

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1994

Registered number: 2672991



DURRANTS

CHARTERED ACCOUNTANTS

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

FINANCIAL STATEMENTS

for the year ended 31st December 1994

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ELECTRONICS FOR IMAGING (EUROPE) LIMITED**COMPANY INFORMATION****31st December 1994**

Incorporated in England on 13th December 1991

Number 2672991

CHAIRMAN

E Arazi

OTHER DIRECTORS

R Colla

D Avida

SECRETARY

R Colla

REGISTERED OFFICEStonebridge House
Padbury Oaks
Old Bath Road
Longford Middlesex UB7 0EW**AUDITORS**Durrants
Chartered Accountants
24 Wellington Business Park
Dukes Ride Crowthorne
Berkshire
RG45 6LS

ELECTRONICS FOR IMAGING (EUROPE) LIMITED**DIRECTORS' REPORT****31st December 1994**

The directors present their report and the audited financial statements for the year ended 31st December 1994.

Principal activity

The principal activity of the company is to provide technical and marketing support for Electronics for Imaging Inc. in the colour connectivity market.

Business review

The company's balance sheet as detailed on page 5 shows a satisfactory position, with shareholders' funds amounting to £251,956.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 4.

The directors do not propose payment of an ordinary dividend, the profit for the year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in note 6 to the accounts.

Directors

The directors of the company were:

E Arazi
A Balchin (Resigned 28.4.95)
J Lazar (Appointed 28.4.95; Resigned 13.10.95)
R Colla (Appointed 28.4.95)
D Avida (Appointed 1.12.95)

None of the directors hold any shares in the company.

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 of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- * select suitable accounting policies and apply them consistently;
- * make reasonable and prudent judgements and estimates;
- * 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.

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

DIRECTORS' REPORT

(continued)

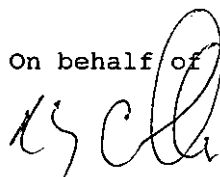
31st December 1994

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Durrants will continue in office.

On behalf of the board



R Colla
Secretary

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Electronics for Imaging (Europe) Limited

We have audited the financial statements on pages 4-10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, 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 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 error or other irregularity. 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 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

24 Wellington Business Park
Dukes Ride Crowthorne
Berkshire
RG45 6LS

Date:....3-4-96....

.....Durrants.....

Durrants

Chartered Accountants
and
Registered Auditors

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1994

	Note	1994 £	1993 £
Turnover	2	1,959,481	2,209,635
Net operating expenses			
Distribution costs		(518,843)	(576,239)
Administrative expenses		(1,308,391)	(1,480,272)
Bank deposit interest		4,467	1,036
<hr/>			
Profit on ordinary activities before taxation	4	136,714	154,160
Taxation	5	(91,984)	(49,169)
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Profit on ordinary activities after taxation retained for the year	11	£ 44,730	£ 104,991
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Other movements in reserves are shown in notes 10 to 11.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1994 or 1993 other than the profit for the year.

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

BALANCE SHEET

at 31st December 1994

	Note	£	1994	£	1993	£
Fixed assets						
Tangible assets	6		189,870		126,109	
Current assets						
Debtors	7	553,018		583,634		
Cash at bank and in hand		10,165		54,129		
		563,183		637,763		
Creditors: amounts falling due within one year	8	(501,097)		(556,645)		
Net current assets			62,086		81,118	
Total assets less current liabilities			251,956		207,227	
Capital and reserves						
Called up share capital	9		2		2	
Capital contribution	10		50,000		50,000	
Profit and loss account	11		201,954		157,225	
Total shareholders' funds	12		251,956		207,227	

The financial statements on pages 4 - 10 were approved by the board of directors

on . . 29-3-95 . . .

.. 15. C. L. . . .

.. 15. C. L. . . .

ELECTRONICS FOR IMAGING (EUROPE) LIMITED**NOTES ON FINANCIAL STATEMENTS****31st December 1994****1 Accounting policies****Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

- Short leasehold land and buildings - over the term of the lease
- Computer equipment - over 36 months
- Office equipment - over 36 months
- Demonstration equipment - over 10 months

Leasing Commitments

Rentals paid under operating leases are charged to the profit and loss account as they accrue.

Pensions

The company has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to the profit and loss account as incurred.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date the transaction. All differences are taken to the profit and loss account.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United States, stated net of value added tax.

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994

3 Directors and employees

	1994 £	1993 £
Staff costs including directors' emoluments		
Wages and salaries	457,021	483,919
Social security costs	50,786	34,545
Pension costs	24,438	14,959
	<u>532,245</u>	<u>533,423</u>
	Number	Number
Average number employed		
Distribution liaison and sales support	4	5
General management	2	1
Administration staff	1	2
Marketing staff	3	1
Technical support	1	2
	<u>11</u>	<u>11</u>
Directors	£	£
Directors' emoluments		
Executive salaries	58,375	53,141
Compensation for loss of office	-	30,000
	<u>58,375</u>	<u>83,141</u>

4 Operating profit

	1994 £	1993 £
Operating profit is stated after crediting		
Interest receivable	4,467	1,036
Profit on sale of assets	25,200	-
	<u></u>	<u></u>
and after charging		
Staff costs (note 3)	532,245	533,423
Auditors' remuneration	3,000	2,500
	<u></u>	<u></u>
Depreciation of tangible fixed assets (note 6)		
owned assets	130,336	43,840
	<u></u>	<u></u>

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994

5 Taxation

	1994 £	1993 £
Corporation tax on profit on ordinary activities at 33% (1993 33%)	67,693	35,001
Double taxation relief	-	(9,912)
Overseas taxation	-	7,063
	<hr/>	<hr/>
	67,693	32,152
Under provision in earlier years	24,291	17,017
	<hr/>	<hr/>
	91,984	49,169
	<hr/>	<hr/>

6 Tangible fixed assets

Cost or valuation	Office Equipment £	Computer Equipment £	Demonstration Equipment £	Short Leasehold £	Total £
1st January 1994	23,590	103,844	75,203	-	202,637
Additions	104,553	50,880	26,079	22,895	204,407
Disposals	-	-	(12,564)	-	(12,564)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1994	128,143	154,724	88,718	22,895	394,480
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
1st January 1994	3,269	38,379	34,880	-	76,528
Charge for year	29,356	47,485	62,216	1,589	140,646
Disposals	-	-	(12,564)	-	(12,564)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1994	32,625	85,864	84,532	1,589	204,610
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount					
31st December 1994	95,518	68,860	4,186	21,306	189,870
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1st January 1994	20,321	65,465	40,323	-	126,109
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

7 Debtors

	1994 £	1993 £
Amounts falling due within one year		
Trade debtors	-	2,200
Amounts owed by group undertakings	457,199	521,630
Other debtors	61,043	27,316
Prepayments and accrued income	34,776	32,488
	<hr/>	<hr/>
	553,018	583,634
	<hr/>	<hr/>

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994

8 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank overdraft	82,866	-
Trade creditors	17,426	70,890
Amounts owed to group undertakings	4,544	-
Corporation tax	89,246	79,833
Other taxation and social security	-	61,493
Accruals and deferred income	307,015	344,429
	<u>501,097</u>	<u>556,645</u>

9 Called up share capital

	1994		1993	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Ordinary shares	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

10 Capital Contribution

	1994 £
Capital contribution	<u>50,000</u>

The capital contribution is a non returnable introduction of funds by Electronics for Imaging Inc., the company's holding company.

11 Profit and loss account

	1994 £
1st January 1994	157,225
Retained profit for the year	<u>44,730</u>
31st December 1994	<u>201,955</u>

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994

12 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Profit for the financial year	44,730	104,991
Net addition to shareholders' funds	44,730	104,991
Opening shareholders' funds	207,227	102,236
Closing shareholders' funds	251,957	207,227

13 Capital commitments

The company had no capital commitments at 31st December 1994 (1993 - £Nil).

14 Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was Electronics for Imaging Inc., a company incorporated in the USA.

15 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due

	Land and Buildings £	Other £
Within one year	40,186	61,881
Within two to five years	146,321	44,740
	186,507	106,621