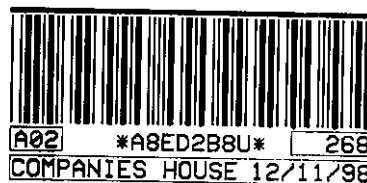


REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE PERIOD
6 FEBRUARY 1997 TO 28 FEBRUARY 1998
FOR
STORM DIGITAL IMAGING LIMITED



STORM DIGITAL IMAGING LIMITED

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for the period 6 February 1997 to 28 February 1998

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STORM DIGITAL IMAGING LIMITED

COMPANY INFORMATION

for the period 6 February 1997 to 28 February 1998

DIRECTOR: G J Spriggs
R H Spriggs (resigned 6.3.98)

SECRETARY: Mrs L M Spriggs

REGISTERED OFFICE: Scorpion House
Sallow road
Willowbrook North Industrial Estate
Corby
Northamptonshire
NN17 5JX

REGISTERED NUMBER: 03314178 (England and Wales)

ACCOUNTANTS: Harvey Spriggs & Co
Chartered Accountants
First Floor
21-23 West Street
Oundle
Peterborough
PE8 4EJ

BANKERS: National Westminster Bank PLC
Oundle Branch
9 Market Place
Oundle
Nr Peterborough
PE8 4BB

STORM DIGITAL IMAGING LIMITED

REPORT OF THE DIRECTOR

for the period 6 February 1997 to 28 February 1998

The director presents his report with the financial statements of the company for the period 6 February 1997 to 28 February 1998.

INCORPORATION

The company was incorporated on 6 February 1997 and commenced trading on 1 March 1997. The company passed a special resolution on 19 February 1997 changing its name from Signpack Limited to Storm Digital Imaging Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of hiring of machinery for graphic design and digital imaging processes.

DIRECTOR

R H Spriggs was the sole director during the period under review and had a beneficial holding in the company's issued share capital as follows;


Director	Class of shares	28/02/1998
R H Spriggs	Ordinary	1

R H Spriggs resigned as director of the company on 6 March 1998 on which date G J Spriggs was appointed the company's sole director.

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


Mrs L M Spriggs - SECRETARY

Dated: ... 3/11/98

STORM DIGITAL IMAGING LIMITED

PROFIT AND LOSS ACCOUNT

for the period 6 February 1997 to 28 February 1998

	Notes	£
TURNOVER	2	13,050
GROSS PROFIT		<hr/> 13,050
Administrative expenses		9,025
OPERATING PROFIT	3	<hr/> 4,025
Interest payable and similar charges		<hr/> 1,744
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,281
Tax on profit on ordinary activities	4	<hr/> 35
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<hr/> 2,246
RETAINED PROFIT CARRIED FORWARD		<hr/> <hr/> £2,246

The notes form part of these financial statements

STORM DIGITAL IMAGING LIMITED

BALANCE SHEET

28 February 1998

	Notes	£	£
FIXED ASSETS:			
Tangible assets	5		30,534
CURRENT ASSETS:			
Debtors	6	2,968	
Cash at bank and in hand		3	
		<hr/> 2,971	
CREDITORS: Amounts falling due within one year	7	15,353	
		<hr/>	
NET CURRENT LIABILITIES:			(12,382)
			<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES:			18,152
CREDITORS: Amounts falling due after more than one year	8		15,904
			<hr/>
			£2,248
			<hr/>
CAPITAL AND RESERVES:			
Called up share capital	9		2
Profit and loss account			2,246
			<hr/>
Shareholders' funds			£2,248
			<hr/>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ending 28 February 1998.

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 director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) 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

STORM DIGITAL IMAGING LIMITED

BALANCE SHEET

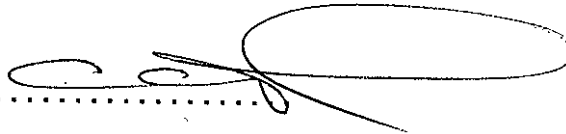
28 February 1998

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD:

G J Spriggs - DIRECTOR

Approved by the Board on

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line and a small flourish.

STORM DIGITAL IMAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period 6 February 1997 to 28 February 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of services, 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;

Machinery and Equipment 20% p.a. on a reducing balance.

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 director, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

Depreciation - owned assets	£ 6,106
	<hr/>
Director's emoluments and other benefits etc	-
	<hr/>

4. TAXATION

The tax charge on the profit on ordinary activities for the period was as follows:

UK Corporation Tax	£ 35
	<hr/>

UK Corporation Tax has been charged at 20%.

STORM DIGITAL IMAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period 6 February 1997 to 28 February 1998

5. TANGIBLE FIXED ASSETS

Machinery
and
Equipment

COST:

Additions

£

36,640

At 28 February 1998

36,640

DEPRECIATION:

Charge for period

6,106

At 28 February 1998

6,106

NET BOOK VALUE:

At 28 February 1998

30,534

6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

£

Other debtors

2,968

7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

£

Directors current accounts

6,054

Hire purchase

7,795

V.A.T.

1,269

Taxation

35

Accrued expenses

200

15,353

8. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

£

Hire purchase

15,904

STORM DIGITAL IMAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period 6 February 1997 to 28 February 1998

9. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	£
1,000	Ordinary	1.00	1,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
2	Ordinary	1.00	2
