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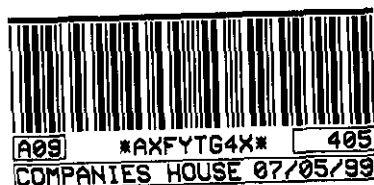
Company No: 3161100

**AUTOSIGNS HOLDINGS PLC
AND SUBSIDIARY COMPANIES**

Annual Report

Year ended 31 December 1998

PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS
Pannell House
159 Charles Street
LEICESTER LE1 1LD



**PANNELL
KERR
FORSTER**
CHARTERED ACCOUNTANTS

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES

COMPANY INFORMATION

Directors	J Parton O Rasmussen I S Foster T Morgan C E Parton J K Shaw
Secretary	C Richards
Registered Office	North Mills Frog Island Leicester LE3 5DH
Auditors	Pannell Kerr Forster Chartered Accountants 159 Charles Street Leicester LE1 1LD
Bankers	National Westminster Bank Plc Bede House 11 Western Boulevard Leicester LE2 7EJ

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES

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AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 1998

The directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 1998, comprising the results of the company and its subsidiaries.

Results and dividends

The profit for the year, after taxation, amounted to £60,918 (1997 - £123,298).

The directors recommend a dividend of £50,000 leaving a balance of £10,918 which is transferred to retained reserves.

Principal activity and review of business

The principal activity of the company during the year was that of a parent company to its wholly owned subsidiaries Autosigns Limited and Retail Site Enhancement Limited.

The principal activity of Autosigns Limited was the manufacture and distribution of display and promotional materials for the motor industry.

Retail Site Enhancement Limited's principal activity was the production and sale of specialised window and floor graphics into the retail market.

The group's results for the year and its financial position at the year end were considered satisfactory by the directors who consider the companies well placed to take advantage of future trading opportunities.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

	Ordinary £1 shares	
	1998	1997
J Parton	125,000	125,000
O Rasmussen	25,000	25,000
I S Foster	25,000	25,000
T Morgan	5,000	5,000
C E Parton	25,000	25,000
J K Shaw	5,000	5,000

Payment policy and practice

It is the policy of the directors to pay creditors in accordance with the terms and conditions agreed.

At the year end trade creditors shown in the balance sheet represented 91 days worth of supplies invoiced during the year (1997 - 44 days).

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 1998

Year 2000

The directors have assessed the risks and uncertainties associated with the Year 2000 and completed the majority of the changes required to make the company's computer systems Year 2000 compliant. The cost of compliance is not expected to be material in the context of other normal operating costs.

Auditors

The auditors, Pannell Kerr Forster, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board



O Rasmussen
Director

22 April 1999

**AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group, and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES**

We have audited the financial statements on pages 5 to 20 which have been prepared under the accounting policies set out on pages 9 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are 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.

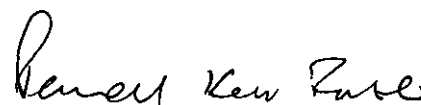
Basis of opinion

We conducted our audit in accordance with Auditing Standards. 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 directors 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 that 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 and the group as at 31 December 1998, and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

Leicester
22 April 1999

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 1998

	Notes	1998 £	1997 £
TURNOVER	2	2,870,360	3,435,350
Cost of sales		(1,854,771)	(2,260,909)
GROSS PROFIT		1,015,589	1,174,441
Distribution costs		(546,618)	(618,192)
Administrative expenses		(326,059)	(334,225)
OPERATING PROFIT	3	142,912	222,024
Interest receivable and similar items	6	-	9
Interest payable and similar items	7	(40,135)	(43,857)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		102,777	178,176
TAXATION	8	(41,859)	(54,878)
PROFIT FOR THE FINANCIAL YEAR		60,918	123,298
DIVIDENDS	9	(50,000)	(108,000)
		10,918	15,298

All amounts relate to continuing operations.

Movements in reserves are set out in note 21.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
31 DECEMBER 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Intangible	10	101,585	107,494
Tangible	11	356,419	373,962
		<u>458,004</u>	<u>481,456</u>
CURRENT ASSETS			
Stocks	13	162,301	135,565
Debtors	14	607,904	613,025
Cash at bank and in hand		26,665	108,706
		<u>796,870</u>	<u>857,296</u>
CREDITORS: amounts falling due within one year	15	<u>(762,176)</u>	<u>(767,037)</u>
NET CURRENT ASSETS		<u>34,694</u>	<u>90,259</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>492,698</u>	<u>571,715</u>
CREDITORS: amounts falling due after more than one year	16	(241,044)	(330,979)
PROVISIONS FOR LIABILITIES AND CHARGES	19	(270)	(270)
NET ASSETS		<u>251,384</u>	<u>240,466</u>
CAPITAL AND RESERVES			
Called up share capital	20	210,000	210,000
Profit and loss account	21	41,384	30,466
SHAREHOLDERS' FUNDS	22	<u>251,384</u>	<u>240,466</u>

The financial statements were approved by the board on 22 April 1999

Signed on behalf of the board of directors

O Rasmussen

Director



T Morgan

Director



AUTOSIGNS HOLDINGS PLC
BALANCE SHEET
31 DECEMBER 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Investments	12	526,000	526,000
CURRENT ASSETS			
Debtors	14	27,000	105,989
Cash at bank and in hand		41	-
		<u>27,041</u>	<u>105,989</u>
CREDITORS: amounts falling due within one year	15	<u>(182,587)</u>	<u>(204,209)</u>
NET CURRENT LIABILITIES		<u>(155,546)</u>	<u>(98,220)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>370,454</u>	<u>427,780</u>
CREDITORS: amounts falling due after more than one year	16	<u>(131,317)</u>	<u>(189,033)</u>
NET ASSETS		<u>239,137</u>	<u>238,747</u>
CAPITAL AND RESERVES			
Called up share capital	20	210,000	210,000
Profit and loss account	21	29,137	28,747
EQUITY SHAREHOLDERS' FUNDS	22	<u>239,137</u>	<u>238,747</u>

The financial statements were approved by the board on 22 April 1999

Signed on behalf of the board of directors

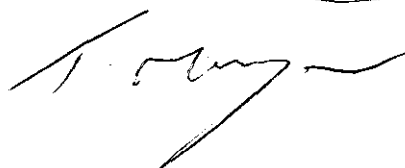
O Rasmussen

Director



T Morgan

Director



AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 1998

	1998 £	1997 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	142,912	222,024
Amortisation of intangible assets	5,909	5,909
Depreciation of tangible fixed assets	100,230	88,924
Profit on sale of fixed assets	-	(8,200)
Decrease in debtors	5,121	19,563
(Increase)/decrease in stocks	(26,736)	14,370
Increase/(decrease) in creditors	111,908	(137,353)
Provision for cost of investment	-	6,000
Net cash inflow from operating activities	<u>339,344</u>	<u>211,237</u>
 CASH FLOW STATEMENT (note 23)		
Net cash inflow from operating activities	339,344	211,237
Returns on investments and servicing of finance	(40,135)	(43,848)
Taxation	(100,680)	(29,823)
Capital expenditure	(82,687)	(54,121)
Equity dividends paid	(108,000)	-
	<u>7,842</u>	<u>83,445</u>
Financing	<u>(89,883)</u>	<u>(88,098)</u>
Decrease in cash	<u>(82,041)</u>	<u>(4,653)</u>
 Reconciliation of net cash flow to movement in net debt (note 24)		
Decrease in cash in the period	(82,041)	(4,653)
Cash flow from increase in debt and lease financing	89,883	88,098
New finance leases	-	(57,913)
	<u>7,842</u>	<u>25,532</u>
Change in net debt	<u>(316,384)</u>	<u>(341,916)</u>
Net debt at 1 January 1998	<u>(308,542)</u>	<u>(316,384)</u>
Net debt at 31 December 1998	<u>(308,542)</u>	<u>(316,384)</u>

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Basis of consolidation

The financial statements of the company and its group undertakings have been consolidated to 31 December 1998. The profit and loss of the company is not presented as permitted by Section 230 of the Companies Act 1985.

(c) Turnover

Turnover comprises the invoiced value of goods and services supplied by the group, net of value added tax and trade discounts.

(d) Intangible fixed assets

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the separable net assets acquired and is amortised over a period of 20 years.

(e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off their cost over their expected useful lives on the following bases:

Freehold land and buildings	4 %
Improvements to leasehold buildings	over the period of the lease
Plant and equipment	10 - 20 %

(f) Finance and operating leases

Tangible fixed assets acquired under finance lease or hire purchase are capitalised on the basis of actual cost or discounted minimum lease payments. Instalments payable under each agreement are apportioned between capital and revenue to write off the finance charge in equal amounts over the period of the agreement.

Operating lease rentals are charged in the profit and loss account as they fall due.

(g) Investments

Fixed asset investments are stated at cost less provision for diminution in value.

(h) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises the direct cost of acquisition and includes direct labour with a relevant proportion of direct overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

Provision has been made, where necessary, for obsolete, slow moving and defective stocks.

(i) 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 ruling when settlement occurs. Normal fluctuations on trading are dealt with in the results for the year.

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

(j) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

2 TURNOVER

Turnover is attributable to one class of business.

Turnover is analysed by geographical market as follows:

	1998	1997
	£	£
United Kingdom	2,597,899	2,993,945
European Union	195,903	352,114
Other	76,558	89,291
	<hr/>	<hr/>
Total	2,870,360	3,435,350
	<hr/>	<hr/>

3 OPERATING PROFIT

The operating profit is stated after charging / (crediting):

	1998	1997
	£	£
Amortisation of intangible assets	5,909	5,909
Depreciation of tangible fixed assets:		
- owned by the company	77,864	66,558
- held under finance lease or hire purchase contracts	22,366	22,366
Audit fees	5,400	5,400
Operating lease rentals:		
- plant and machinery	74,499	56,929
- land and buildings	34,500	34,500
Provision for cost of investment	-	6,000
Profit on disposal of fixed assets	-	(8,200)
	<hr/>	<hr/>

4 DIRECTORS' EMOLUMENTS AND BENEFITS

	1998	1997
	£	£
Directors' emoluments	177,063	154,508
	<hr/>	<hr/>

No directors (1997 - none) were members of company pension schemes.

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

5 STAFF COSTS

Staff costs, including directors' emoluments, were as follows:

	1998 £	1997 £
Wages and salaries	844,796	856,326
Social security costs	77,491	73,494
	<u>922,287</u>	<u>929,820</u>

The average monthly number of employees, including executive directors, during the year was:

	No.	No.
Production	32	32
Sales and distribution	9	7
Administration and management	10	11
	<u>51</u>	<u>50</u>

6 INTEREST RECEIVABLE AND SIMILAR ITEMS

	1998 £	1997 £
Other interest receivable	-	9
	<u>-</u>	<u>9</u>

7 INTEREST PAYABLE AND SIMILAR ITEMS

	1998 £	1997 £
Bank loans and overdrafts	26,474	27,777
Other loans	7,739	11,146
Finance charges under finance lease and hire purchase contracts	5,922	4,934
	<u>40,135</u>	<u>43,857</u>

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

8 TAXATION

	1998 £	1997 £
Current year taxation		
UK corporation tax at 26% (1997 - 30%)	40,487	63,458
Transfer to/(from) deferred taxation	-	(1,730)
	<hr/>	<hr/>
Total UK taxation	40,487	61,728
Adjustments in respect of prior periods		
Corporation tax	1,372	(6,850)
	<hr/>	<hr/>
	<u>41,859</u>	<u>54,878</u>

9 DIVIDENDS

	1998 £	1997 £
Ordinary shares		
Final proposed - equity shares	50,000	108,000
	<hr/>	<hr/>

10 INTANGIBLE FIXED ASSETS

Group

	Goodwill £
At 1 January 1998 and 31 December 1998	118,182
	<hr/>
Amortisation	
At 1 January 1998	10,688
Charge for the year	5,909
	<hr/>
At 31 December 1998	16,597
	<hr/>
Net book amount	
At 31 December 1998	101,585
	<hr/>
At 31 December 1997	107,494
	<hr/>

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

11 TANGIBLE FIXED ASSETS

Group

	Freehold land & buildings £	Leasehold improvements £	Plant and equipment £	Total £
Cost				
At 1 January 1998	160,857	55,315	1,064,404	1,280,576
Additions	-	11,033	71,654	82,687
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	160,857	66,348	1,136,058	1,363,263
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 1998	20,385	48,406	837,823	906,614
Charge for year	6,432	10,364	83,434	100,230
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	26,817	58,770	921,257	1,006,844
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 31 December 1998	134,040	7,578	214,801	356,419
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	140,472	6,909	226,581	373,962
	<hr/>	<hr/>	<hr/>	<hr/>

The net book amounts of plant and equipment above include £58,149 (1997 - £80,515) in respect of assets held under finance leases or hire purchase contracts.

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

12 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £	Participating interests £	Total £
Cost			
At 1 January 1998	526,000	6,000	532,000
	<hr/>	<hr/>	<hr/>
At 31 December 1998	526,000	6,000	532,000
	<hr/>	<hr/>	<hr/>
Provisions			
At 1 January 1998	-	6,000	6,000
	<hr/>	<hr/>	<hr/>
At 31 December 1998	-	6,000	6,000
	<hr/>	<hr/>	<hr/>
Net book amount			
At 31 December 1998	526,000	-	526,000
	<hr/>	<hr/>	<hr/>
At 31 December 1997	526,000	-	526,000
	<hr/>	<hr/>	<hr/>

The company owned the entire share capital of Autosigns Limited and Retail Site Enhancement Limited at the year end, both of which are incorporated in Great Britain. The former manufactures and distributes display and promotional materials to the motor industry, while the latter produces and sells specialised window and floor graphics to the retail market.

The participating interest represents an investment in Uni-shields Limited, a company registered in the Isle of Man.

13 STOCKS

	GROUP		COMPANY	
	1998 £	1997 £	1998 £	1997 £
Raw materials	16,760	-	-	-
Finished goods	145,541	135,565	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	162,301	135,565	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

14 DEBTORS

	GROUP		COMPANY	
	1998	1997	1998	1997
	£	£	£	£
Due within one year				
Trade debtors	558,818	517,925	-	-
Amounts due from group undertakings	-	-	-	43,989
Other debtors	150	40,277	-	35,000
Prepayments and accrued income	21,936	27,823	-	-
Advance corporation tax recoverable	27,000	-	27,000	-
	<u>607,904</u>	<u>586,025</u>	<u>27,000</u>	<u>78,989</u>
Due after one year				
Advance corporation tax recoverable	-	27,000	-	27,000
	<u>607,904</u>	<u>613,025</u>	<u>27,000</u>	<u>105,989</u>

15 CREDITORS:

Amounts falling due within one year

	GROUP		COMPANY	
	1998	1997	1998	1997
	£	£	£	£
Bank loans and overdrafts	38,731	33,679	22,883	21,859
Trade creditors	375,562	228,382	-	-
Amounts owed to group undertakings	-	-	64,046	1,000
Corporation tax	31,637	90,458	-	27,000
Other tax and social security	91,154	71,801	-	-
Proposed dividends	50,000	108,000	50,000	108,000
Net obligations under finance lease and hire purchase contracts (note 18)	20,432	25,432	-	-
Other creditors	116,410	156,764	44,658	45,350
Accruals and deferred income	38,250	52,521	1,000	1,000
	<u>762,176</u>	<u>767,037</u>	<u>182,587</u>	<u>204,209</u>

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

16 CREDITORS:

Amounts falling due after more than one year

	GROUP		COMPANY	
	1998	1997	1998	1997
	£	£	£	£
Bank loans (note 17)	190,581	225,038	96,317	119,033
Net obligations under finance lease and hire purchase contracts (note 18)	15,463	35,941	-	-
Other creditors	35,000	70,000	35,000	70,000
	<u>241,044</u>	<u>330,979</u>	<u>131,317</u>	<u>189,033</u>

17 LOANS

Loans fall due for payment as follows:

	GROUP		COMPANY	
	1998	1997	1998	1997
	£	£	£	£
Bank loans				
Within one year	38,731	33,679	22,883	21,859
Between one and two years	38,731	34,120	22,000	22,000
Between two and five years	113,119	110,160	74,317	72,000
After more than five years	38,731	80,758	-	25,033
	<u>229,312</u>	<u>258,717</u>	<u>119,200</u>	<u>140,892</u>

The bank loan is secured by a mortgage debenture incorporating a specific equitable charge over the leasehold factory and a charge over the freehold building.

The bank loans are being repaid by monthly instalments of interest and capital. Interest at 2% over base rate is charged on loans due after more than 5 years.

18 FINANCE LEASES

Net obligations under finance lease and hire purchase agreements fall due as follows:

	GROUP		COMPANY	
	1998	1997	1998	1997
	£	£	£	£
Within one year	20,432	25,432	-	-
Between one and five years	15,463	35,941	-	-
	<u>35,895</u>	<u>61,373</u>	<u>-</u>	<u>-</u>

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

19 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP

Deferred tax is analysed as follows:

	Provided		Not provided	
	1998	1997	1998	1997
	£	£	£	£
Capital allowances	270	270	-	-
	<u>270</u>	<u>270</u>	<u>-</u>	<u>-</u>

The company has no potential deferred tax liability.

20 SHARE CAPITAL

	Authorised	Allotted, called up and fully paid	
	£	No.	£
At 1 January 1998 and 31 December 1998 Ordinary shares of £1 each	210,000	210,000	210,000
	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>

21 RESERVES

	GROUP	COMPANY
	£	£
Profit and loss account		
At 1 January 1998	30,466	28,747
Profit for the year	60,918	50,390
Dividends	(50,000)	(50,000)
At 31 December 1998	<u>41,384</u>	<u>29,137</u>

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

22 EQUITY SHAREHOLDERS' FUNDS

GROUP	1998	1997
	£	£
Shareholders' funds at 1 January 1998	240,466	225,168
Profit for the year	60,918	123,298
Dividends	(50,000)	(108,000)
	<hr/>	<hr/>
Shareholders' funds at 31 December 1998	251,384	240,466
	<hr/>	<hr/>
 COMPANY	 1998	 1997
	£	£
Shareholders' funds at 1 January 1998	238,747	150,440
Profit for the year	50,390	196,307
Dividends	(50,000)	(108,000)
	<hr/>	<hr/>
Shareholders' funds at 31 December 1998	239,137	238,747
	<hr/>	<hr/>

23 GROSS CASH FLOWS

	1998	1997
	£	£
Returns on investments and servicing of finance		
Interest received	-	9
Interest paid	(34,213)	(38,923)
Interest element of finance lease rentals	(5,922)	(4,934)
	<hr/>	<hr/>
	(40,135)	(43,848)
	<hr/>	<hr/>
Capital expenditure		
Payments to acquire tangible fixed assets	(82,687)	(69,521)
Payments to fixed asset investments	-	(1,000)
Receipts from sales of tangible fixed assets	-	16,400
	<hr/>	<hr/>
	(82,687)	(54,121)
	<hr/>	<hr/>
Financing		
Loans repaid	(64,405)	(66,689)
Capital element of finance lease rentals	(25,478)	(21,409)
	<hr/>	<hr/>
	(89,883)	(88,098)
	<hr/>	<hr/>

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

24 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 1998 £	Cash flows £	Other changes £	At 31 December 1998 £
Cash at bank and in hand	108,706	(82,041)	-	26,665
		(82,041)		
Debt due within 1 year	(68,679)	64,405	(69,457)	(73,731)
Debt due after 1 year	(295,038)	-	69,457	(225,581)
Finance leases	(61,373)	25,478	-	(35,895)
Total	(316,384)	7,842	-	(308,542)

25 OTHER COMMITMENTS

At 31 December 1998 the group had annual commitments under operating leases as follows:

	Land and buildings 1998 £	1997 £	Other 1998 £	1997 £
Expiry date:				
Within 1 year	34,500	-	20,328	24,626
Between 1 and 5 years	-	34,500	54,171	32,303
	34,500	34,500	74,499	56,929

The company had no leasing commitments.

AUTOSIGNS HOLDINGS PLC AND SUBSIDIARY COMPANIES
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26 TRANSACTIONS WITH RELATED PARTIES

Included within group debtors is a loan of £NIL (1997 - £1,333) to O Rasmussen a director. The maximum amount outstanding during the year was £1,333.

In addition to the above, the company had made loans to its shareholders as follows:

	Balance at beginning of year and maximum balance £	Balance at end of the year £
J Parton	16,667	-
O Rasmussen	3,333	-
I S Foster	3,333	-
C E Parton	3,333	-
T Morgan	667	-
J K Shaw	667	-

27 CONTROLLING PARTY

Ultimate control of the company lies with J Parton, a director of the company.