As at 30th June 1996

	Note	1996 £	1995 £
Fixed Assets			
Tangible Assets	4	6730	7439
Current Assets			
Debtors	5	23605	21931
Cash at Bank and in Hand		<u>5467</u>	<u>6756</u>
		29072	28687
Creditors due within one Year	6	<u>15244</u>	<u>20195</u>
Net Current Assets		<u>13828</u>	<u>8492</u>
Total Assets less Current Liabilities		20558	15931
		-----	-----
Total Net Assets		<u>20558</u>	<u>15931</u>
Capital and Reserves			
Called Up Share Capital	7	10	2
Profit and Loss Account	8	<u>20548</u>	<u>15928</u>
Shareholders Funds		<u>20558</u>	<u>15930</u>

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these accounts audited and confirms that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

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

Advantage is taken in the preparation of the accounts of the special exemptions applicable to small companies conferred by Part I Schedule 8 of the Companies Act 1985. In the directors opinion the company is entitled to those exemptions as a small company.

The financial statements on pages 4 to 8 were approved by the Director on

Mrs M M Thomason

Name

M. M. Thomason
9/2/97.

1. Accounting Policies

a) Accounting Convention

The financial statements have been prepared in accordance with the Companies Act 1985 and with applicable Accounting Standards.

b) Tangible Fixed Assets and Depreciation.

Tangible fixed assets are stated at cost.

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

Motor Vehicles	-	25% reducing balance
Computer Equipment	-	30% reducing balance

c) Turnover

Turnover represents the amounts received or receivable for goods and services provided to customers, excluding Value Added Tax.

d) Stock

Stock is valued at the lower of cost and net realisable value.

e) Taxation

No provision has been made in respect of Deferred Taxation as in the opinion of the directors there will not be a liability in the foreseeable future.

f) Cashflow Statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS 1 not to prepare a cashflow statement.

g) Foreign Currency Transactions

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates. All revaluation differences and realised foreign exchange differences are taken to profit and loss.

2. Operating Profit

This is stated after charging:

Depreciation of Tangible Fixed Assets	2613	2830
Auditors Remuneration		
Foreign Currency Exchange		
Directors Remuneration	<u>8000</u>	<u>5000</u>

Orion Graphics Limited

Notes to the Financial Statements

For The Year ended 30th June 1996

	<u>1996</u> £	<u>1995</u> £
6. Creditors due within one year		
Directors Loan Account	-	2000
Social Security and Other Taxes	6879	10122
Other Creditors and Accruals	8365	8073
	<u>15244</u>	<u>20195</u>
7. Called Up Share Capital		
Ordinary Shares of £1 each		
Authorised	<u>1000</u>	<u>1000</u>
Issued and fully paid	<u>10</u>	<u>2</u>
8. Reserves		
Balance at 1st January 1995	15928	-
(Loss)/Profit for the Year	<u>4620</u>	<u>15928</u>
Balance at 30th June 1996	<u>20548</u>	<u>15928</u>
9. Statement of Movements in Shareholders Funds		
(Loss)/Profit for the year	<u>4620</u>	<u>15928</u>
Net (decrease)/increase in Shareholders Funds for the year	4620	15928
Opening Shareholders Funds	<u>15938</u>	<u>2</u>
Closing Shareholders Funds	<u>20558</u>	<u>15930</u>
10. Contingent Liabilities		
There are no contingent liabilities or commitments at the balance sheet date.		
11. Post Balance Sheet Events		
There have been no events since the balance sheet date which have had a material effect on the business.		

Orion Graphics Limited

Notes to the Financial Statements

For The Year ended 30th June 1996

	<u>1996</u>	<u>1995</u>
	£	£
3. Taxation on (Loss)/Profit on Ordinary Activities		
Provision for United Kingdom Corporation Tax - 24%/25%	<u>1615</u>	<u>5380</u>

4. Tangible Fixed Assets

	Motor Vehicles	Office Equipment	TOTALS
	£	£	£
Cost:			
1 July 1995	4999	5270	10269
Additions	-	1904	1904
30 June 1996	<u>4999</u>	<u>7174</u>	<u>12173</u>
Depreciation:			
1 July 1995	1249	1581	2830
This Year	937	1676	2613
30 June 1996	<u>2186</u>	<u>3257</u>	<u>5443</u>
Net book value 30 June 1996	<u>2813</u>	<u>3917</u>	<u>6730</u>
Net book value 1 July 1995	<u>3750</u>	<u>3689</u>	<u>7439</u>

	<u>1996</u>	<u>1995</u>
	£	£
5. Debtors		
Trade Debtors	<u>23605</u>	<u>21931</u>
	<u>23605</u>	<u>21931</u>

Orion Graphics Limited

Profit and Loss Account

For The Year ended 30th June 1996

	1996 £	1995 £
Income	80421	60085
Direct Costs		
Purchases	24063	14939
Labour Costs	26582	8612
Commission	<u>1875</u>	<u>1700</u>
	<u>52520</u>	<u>25251</u>
Gross Profit for the Year	27901	34834
Less Overhead Expenses		
Wages & Salaries	740	-
Light and Heat	468	400
Telephone and Fax	886	815
Postage and Stationery	2499	725
Repairs and Maintenance	2000	202
Motor Expenses	2720	1614
Entertaining	49	62
Training	225	-
Bank Interest and Charges	144	10
Accountancy Charges	1300	1741
Sundry Expenses	<u>22</u>	<u>126</u>
	<u>11053</u>	<u>5695</u>
Directors Remuneration	<u>8000</u>	<u>5000</u>
	<u>8000</u>	<u>5000</u>
Depreciation		
Charge for the Year	<u>2613</u>	<u>2830</u>
Total Expenses for the Year	<u>21666</u>	<u>13525</u>
Net Profit before Taxation	<u>6235</u>	<u>21309</u>