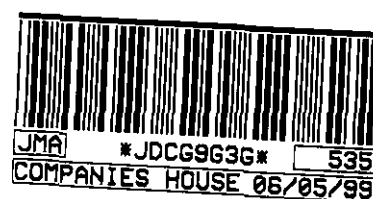


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BRIMSTONE ARTWORKS LIMITED
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH APRIL 1998

Matravers & Co
Chartered Accountants
Altrincham



BRIMSTONE ARTWORKS LIMITED

DIRECTORS: C.E. Spofforth
L.A. Spofforth

SECRETARY: C.E. Spofforth

REGISTERED OFFICE: 1st Floor, Radium House
Bridgewater Road
Altrincham, Cheshire
WA14 1LZ

REGISTERED NUMBER: 2704029 (England and Wales)

BANKERS: National Westminster Bank Plc
23 Sankey Street
Warrington
WA1 1XH

ACCOUNTANTS: Matravers & Co
Chartered Accountants
Bridgewater House
Century Park, Caspian Way
Altrincham
Cheshire WA14 5HH

BRIMSTONE ARTWORKS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1998

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1. Report of the Directors
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4. Balance Sheet
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The following page does not form part of the Statutory Financial Statements

6. Trading and Profit and Loss Account

BRIMSTONE ARTWORKS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH APRIL 1998

The directors present their annual report and the financial statements of the company for the year ended 30th April 1998.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company in the year under review was that of art and design work. The results for the year are set out on page 3.

DIVIDENDS

A final dividend of £ 20,000, representing £ 100.00 per share is proposed.

DIRECTORS

The directors in office during the year and their interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	1998	1997
C.E. Spofforth	199	199
L.A. Spofforth	1	1

This report was approved by the Board on.....30/4/98.....

Signed on behalf of the Board of Directors

.....C.E. Spofforth

ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS TO
THE DIRECTORS OF BRIMSTONE ARTWORKS LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30th April 1998 set out on pages 3 to 5, and you consider that the company is exempt from an audit and a report under section 249A(1) of the Companies Act 1985. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Matravers & Co
Chartered Accountants

Bridgewater House
Century Park, Caspian Way
Altrincham
Cheshire WA14 5HH

Date ...30... April...1999

BRIMSTONE ARTWORKS LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
TURNOVER	2	97,808	51,943
Cost of Sales		30,484	41,023
<u>GROSS PROFIT</u>		<u>67,324</u>	<u>10,920</u>
Administrative Expenses		36,510	19,494
<u>OPERATING PROFIT/ (LOSS)</u>	3	<u>30,814</u>	<u>(8,574)</u>
Interest Payable	6	-	18
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		<u>30,814</u>	<u>(8,592)</u>
Tax on Profit/(Loss) on Ordinary Activities	7	6,550	(1,170)
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		<u>24,264</u>	<u>(7,422)</u>
Dividends	8	20,000	-
<u>RETAINED PROFIT/ (LOSS) FOR THE YEAR</u>	13	<u>£ 4,264</u>	<u>£ (7,422)</u>

There are no recognised gains or losses in the above two financial years other than those dealt with in the profit and loss account.

The notes on page 5 form part of these financial statements.

BRIMSTONE ARTWORKS LIMITEDBALANCE SHEET
AS AT 30TH APRIL 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
FIXED ASSETS			
Tangible Assets	9	4,101	2,739
CURRENT ASSETS			
Debtors	10	41,959	4,217
Cash at Bank and in Hand		17,545	6,381
		<u>59,504</u>	<u>10,598</u>
CREDITORS : Amounts falling due within one year	11	<u>69,210</u>	<u>23,206</u>
NET CURRENT LIABILITIES		(9,706)	(12,608)
NET LIABILITIES		<u>£ (5,605)</u>	<u>£ (9,869)</u>
CAPITAL AND RESERVES			
Called Up Share Capital	12	200	200
Profit and Loss Account	13	(5,805)	(10,069)
<u>SHAREHOLDERS' FUNDS - All Equity</u>	14	<u>£ (5,605)</u>	<u>£ (9,869)</u>

The notes on page 5 form part of these financial statements.

BRIMSTONE ARTWORKS LIMITEDBALANCE SHEET

(continued)

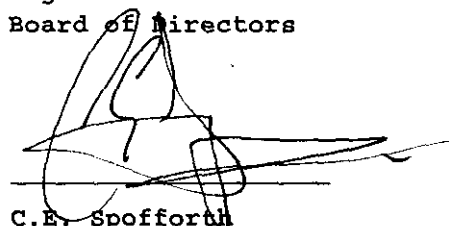
AS AT 30TH APRIL 1998

For the year ended 30th April 1998 the company was entitled to the audit exemption under Subsection 1 of Section 249A of the Companies Act 1985.

No member or members have requested an audit for the current financial year pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

Signed on behalf of the
Board of Directors



C.E. Spofforth
Director

Approved by the Board on.....30.....April.....1998.

BRIMSTONE ARTWORKS LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1998**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report, all of which are continuing.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost, less the estimated residual value of each asset over its expected useful life, as follows:

Office Equipment	25% per annum reducing balance
------------------	--------------------------------

Deferred Taxation

Provision is made, at appropriate rates, for taxation deferred in respect of all material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

2. TURNOVER

The Turnover and Profit before taxation for the year is attributable to the principal activity of the company performed entirely within the United Kingdom, namely that of art and design work.

3. OPERATING PROFIT/(LOSS)

The Operating Profit/(Loss) is stated after charging:

	<u>1998</u>	<u>1997</u>
	£	£
Depreciation: Owned Assets	1,367	913
Car Hire	3,464	4,218
Operating lease: land & buildings	3,012	3,012
	<u> </u>	<u> </u>

BRIMSTONE ARTWORKS LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 19984. STAFF COSTS

The costs incurred, including directors' remuneration, were as follows:

	<u>1998</u>	<u>1997</u>
	£	£
Wages and Salaries	12,311	-
Social Security Costs	1,221	-
	<u>13,532</u>	<u>-</u>

The average monthly number of employees during the year was as follows:

	<u>No.</u>	<u>No.</u>
Office and Management	3	2
	<u>3</u>	<u>2</u>

5. DIRECTORS' EMOLUMENTS

Directors' Remuneration	4,000	-
	<u>4,000</u>	<u>-</u>

6. INTEREST PAYABLE

	<u>1998</u>	<u>1997</u>
	£	£
On Bank Loans and Overdrafts	-	18
	<u>-</u>	<u>18</u>

7. TAXATION

The tax charge on the profit on ordinary activities was as follows:

	<u>1998</u>	<u>1997</u>
	£	£
Corporation Tax	6,550	-
Overprovision for Tax in prior year	-	(1,170)
	<u>6,550</u>	<u>(1,170)</u>

There is no liability for deferred taxation.

BRIMSTONE ARTWORKS LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 19988. DIVIDENDS

	<u>1998</u>	<u>1997</u>
	£	£
Dividends Proposed	<u>20,000</u>	<u>-</u>

Dividends are payable entirely to equity shareholders.

9. TANGIBLE FIXED ASSETS

	<u>Office Equipment</u>	<u>TOTAL</u>
	£	£
COST		
At 1st May 1997	6,681	6,681
Additions in year	<u>2,730</u>	<u>2,730</u>
At 30th April 1998	<u>9,411</u>	<u>9,411</u>
DEPRECIATION		
At 1st May 1997	3,942	3,942
Charge for year	<u>1,368</u>	<u>1,368</u>
At 30th April 1998	<u>5,310</u>	<u>5,310</u>
NET BOOK VALUE		
At 30th April 1998	<u>4,101</u>	<u>4,101</u>
At 30th April 1997	<u>2,739</u>	<u>2,739</u>

10. DEBTORS

	<u>1998</u>	<u>1997</u>
	£	£
Amounts falling due within one year:		
Trade Debtors	35,409	656
Corporation Tax	-	315
Advance Corporation Tax	5,000	-
Other Debtors	1,550	2,390
Prepayments	-	856
	<u>41,959</u>	<u>4,217</u>

BRIMSTONE ARTWORKS LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 199811. CREDITORS

	<u>1998</u>	<u>1997</u>
	£	£
Amounts falling due within one year:		
Trade Creditors	20,938	18,690
Proposed Dividends	20,000	-
Corporation Tax	6,237	-
Advance Corporation Tax	5,000	-
Other Taxes and Social Security Costs	5,805	1,218
Other Creditors	1,850	-
Accruals and Prepaid Income	9,380	3,298
	<u>69,210</u>	<u>23,206</u>

12. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised: 200 Ordinary Shares of £1 Each	200	200
Allotted, Issued and Fully Paid		
200 Ordinary Shares of £1 Each	<u>200</u>	<u>200</u>

The whole of the issued share capital comprises equity shares.

13. RESERVES

	<u>Profit & Loss A/C</u>
	£
At 1st May 1997	(10,069)
Retained Profit for the year	<u>4,264</u>
At 30th April 1998	<u>(5,805)</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1998</u>	<u>1997</u>
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	24,264	(7,422)
Dividends	20,000	-
	<u>4,264</u>	<u>(7,422)</u>
Opening Shareholders' Funds	(9,869)	(2,447)
Closing Shareholders' Funds	<u>(5,605)</u>	<u>(9,869)</u>

BRIMSTONE ARTWORKS LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 199815. TRANSACTIONS WITH THE DIRECTORS

Loans to the Directors

	Liability at the start of the year	Maximum Liability during the year	Liability at the end of the year
	£	£	£
C.E. Spofforth	840	840	-

16. FINANCIAL COMMITMENTS

At 30th April 1998 the company had annual commitments under a non-cancellable operating lease as follows:

	Land & Buildings		Other	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
			£	£
Expiry date:				
Within one year	3,012	3,012	-	-
Between two and five years	-	-	-	4,157

17. RELATED PARTIES

Included in turnover are sales to European Micro plc of £26,290 (1997 £27,391). An amount of £4,474 (1997 £656) is outstanding as at the Balance Sheet date. The wife of director C. Spofforth, is a director of European Micro plc.

BRIMSTONE ARTWORKS LIMITEDTRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 1998

	<u>1998</u>		<u>1997</u>	
	£	£	£	£
SALES		97,808		51,943
COST OF SALES				
Models	-		284	
Printing and Photography	18,290		24,400	
Materials	12,194		16,339	
		<u>30,484</u>		<u>41,023</u>
<u>GROSS PROFIT</u>		67,324		10,920
LESS OVERHEADS				
Directors' Remuneration	4,000		-	
Salaries and Wages	8,311		-	
National Insurance Costs	1,221		-	
Motor and Travel Expenses	1,982		2,714	
Vehicle Hire	3,464		4,218	
Repairs and Renewals	288		491	
Delivery and Carriage	426		325	
Telephone Charges	662		856	
Entertaining	33		669	
Postage, Stationery and Advertising	1,839		144	
Heating and Lighting	304		603	
Insurances	853		297	
Rent and Rates	4,658		5,423	
Bank Charges	263		305	
Subscriptions	-		24	
Legal and Professional Fees	(1,766)		85	
Bad Debts	-		193	
Sundry Expenses	5		1,084	
Late Filing Penalties	100		100	
Accountancy	1,500		1,050	
Commission Payable	7,000		-	
Bank Overdraft Interest	-		18	
Depreciation: Owned Assets	1,367		913	
		<u>36,510</u>		<u>19,512</u>
<u>NET PROFIT/(LOSS) FOR THE YEAR</u>		<u>30,814</u>		<u>(8,592)</u>

This page does not form part of the statutory financial statements.