

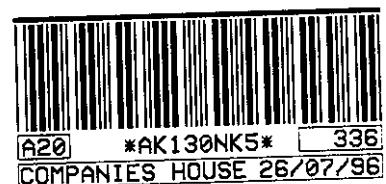
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IMAGEBASE TECHNOLOGY LIMITED
ABBREVIATED FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 1995

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The Company's Registered Number is :-2218061



AUDITORS' REPORT TO IMAGEBASE TECHNOLOGY LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8

OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the full financial statements of Imagebase Technology Limited under Section 226 of the Companies Act 1985 for the year ended 30 September 1995.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing abbreviated financial statements in accordance with Schedule 8 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3, and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under Section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule to the Act, in respect of the year ended 30 September 1995, and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 19 July 1996 we reported, as auditors of Imagebase Technology Limited, to the members on the financial statements as prepared under Section 226 of the Companies Act 1985 for the year ended 30 September 1995, and our audit report was as follows:-

"We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 issued by the Auditing Practices Board. 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 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, reliable and relevant evidence to give reasonable assurance that the financial statements are free from material misstatements, 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 the Company's affairs as at 30 September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Michael Cole & Co
Chartered Accountants and
Registered Auditors
Senator House
2 Graham Road
Hendon Central
London NW4 3HJ



19 July 1996

IMAGEBASE TECHNOLOGY LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 1995

	Note	£	1995	£	1994	£
FIXED ASSETS						
Tangible fixed assets	2			13,938		25,022
CURRENT ASSETS						
Stock			75,864			93,538
Debtors	3		289,153			33,994
Cash at bank and in hand			<u>202,891</u>			<u>261,834</u>
			567,908			389,366
CREDITORS						
Amounts falling due within one year			<u>(282,302)</u>			<u>(114,809)</u>
NET CURRENT ASSETS			<u>285,606</u>			<u>274,557</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			299,544			299,579
CREDITORS						
Amounts falling due after more than one year	4		<u>(1,050)</u>			<u>(6,433)</u>
NET ASSETS			<u>£298,494</u>			<u>£293,146</u>
CAPITAL AND RESERVES						
Called up share capital	5		42,909			54,909
Reserves						
Share premium account			23,636			23,636
Capital redemption reserve	11		53,455			41,455
Profit and loss account			<u>178,494</u>			<u>173,146</u>
			<u>255,585</u>			<u>238,237</u>
SHAREHOLDERS' FUNDS			<u>£298,494</u>			<u>£293,146</u>

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the Company qualifies as a small company.

In the preparation of the Company's annual financial statements, the directors have provided by Part I of Schedule 8 and have done so on the grounds that, in their opinion, the Company qualifies as a small company.

The accounts were approved by the board of directors on 17 July 1996

.....
T A Schofield - Director

The notes on pages 3 to 5 form part of these accounts.

IMAGEBASE TECHNOLOGY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

30 SEPTEMBER 1995

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts.

(a) Basis of Accounting

These accounts have been prepared under the historical cost basis of accounting.

(b) Cash Flow Statements

The accounts do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 (Cash Flow Statement).

(c) Turnover

Turnover is the amount derived from the provision of goods and services falling within the Company's ordinary activities after deduction of trade discounts and value added tax.

(d) Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:-

Equipment	: 25% per annum from the month of acquisition
Motor vehicles	: 25% per annum from the month of acquisition

(e) Leased Assets

Fixed assets leased under finance leases are capitalised and depreciated over their expected useful economic lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

(f) Stocks

These are valued on a first in, first out basis at the lower of cost and net realisable value.

(g) Pension Costs

Defined contribution pension schemes operate within the Company for certain directors and senior employees. The pension cost charge in the profit and loss account represents the contributions payable by the Company under the rules of the Scheme.

IMAGEBASE TECHNOLOGY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

30 SEPTEMBER 1995

2 TANGIBLE FIXED ASSETS

	<u>1995</u>	<u>1994</u>
	£	£
COST		
At 1 October 1994	70,209	65,676
Additions	-	4,533
Disposals	<u>(260)</u>	<u>-</u>
At 30 September 1995	<u>69,949</u>	<u>70,209</u>
DEPRECIATION		
At 1 October 1994	45,187	35,050
Eliminated on disposal	(43)	-
Charge for the year	<u>10,867</u>	<u>10,137</u>
At 30 September 1995	<u>56,011</u>	<u>45,187</u>
NET BOOK VALUE	£ 13,938	£ 25,022
	=====	=====

The net book value of motor vehicles and equipment includes an amount of £11,750 (1994 - £18,650) in respect of assets held under finance leases and similar hire purchase contracts. The amount of depreciation allocated during the year for such assets amounted to £6,900 (1994 - £8,950).

3 DEBTORS

Debtors include an amount of £2,817 (1994 - £3,981) falling due after more than one year.

4 CREDITORS

Amounts falling due after more than one year

Obligations under finance leases	£ 1,050	£ 6,433
	=====	=====
Bank loans	-	1,888
Instalments due next year	<u>-</u>	<u>(1,888)</u>
	£ -	£ -
	=====	=====
Obligations under finance leases	6,357	14,835
Instalments due next year	<u>(5,307)</u>	<u>(8,402)</u>
	£ 1,050	£ 6,433
	=====	=====

IMAGEBASE TECHNOLOGY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

30 SEPTEMBER 1995

	<u>1995</u> £	<u>1994</u> £
5 SHARE CAPITAL		
Authorised		
234,343 ordinary shares of 10 pence each	23,434	23,434
109,091 'A' ordinary shares of 10 pence each	10,909	10,909
42,000 redeemable preference shares of £1 each	<u>42,000</u>	<u>42,000</u>
	£ 76,343	£ 76,343
	=====	=====
Allotted		
200,000 ordinary shares of 10 pence each fully paid	20,000	20,000
109,091 'A' ordinary shares of 10 pence each fully paid	10,909	10,909
12,000 redeemable preference shares of £1 each fully paid (1994 - 24,000)	<u>12,000</u>	<u>24,000</u>
	£ 42,909	£ 54,909
	=====	=====