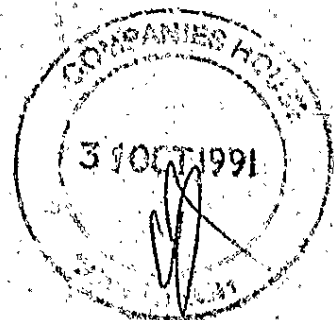


STORTEXT (SCOTLAND) LIMITED

Modified financial statements

For the year ended 31 March 1991



**Report of the auditors to the directors of
STORTEXT (SCOTLAND) LIMITED**
(Pursuant to paragraph 10 of Schedule 8 of the Companies Act 1985)

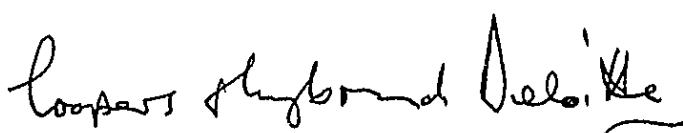
We have examined the modified financial statements on pages 2 to 5 together with the full financial statements of Stortext (Scotland) Limited for the year ended 31 March 1991. The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to deliver modified financial statements and that the modified financial statements have been properly prepared from the full financial statements.

In our opinion the directors are entitled under sections 247 to 249 of the Companies Act 1985 to deliver modified financial statements in respect of the year ended 31 March 1991 and the modified financial statements on pages 2 to 5 have been properly prepared in accordance with Schedule 8 to that Act.

On 19 September 1991 we reported as auditors of Stortext (Scotland) Limited to the members on the full financial statements prepared under section 227 of the Companies Act 1985 for the year ended 31 March 1991 and our audit report was as follows:

"We have audited the financial statements on pages 6 to 18 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Edinburgh,

19 September 1991

STORTEXT (SCOTLAND) LIMITED

Balance sheet - 31 March 1991

(Modified in accordance with the provisions of the Companies Act 1985)

	Notes	1991 £	1990 £
Fixed assets			
Intangible assets	2	127,095	-
Tangible assets	3	182,406	182,993
		<u>309,501</u>	<u>182,993</u>
Current assets			
Stocks		2,500	6,900
Debtors		92,233	52,049
Deferred Revenue Expenditure		104,272	88,036
		<u>199,005</u>	<u>146,985</u>
Creditors: amounts falling due within one year		<u>(232,666)</u>	<u>134,854</u>
Net current (liabilities)/assets		<u>(33,661)</u>	<u>12,131</u>
Total assets less current liabilities		<u>275,840</u>	<u>195,124</u>
Creditors: amounts falling due after more than one year		<u>(54,295)</u>	<u>(91,682)</u>
Provision for liabilities and charges		<u>(2,528)</u>	<u>-</u>
		<u>219,017</u>	<u>103,442</u>
Capital and reserves			
Called up share capital	4	69,186	61,707
Profit and loss account		(44,765)	(75,826)
Share premium		194,596	117,561
		<u>219,017</u>	<u>103,442</u>

In preparing these modified financial statements we have relied upon the exemptions for individual accounts, contained in sections 247 to 249, Companies Act 1985. We have done so on the grounds that the company is entitled to the benefit of those exemptions, as a small company.

Director

Director

19 SEPTEMBER 1991

The notes on pages 3 to 5 form part of these modified financial statements
Auditors' report page 1

STORTEXT (SCOTLAND) LIMITED

Notes to the modified financial statements - 31 March 1991

1 Principal accounting policies

As in previous years, the accounts are prepared in accordance with the historical cost convention, subject to revaluation of computer software. A summary of the more important accounting policies of the company, which have been applied consistently, is set out below.

(a) Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services provided.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost or directors valuation, less accumulated depreciation. Depreciation is calculated to write off the cost of fixed assets over the expected useful lives of the assets on the following bases:-

Motor vehicles	25% p.a. on a reducing balance
Computer equipment	25% p.a. on a straight line
Plant and equipment	10% p.a. on a straight line

(c) Goodwill

Purchased goodwill is amortised through the profit and loss account over its useful economic life.

(d) Stocks

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

(e) Leases

Expenses in respect of operating leases are charged in arriving at the operating profit.

Assets held under finance leases are capitalised and the corresponding outstanding capital element is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to allocate interest in proportion to the amount of capital outstanding at the period end.

STORTEXT (SCOTLAND) LIMITED

Notes to the modified financial statements (continued)

1 Principal accounting policies (continued)

(f) Taxation

The charge for taxation is based on the profit for the period as adjusted for disallowable items, and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expenses in a different accounting period from that in which they are recognised in the accounts. The tax effect of other timing differences as reduced by the tax benefit of any accumulated losses is treated as a deferred tax liability.

(g) Pension scheme

The pension scheme of the company is externally funded. Payments made to the fund and charged annually in these accounts comprise current service contributions.

2 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 1990	-
Additions	131,452
	<hr/>
At 31 March 1991	131,452
	<hr/>
Depreciation	
At 1 April 1990	-
Charge for year	4,357
	<hr/>
At 31 March 1991	4,357
	<hr/>
Net book value	
At 31 March 1991	127,095
	<hr/> <hr/>
At 31 March 1990	-
	<hr/> <hr/>

STORTEXT (SCOTLAND) LIMITED**Notes to the modified financial statements (continued)****3 Fixed assets**

	£
Cost	
At 1 April 1990	244,083
Additions	37,158
	<u>281,241</u>
At 31 March 1991	<u>281,241</u>
Depreciation	
At 1 April 1990	61,090
Charge for the year	37,745
	<u>98,835</u>
At 31 March 1991	<u>98,835</u>
Net book value	
At 31 March 1991	182,406
	<u>182,406</u>
At 31 March 1990	<u>182,993</u>

4 Called up share capital

	1991 £	1990 £
Authorised		
444,616 (1990: 325,363) ordinary shares of 10p each	44,462	32,536
10% cumulative redeemable preference shares of £1 each	30,000	30,000
	<u>74,462</u>	<u>62,536</u>
Allotted, called up and fully paid		
360,076 (1990: 317,071) ordinary shares of 10p each	36,007	31,707
30,000 10% cumulative redeemable preference shares of £1 each	30,000	30,000
	<u>66,007</u>	<u>61,707</u>
Allotted, called up and not fully paid		
31,786 ordinary shares of 10p each	3,179	-
	<u>69,186</u>	<u>61,707</u>