

REPORT OF THE AUDITORS TO THE DIRECTORS OF  
I.T.R. INTERNATIONAL TRANSLATION RESOURCES LIMITED  
UNDER SCHEDULE 8 OF THE COMPANIES ACT 1985

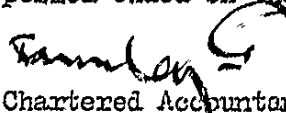
We have examined the modified financial statements set out on pages 2, 3 and 4 which have been properly prepared in accordance with Schedule 8 of the Companies Act 1985. In our opinion the company satisfies the requirements of Section 10 of Schedule 8 of the Companies Act 1985 for exemption as a small company for the period ended 31st January 1987.

As auditors of I.T.R. International Translation Resources Limited, on 6th January 1988 we reported to the members on the financial statements of the company prepared under Section 227 of the Companies Act 1985 for the period ended 31st January 1987 as follows:

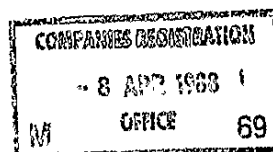
"We have audited the financial statements set out on pages 3 to 8 in accordance with approved auditing standards.

"In common with many businesses of similar size and organisation, the company's system of control is dependent upon the close involvement of the directors, who are major shareholders. Where independent confirmation of the completeness of the accounting records was, therefore, not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

"As indicated in note 15 the financial statements have been prepared on a going concern basis. Subject thereto, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st January 1987 and of the loss and source and application of funds for the period ended on that date and comply with the Companies Act 1985."

  
Chartered Accountants  
Winchester House  
60a, High Street  
London W3 6LE

21st January 1988



I.T.R. INTERNATIONAL TRANSLATION RESOURCES LIMITED

BALANCE SHEET AS AT 31st JANUARY 1987

Notes

2.

FIXED ASSETS

717

Tangible assets

CURRENT ASSETS

Work in progress

85,067

Debtors

52,322

Cash at bank and in hand

1,281

138,670

CREDITORS

Amounts falling due within one year

73,121

65,249

65,966

TOTAL ASSETS LESS CURRENT LIABILITIES

CREDITORS

(80,000)

Amounts falling due after one year

(14,034)

(22)

PROVISION FOR LIABILITIES AND CHARGES

£(14,056)

CAPITAL AND RESERVES

Called up share capital

5

<sup>2</sup>  
(14,058)

Profit and loss account

£(14,056)

The directors have relied on the exemption for individual financial statements provided by Sections 247 to 249 of the Companies Act 1985 on the ground that I.T.R. International Translation Resources Limited is entitled to the benefit of those exemptions as a small company.

D.J. Fisher

Director

H. Eckersley

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 28th JULY 1986 TO 31st JANUARY 1987

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Turnover

Turnover represents net invoiced sales and charges receivable, excluding value added tax.

(c) Intangible fixed assets

Goodwill purchased in the period at a cost of \$12,000 has been wholly written off.

(d) Tangible fixed assets

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

Furniture and equipment	15% on cost
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(e) Work in progress

Work in progress is valued at cost or realisable value.

(f) 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.

(g) 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 of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

2. LEASING COMMITMENTS

At 31st January 1987 the company had annual commitments under non-cancellable operating leases as set out below:

Operating leases which expire in the second to fifth years (inclusive)	<u>£8,861</u>
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3. TRANSACTIONS WITH DIRECTORS

During the period the company were supplied with goods and services to the value of £24,712 by Production Workshop Limited, a company registered in Hong Kong, and in which the directors are materially interested. At 31st January 1987 £5,394 was owing to that company.

4. GOING CONCERN

The financial statements have been prepared on a going concern basis in view of the support of the long term creditors.

I.T.R. INTERNATIONAL TRANSLATION RESOURCES LIMITED

4.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 28th JULY 1986 TO 31st JANUARY 1987 (continued)

5. CALLED UP SHARE CAPITAL

Authorised

10,000 ordinary shares of £1 each £10,000

Increased from 1,000 ordinary shares of £1 each by ordinary resolution dated 18th June 1986.

Allotted, issued and fully paid

2 ordinary shares of £1 each £2

During the year 2 ordinary shares of £1 each were allotted and fully paid for cash at par representing the issued share capital.