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THE MULTIMEDIA DESIGN STUDIO LIMITED
ACCOUNTS FOR THE PERIOD ENDED 31ST JULY 1997



THE MULTIMEDIA DESIGN STUDIO LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST JULY 1997

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REGISTERED NUMBER

3162170

REGISTERED OFFICE

2 New Road
St. Ives
Huntingdon
PE17 4BG

**THE MULTIMEDIA DESIGN STUDIO LIMITED
REPORT OF THE DIRECTOR
FOR THE PERIOD ENDED 31ST JULY 1997**

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ACCOUNTS

The director has pleasure in submitting his report together with the financial statements for the period ended 31st July, 1997.

ACTIVITIES

The principal activity of the company is the provision of training and communication materials.

RESULTS AND DIVIDENDS

The results for the period were as follows:

Profit on ordinary activities before taxation:	£27,046
Profit attributable to shareholders:	£9,046

An interim dividend of £12,000 per share has been paid during the period and the Director does not recommend the payment of a further dividend.

BUSINESS REVIEW

The company was formed on 21st February, 1996 but did not commence trading until 2nd October, 1996. The director considers the results for the first period of trading and the company's affairs to be satisfactory.

FIXED ASSETS

Movements in fixed assets are shown in note 6 to the accounts.

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 then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether the 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.

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.

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REPORT OF THE DIRECTOR
FOR THE PERIOD ENDED 31ST JULY 1997

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DIRECTOR AND HIS INTEREST

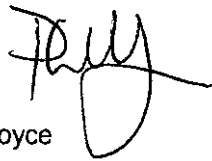
The director of the company during the period ended 31st July, 1997 and his interest in the shares of the company is as follows:

Ordinary shares of £1 each
31.07.97.

Dr G. Spinks - appointed 21st February, 1996

£
1

By Order of the Board



P. Joyce

Secretary

21st October, 1997

THE MULTIMEDIA DESIGN STUDIO LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST JULY 1997

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	Notes	1997 £
TURNOVER	1	66,429
Cost of sales		5,925
Gross Profit		<u>60,504</u>
Administration expenses		33,485
Operating profit		<u>27,019</u>
Bank interest received		27
Profit on ordinary activities before taxation	2	<u>27,046</u>
Tax on profit on ordinary activities	3	6,000
Profit on ordinary activities after taxation		<u>21,046</u>
Dividends	4	12,000
Retained profit the financial period		<u>£9,046</u> <u>=====</u>

The company has no recognised gains or losses other than the results for the period set out above.

All of the activities of the company are classed as continuing.

THE MULTIMEDIA DESIGN STUDIO LIMITED
BALANCE SHEET
AS AT 31ST JULY 1997

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	Notes	1997
		£ £
FIXED ASSETS		
Tangible fixed assets	6	8,259
CURRENT ASSETS		
Cash at bank and in hand		4,024
Trade debtors		17,432
		<hr/>
		21,456
CREDITORS: amounts due within one year	7	20,668
		<hr/>
		788
		<hr/>
		£9,047
		=====
CAPITAL AND RESERVES		
Called up share capital	8	1
Profit and loss account	9	9,046
		<hr/>
		£9,047
		=====

The exemption conferred by section 249A(1) not to have these accounts audited applies to the company and the director confirms that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibility for ensuring that:

- i) the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- ii) the accounts give a true and fair view of the state of the affairs of the company as at 31st July, 1997 and of its profit for the period then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

Approved by the director on 21st October, 1997

Graham Spinks

Dr. G. Spinks

Director

THE MULTIMEDIA DESIGN STUDIO LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST JULY 1997

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1 ACCOUNTING POLICIES

Basis of accounting

The accounts were drawn up under the historical cost convention in accordance with applicable accounting standards.

Cash flow

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 Statements'.

Turnover

Turnover represents the invoice value, excluding value added tax, of goods and services supplied to customers.

Depreciation

Depreciation of fixed assets is provided at the rates shown below so as to write off their cost over the estimated useful lives:

	Rate	Basis
Computer and office equipment	25.00%	Straight line

Deferred tax

Deferred taxation is provided using the liability method in respect of accelerated capital allowances and other timing differences unless, in the opinion of the director there is a reasonable probability that the taxation in question will not become payable in the foreseeable future.

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NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST JULY 1997

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1997
£

2 PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities is stated after charging:

Depreciation	2,753
Director's remuneration	7,112
	<u>=====</u>

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax at 24%	£6,000
	<u>=====</u>

4 DIVIDENDS

Dividend on ordinary shares - paid (£12,000 per share)	£12,000
	<u>=====</u>

5 DIRECTOR'S REMUNERATION

Salary	6,636
Social security costs	476
	<u>=====</u>
	£7,112
	<u>=====</u>

6 TANGIBLE FIXED ASSETS

	Computer Equipment	Other Equipment	Total
	£	£	£
Cost			
Additions and At 31st July, 1997	9,615	1,397	11,012
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Depreciation			
Charge for the period and at 31st July, 1997	2,404	349	2,753
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net book value			
At 31st July, 1997	£7,211	£1,048	£8,259
	<u>=====</u>	<u>=====</u>	<u>=====</u>

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NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST JULY 1997

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	1997 £
7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	
Trade creditors	488
Corporation tax	6,000
Other taxes and social security	3,581
Accruals	600
Other creditors	9,999
	<u>£20,668</u>

8 CALLED UP SHARE CAPITAL

Allotted and fully paid:

1 ordinary share of £1 each	£1
	=

Authorised:

1,000 shares of £1 each	£1,000
	<u>=====</u>

9 PROFIT AND LOSS ACCOUNT

Profit for the financial period and at 31st July, 1997	£9,046
	<u>=====</u>

10 CONTINGENT LIABILITIES, FINANCIAL AND CAPITAL COMMITMENTS

At 31st July, 1997 the company had no contingent liabilities, financial or capital commitments.