

DPS TYPECRAFT LIMITED

Report and Financial Statements

31 December 1995

**Deloitte & Touche
Cornwallis House
Instone Road
Dartford DA1 2AG**





REPORT AND FINANCIAL STATEMENTS 1995

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I D Fletcher (Chairman)
R Kemm
D J Sebire
G H Walker
A J Kerr
P Dobson

SECRETARY

G H Walker

REGISTERED OFFICE

Acorn House
Great Oaks
Basildon
Essex SS14 1AH

BANKERS

Lloyds Bank Plc
39 Threadneedle Street
London EC2R 8AU

SOLICITORS

Payne Hicks Beach
10 New Square
Lincoln's Inn
London WC2A 3QG

AUDITORS

Deloitte & Touche
Chartered Accountants
Cornwallis House
Instone Road
Dartford DA1 2AG



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the eighteen months ended 31 December 1995.

ACTIVITIES

The company markets a range of computer-based publishing systems for the UK newspaper and related publishing and printing industries.

REVIEW OF DEVELOPMENTS

The company has developed its services to incorporate the sale of database systems products. It is now able to contract for the provision of complete publishing systems, without having to work in conjunction with its competitors.

CHANGE IN ACCOUNTING PERIOD

The company changed its accounting year end to 31 December to coincide with the year end of the company's major shareholder.

REVIEW OF THE RESULTS FOR THE PERIOD

The consolidated profit before tax for the eighteen month period was £67,539 (year ended 30 June 1994 - £303,999) as set out on page 6 of the financial statements.

FINANCIAL POSITION AT PERIOD-END

The shareholders' equity amounted to £664,458 (30 June 1994 - £601,272).

DIVIDENDS AND TRANSFERS FROM RESERVES

The directors do not recommend the payment of a dividend for the period (year ended 30 June 1994 -£nil). The retained profit of £63,186 (year ended 30 June 1994 - £234,499) was transferred to reserves.

FIXED ASSETS

Movements in fixed assets are detailed in notes 7, 8 and 9 to the accounts.

FUTURE PROSPECTS

The technological solutions now being offered to customers should provide the company with substantial potential to continue to develop service revenues in line with increasing capital sales.

Further information concerning future prospects is contained in the chairman's statement accompanying the notice of the Annual General Meeting.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors who have served during the period, together with their beneficial interests in the share capital of the company, are as follows:

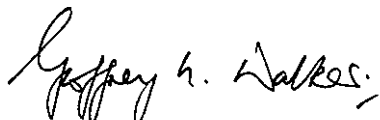
		1995 No.	1994 No.
I D Fletcher		35,712	35,712
D J Sebire		47,272	47,272
R Kemm		154,205	154,205
R Hall	(resigned 31 March 1995)	161,000	161,000
G H Walker		18,765	18,765
A J Kerr	(appointed 14 July 1995)	-	-
P Dobson	(appointed 14 December 1995)	-	-

I D Fletcher has a beneficial interest in the shares of Fletcher Newspapers Limited and his interest is disclosed in the financial statements of that company. Fletcher Newspapers Limited owns 600,000 shares in the company.

AUDITORS

On 1 February 1996 our auditors changed the name under which they practice to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G H Walker
Secretary

19/3/96



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 as at the end of the financial period 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for the prevention and detection of fraud and other irregularities.



Chartered Accountants

Deloitte & Touche
Cornwallis House
Instone Road
Dartford DA1 2AG

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International + 44 1322 277777
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AUDITORS' REPORT TO THE MEMBERS OF

DPS TYPECRAFT LIMITED

We have audited the financial statements on pages 6 to 21 which have been prepared under the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 4 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 circumstances of the company and the group, 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 1995 and of the profit of the group for the eighteen months then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE

Chartered Accountants and
Registered Auditors
Dartford

3 April 1996.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Eighteen months ended 31 December 1995

	Note	Eighteen months ended 31 December 1995	Year ended 30 June 1994
		£	£
TURNOVER	2		
Continuing operations		7,309,504	5,489,084
Cost of sales		4,758,028	3,730,964
Gross profit		2,551,476	1,758,120
Administrative expenses		2,453,905	1,436,005
OPERATING PROFIT			
Continuing operations		97,571	322,115
Other interest receivable and similar income		11,763	11,468
Interest payable and similar charges	4	(41,795)	(29,584)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	67,539	303,999
Tax on profit on ordinary activities	6	(4,353)	(69,500)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		63,186	234,499
Profit for the financial period		63,186	234,499

STATEMENT OF RETAINED RESERVES
At 31 December 1995

	£	£
Retained profit for the period	63,186	234,499
Accumulated loss at 1 July 1994	(194,288)	(428,787)
Retained loss at 31 December 1995	(131,102)	(194,288)

The statement of total recognised gains and losses has been omitted as there are no recognised gains or losses other than the profit for the current financial period or the previous financial year. There were no movements in shareholders' funds in the current financial period or the previous financial year other than the profit as shown above.

CONSOLIDATED BALANCE SHEET
31 December 1995

	Note	31 December 1995 £	30 June 1994 £
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	261,165	242,937
		<u>261,165</u>	<u>242,937</u>
CURRENT ASSETS			
Stocks	10	489,690	480,522
Debtors	11	1,760,045	1,456,167
Cash at bank and in hand		131,974	795,128
		<u>2,381,709</u>	<u>2,731,817</u>
CREDITORS: amounts falling due within one year	12	1,975,940	2,344,702
		<u>1,975,940</u>	<u>2,344,702</u>
NET CURRENT ASSETS		405,769	387,115
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>666,934</u>	<u>630,052</u>
CREDITORS: amounts falling due after more than one year	13	(2,476)	(28,780)
		<u>664,458</u>	<u>601,272</u>
CAPITAL AND RESERVES			
Called up share capital	14	308,410	308,410
Share premium account	15	487,150	487,150
Profit and loss account		(131,102)	(194,288)
Total equity shareholders' funds		<u>664,458</u>	<u>601,272</u>

These financial statements were approved by the Board of Directors on 19 March 1996.

Signed on behalf of the Board of Directors



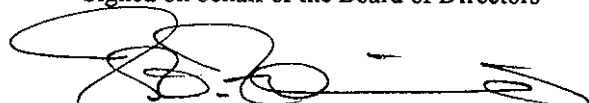
I D Fletcher
 Director

BALANCE SHEET
31 December 1995

	Note	31 December 1995 £	30 June 1994 £
FIXED ASSETS			
Tangible assets	8	261,165	242,937
Investments	9	41,157	47,157
		<u>302,322</u>	<u>290,094</u>
CURRENT ASSETS			
Stocks	10	489,690	480,522
Debtors	11	1,763,283	1,459,405
Cash at bank and in hand		131,974	795,128
		<u>2,384,947</u>	<u>2,735,055</u>
CREDITORS: amounts falling due within one year	12	<u>2,017,097</u>	<u>2,391,861</u>
NET CURRENT ASSETS		<u>367,850</u>	<u>343,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		670,172	633,288
CREDITORS: amounts falling due after more than one year	13	<u>(2,476)</u>	<u>(28,780)</u>
		<u>667,696</u>	<u>604,508</u>
CAPITAL AND RESERVES			
Called up share capital	14	308,410	308,410
Share premium account	15	487,150	487,150
Profit and loss account	19	(127,864)	(191,052)
Total equity shareholders' funds		<u>667,696</u>	<u>604,508</u>

These financial statements were approved by the Board of Directors on 19 March 1996.

Signed on behalf of the Board of Directors



I D Fletcher
 Director

CONSOLIDATED CASH FLOW STATEMENT
Eighteen months ended 31 December 1995

	Note	Eighteen months ended 31 December 1995 £	Year ended 30 June 1994 £
Net cash (outflow)/inflow from operating activities	1	(360,565)	983,658
Returns on investments and servicing of finance			
Interest received		11,763	11,468
Interest paid		(37,682)	(24,429)
Interest element of finance lease rentals		(4,113)	(5,155)
Net cash (outflow) from returns on investments and servicing of finance		(30,032)	(18,116)
Taxation			
Corporation tax paid		(51,553)	-
Tax paid		(51,553)	-
Investing activities			
Purchase of intangible fixed assets		-	(2)
Purchase of tangible fixed assets		(223,500)	(166,183)
Proceeds from sale of tangible fixed assets		68,158	46,093
Net cash (outflow) from investing activities		(155,342)	(120,092)
Net cash (outflow)/inflow before financing		(597,492)	845,450
Financing			
Capital element of finance lease rentals		(65,662)	(38,007)
Net cash (outflow) from financing		(65,662)	(38,007)
(Decrease)/increase in cash and cash equivalents	2	(663,154)	807,443

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Eighteen months ended 31 December 1995

**1. RECONCILIATION OF OPERATING PROFIT TO NET
 (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	Eighteen months ended 31 December 1995 £	Year ended 30 June 1994 £
Operating profit	97,571	322,115
Amortisation of licence fees	-	2
Depreciation	144,960	109,420
(Profit)/loss on sale of tangible fixed assets	(7,846)	3,732
(Increase) in stock	(9,168)	(112,579)
(Increase) in debtors	(303,878)	(892,937)
(Decrease)/increase in creditors	(282,204)	1,553,905
Net cash (outflow)/inflow from continuing operating activities	<u>(360,565)</u>	<u>983,658</u>

**2. ANALYSIS OF CHANGES IN CASH AND CASH
 EQUIVALENTS DURING THE PERIOD**

	Eighteen months ended 31 December 1995 £	Year ended 30 June 1994 £
Balance at 30 June 1994	795,128	(12,315)
Net cash (outflow)/inflow (see note 3)	<u>(663,154)</u>	<u>807,443</u>
Balance at 31 December 1995	<u>131,974</u>	<u>795,128</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Eighteen months ended 31 December 1995

**3. ANALYSIS OF THE BALANCES OF CASH AND CASH
 AS SHOWN IN THE BALANCE SHEET**

	31 December 1995 £	30 June 1994 £	Change in the eighteen months ended 31 December 1995 £	Change in the year ended 30 June 1994 £
Cash at bank and in hand	131,974	795,128	(663,154)	786,796
Bank overdraft	-	-	-	20,647
	<u>131,974</u>	<u>795,128</u>	<u>(663,154)</u>	<u>807,443</u>

**4. ANALYSIS OF CHANGES IN FINANCING DURING
 THE PERIOD**

	31 December 1995 £	30 June 1994 £
Finance lease obligations:		
Balance at 30 June 1994	81,238	119,245
Cash outflows from financing	(65,662)	(38,007)
Balance at 31 December 1995	<u>15,576</u>	<u>81,238</u>

NOTES TO THE ACCOUNTS

Eighteen months ended 31 December 1995

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings for all financial periods ended 31 December 1995. Goodwill on acquisition is written off directly to the profit and loss account at the time of acquisition. The cumulative goodwill written off to date amounts to £63,290.

In the accounts of the parent company, the investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

Intangible assets

The intangible assets in the balance sheet represent the value of payments made for the sole rights to use and distribute certain publishing systems. The payments comprise two elements: an outright payment, and a payment in advance of commissions due under the agreements. Amortisation has been charged as follows:

- (i) outright payment - amortised on a straight line basis over the estimated useful lives of between four and seven years.
- (ii) advance against commissions - amortised on a fixed percentage of turnover derived from related sales.

Depreciation

Depreciation is provided in equal instalments over the estimated useful lives of the assets and is calculated on the cost of the assets.

The following rates are used:

Motor vehicles	-	40%
Computer equipment and software	-	25%
Fixtures and fittings	-	15%

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Stocks

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

Leases and hire purchase contracts

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

NOTES TO THE ACCOUNTS
Eighteen months ended 31 December 1995

1. ACCOUNTING POLICIES (continued)

Pension costs

The cost of providing pension contributions in the period is charged to the profit and loss account on an accruals basis.

2. TURNOVER

Turnover represents sales, which fall within the group's ordinary activities, excluding value added tax, all of which arises in the United Kingdom.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Eighteen months ended 31 December 1995 £	Year ended 30 June 1994 £
Directors' emoluments:		
Other emoluments	282,345	228,683
Ex-gratia payment to former director	17,380	-
	<u>299,725</u>	<u>228,683</u>
	£	£
Remuneration of the chairman	<u>31,500</u>	<u>21,053</u>
	£	£
Remuneration highest paid director	<u>97,422</u>	<u>76,482</u>
	No.	No.
Scale of other directors' remuneration:		
£ 0 - £ 5,000	2	1
£20,001 - £25,000	1	-
£40,001 - £45,000	1	-
£60,001 - £65,000	-	1
£70,001 - £75,000	-	1
£80,001 - £85,000	1	-

In addition to the above the company has been invoiced for £22,500 in respect of the services of Mr D Sebire.

NOTES TO THE ACCOUNTS
Eighteen months ended 31 December 1995

**3. INFORMATION REGARDING DIRECTORS AND
 EMPLOYEES (continued)**

	Eighteen months ended 31 December 1995 £	Year ended 30 June 1994 £
Employee costs during the period:		
Wages and salaries	1,192,439	777,584
Social security costs	124,401	81,244
Other pension costs	44,497	25,043
Profit related pay	7,505	33,777
	<u>1,368,842</u>	<u>917,648</u>

	No.	No.
Average number of persons employed:		
Sales	7	6
Support	18	12
Administration	7	8
	<u>32</u>	<u>26</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Eighteen months ended 31 December 1995 £	Year ended 30 June 1994 £
Repayable within five years:		
Finance lease commitments	4,113	5,155
Hire purchase commitments	7,069	5,187
Bank loans, overdrafts and other loans	30,613	19,242
	<u>41,795</u>	<u>29,584</u>


NOTES TO THE ACCOUNTS
Eighteen months ended 31 December 1995
**5. PROFIT ON ORDINARY ACTIVITIES BEFORE
TAXATION**

	Eighteen months ended 31 December 1995	Year ended 30 June 1994
	£	£
Profit on ordinary activities before taxation is after charging:		
Depreciation		
- owned assets	89,303	34,636
- leased assets	55,657	74,784
Auditors' remuneration:		
- audit	10,000	8,300
- other	3,300	3,250
Amortisation	-	2
Hire of motor vehicles	149,887	60,321
Rent	83,406	52,598
	<u> </u>	<u> </u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Eighteen months ended 31 December 1995	Year ended 30 June 1994
	£	£
United Kingdom corporation tax at 25% (1994- 33%) based on the profit for the period	(22,300)	(69,500)
Overprovision in respect of previous years	17,947	-
	<u> </u>	<u> </u>
	(4,353)	(69,500)
	<u> </u>	<u> </u>

The United Kingdom corporation tax charge does not bear a normal relationship to the profit for the year due to the disallowance of certain expenditure for tax purposes.

7. INTANGIBLE FIXED ASSETS

The intangible fixed assets represent the value of payments made for the sole rights to use and distribute certain publishing systems and they are amortised over their estimated useful lives. At 30 June 1994 and 31 December 1995 the group and the company held intangible fixed assets with an original cost of £252,339 which had been fully amortised.

NOTES TO THE ACCOUNTS
Eighteen months ended 31 December 1995

8. TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment and software £	Fixtures and fittings £	Total £
THE GROUP				
Cost				
At 1 July 1994	93,825	376,685	88,516	559,026
Additions	42,668	152,805	28,027	223,500
Disposals	(93,825)	-	-	(93,825)
Transfers to stock for resale	-	(73,914)	-	(73,914)
At 31 December 1995	<u>42,668</u>	<u>455,576</u>	<u>116,543</u>	<u>614,787</u>
Accumulated depreciation				
At 1 July 1994	41,731	211,276	63,082	316,089
Charge for the period	38,873	87,108	18,979	144,960
Disposals	(57,225)	-	-	(57,225)
Transfers to stock for resale	-	(50,202)	-	(50,202)
At 31 December 1995	<u>23,379</u>	<u>248,182</u>	<u>82,061</u>	<u>353,622</u>
Net book value				
At 31 December 1995	<u>19,289</u>	<u>207,394</u>	<u>34,482</u>	<u>261,165</u>
At 30 June 1994	<u>52,094</u>	<u>165,409</u>	<u>25,434</u>	<u>242,937</u>

NOTES TO THE ACCOUNTS
Eighteen months ended 31 December 1995

8. TANGIBLE FIXED ASSETS (continued)

	Motor vehicles £	Computer equipment and software £	Fixtures and fittings £	Total £
THE COMPANY				
Cost				
At 1 July 1994	93,825	376,685	88,516	559,026
Additions	42,668	152,805	28,027	223,500
Disposals	(93,825)	-	-	(93,825)
Transfers to stock for resale	-	(73,914)	-	(73,914)
At 31 December 1995	<u>42,668</u>	<u>455,576</u>	<u>116,543</u>	<u>614,787</u>
Accumulated depreciation				
At 1 July 1994	41,731	211,276	63,082	316,089
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Disposals	(57,225)	-	-	(57,225)
Transfers to stock for resale	-	(50,202)	-	(50,202)
At 31 December 1995	<u>23,379</u>	<u>248,182</u>	<u>82,061</u>	<u>353,622</u>
Net book value				
At 31 December 1995	<u>19,289</u>	<u>207,394</u>	<u>34,482</u>	<u>261,165</u>
At 30 June 1994	<u>52,094</u>	<u>165,409</u>	<u>25,434</u>	<u>242,937</u>

Fixed assets at a cost of £171,823 have been fully depreciated.

The net book value of the group and company's fixed assets includes £19,289 (1994 - £67,478) in respect of motor vehicles held under finance leases and hire purchase contracts.

NOTES TO THE ACCOUNTS
Eighteen months ended 31 December 1995

9. INVESTMENTS HELD AS FIXED ASSETS

	1995 £
Shares in group companies - subsidiaries:	
Cost at 30 June 1994	47,157
Written off on Typecraft (UK) Limited being struck off Companies Register	(6,000)
Cost at 31 December 1995	<u>41,157</u>

10. STOCKS

	31 December 1995 £	The Group 30 June 1994 £	31 December 1995 £	The Company 30 June 1994 £
Finished goods and goods for resale	<u>489,690</u>	<u>480,522</u>	<u>489,690</u>	<u>480,522</u>

In the opinion of the directors the replacement value of stock is not materially different from the value at which it is stated in the balance sheet. All stock is held on terms under which title is reserved by the supplier until payment has been made by the group.

11. DEBTORS

	31 December 1995 £	The Group 30 June 1994 £	31 December 1995 £	The Company 30 June 1994 £
Trade debtors	1,617,424	974,878	1,617,424	974,878
Amounts owed by subsidiary company	-	-	3,238	3,238
Other debtors	4,585	7,260	4,585	7,260
Prepayments and accrued income	138,036	474,029	138,036	474,029
	<u>1,760,045</u>	<u>1,456,167</u>	<u>1,763,283</u>	<u>1,459,405</u>

NOTES TO THE ACCOUNTS
Eighteen months ended 31 December 1995

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 1995 £	The Group 30 June 1994 £	31 December 1995 £	The Company 30 June 1994 £
Obligations under finance leases and hire purchase contracts	13,100	52,458	13,100	52,458
Trade creditors	989,944	1,242,888	989,944	1,242,888
Amounts owed to subsidiary companies	-	-	41,157	47,159
Tax and social security	219,689	129,131	219,689	129,131
Accruals and deferred income	753,207	920,225	753,207	920,225
	<u>1,975,940</u>	<u>2,344,702</u>	<u>2,017,097</u>	<u>2,391,861</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 1995 £	The Group 30 June 1994 £	31 December 1995 £	The Company 30 June 1994 £
Hire purchase:				
Payable in less than one year	14,198	56,015	14,198	56,015
Payable between two and five years	2,516	32,462	2,516	32,462
	<u>16,714</u>	<u>88,477</u>	<u>16,714</u>	<u>88,477</u>
Less:				
Finance charges allocated to future periods	1,138	7,239	1,138	7,239
Included in creditors due within one year	13,100	52,458	13,100	52,458
	<u>2,476</u>	<u>28,780</u>	<u>2,476</u>	<u>28,780</u>

NOTES TO THE ACCOUNTS
Eighteen months ended 31 December 1995

14. CALLED UP SHARE CAPITAL

	£
Authorised:	
Balance at 1 July 1994 and 31 December 1995	
2,000,000 ordinary shares of 20p each	<u>400,000</u>
 Allotted and fully paid ordinary shares:	
Balance at 1 July 1994 and 31 December 1995	
1,542,050 ordinary shares of 20p each	<u>308,410</u>

During the year ended 30 June 1993 options were granted to subscribe for up to 40,000 ordinary shares of 20p each, exercisable between 17 August 1995 and 16 August 2002, at a subscription price of 25p per share. During the year ended 30 June 1994 options were granted to subscribe for up to 15,000 ordinary shares of 20p each, exercisable between 4 January 1997 and 3 January 2004, at a subscription price of 25p per share; 10,000 of these options have lapsed. During the eighteen months ended 31 December 1995 options were granted to subscribe for up to 5,000 ordinary shares of 20p each, exercisable between 30 November 1997 and 29 November 2004, at a subscription price of 40p per share.

In addition to the above, during the year ended 30 June 1994 R Kemm and R A Hall were each granted options to subscribe for up to 37,500 ordinary shares of 20p each, at a subscription price of 25p per share. On 31 December 1995 R A Hall applied to exercise options for 10,000 ordinary shares of 20p each, and these shares were issued on 15 February 1996. The balance of 27,500 options granted to R A Hall have lapsed. Of the 37,500 options granted to R Kemm, 18,750 options have lapsed and the balance of 18,750 options are exercisable between 20 October 1994 and 23 February 2001.

15. SHARE PREMIUM ACCOUNT

	£
Balance at 1 July 1994 and 31 December 1995	<u>487,150</u>

16. CONTINGENCIES AND COMMITMENTS

Under the terms of the agreement with Oldham Associates Incorporated, commissions are payable on sales made of publishing systems at a rate of twenty percent of the software element of sales value. Such payments amounted to £52,971 during the period.

NOTES TO THE ACCOUNTS

Eighteen months ended 31 December 1995

17. OPERATING LEASE COMMITMENTS

At 31 December 1995 the group and the company were committed to make the following payments during the next year in respect of operating leases:

	Land and buildings £	Other £
Leases which expire:		
Within one year	-	4,513
Within 2 to 5 years	49,916	144,203
	<u>49,916</u>	<u>148,716</u>

18. ADDITIONAL INFORMATION ON SUBSIDIARIES

	Proportion held
DPS Typecraft (Scanners) Limited	100%
DPS Computers Limited	100%

Both subsidiaries are registered in England and Wales, and neither of them trade. Typecraft (UK) Limited and Typecraft (International) Limited, previously 100% owned subsidiaries and dormant for over five years, were struck off the Companies Register during 1995.

19. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial period amounted to £63,188 (1994 - £225,656).

20. PENSION COSTS

The pension scheme is a defined contribution scheme.