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A1 PRESENTATIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE 17 MONTHS ENDED
28 FEBRUARY 1997**



A1 PRESENTATIONS LIMITED

Company Information

Directors	R C Singleton S G Hope
Secretary	S G Hope
Company Number	2518569
Registered Office	3a Attenborough Lane Chilwell Nottingham NG9 5JN
Accountants	Mason Law Registered Auditors 9 Frederick Road Edgbaston Birmingham B15 1TW

A1 PRESENTATIONS LIMITED

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DIRECTORS' REPORT FOR THE ENDED 28 FEBRUARY 1997

The directors present their report and the financial statements for the 17 months ended 28 February 1997.

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 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 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.

Results and dividends

The loss for the period after taxation, amounted to £(79,208) (1995 - £17,343) .

Principal activities and review of business

The company has not traded since 1 May 1996 when the business was sold to Quadrant Video Systems plc. Until that date the principal activity of the business had been that of audio, visual and video presentation consultants.

Directors

The directors who served during the period and their beneficial interests in the company's issued share capital were :

	Ordinary shares of £1 each	
	1997	1995
R C Singleton (apptd 13.5.96)	-	-
S G Hope (apptd 13.5.96)	-	-
A F Ward (resigned 13.5.96)	-	500
M Cave (resigned 13.5.96)	-	500

Auditors

The auditors, Mason Law, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 21 April 1998 and signed on its behalf.



S G Hope
Secretary

AUDITORS' REPORT TO A1 PRESENTATIONS LIMITED
pursuant to paragraph 24 of schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 9 together with the full financial statements of A1 Presentations Limited prepared under section 226 of the Companies Act 1985 for the period ended 28 February 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to 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 4 and whether the abbreviated accounts 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 accounts 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 sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the period ended 28 February 1997 and the abbreviated accounts on pages 3 to 9 have been properly prepared in accordance with that Schedule.

Other information

On Tuesday, April 21, 1998 we reported, as auditors of A1 Presentations Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the period ended 28 February 1997, and our audit report was as follows:

"We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6

Respective responsibilities of directors and auditors

As described on page 1 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 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 28 February 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Mason Law

Registered Auditors
9 Frederick Road
Edgbaston
Birmingham
B15 1TW

21 April 1998

A1 PRESENTATIONS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT For the 17 months ended 28 February 1997

		17 months to 28 February 1997	1995
	Note	£	£
GROSS PROFIT		102,859	205,723
Administrative expenses		(182,067)	(184,492)
OPERATING (LOSS)/PROFIT	2	(79,208)	21,231
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	3	-	(3,888)
(LOSS)/RETAINED PROFIT FOR THE PERIOD		(79,208)	17,343
RETAINED PROFIT BROUGHT FORWARD		54,905	37,562
(LOSS)/RETAINED PROFIT CARRIED FORWARD		£ (24,303)	£ 54,905

All amounts relate to continuing operations.

There were no recognised gains and losses for 1997 or 1995 other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

A1 PRESENTATIONS LIMITED

BALANCE SHEET As at 28 February 1997

	Note	£	1997 £	£	1995 £
FIXED ASSETS					
Tangible fixed assets	4		-		211,531
CURRENT ASSETS					
Debtors	5	-		61,773	
Cash in hand		-		144	
				<u>61,917</u>	
CREDITORS: amounts falling due within one year	6	(23,303)		(139,785)	
NET CURRENT LIABILITIES			(23,303)		(77,868)
TOTAL ASSETS LESS CURRENT LIABILITIES			(23,303)		133,663
CREDITORS: amounts falling due after more than one year	7		-		(77,758)
NET (LIABILITIES)/ASSETS			£ (23,303)		£ 55,905
CAPITAL AND RESERVES					
Called up share capital	8		1,000		1,000
Profit and loss account			(24,303)		54,905
SHAREHOLDERS' FUNDS - All equity	9		£ (23,303)		£ 55,905

The directors have taken advantage of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a medium sized company.

The financial statements were approved by the board on 21 April 1998 and signed on its behalf


R C Singleton

Director

The notes on pages 6 to 9 form part of these financial statements.

CASH FLOW STATEMENT
For the 17 months ended 28 February 1997

	17 months to 28 February 1997		1995	
	Note	£	£	£
Net cash inflow from operating activities	11	32,233		33,856
Taxation				
Corporation tax paid		(5,500)	1,612	
		-	-	
		-	-	
Tax (paid)/received		(5,500)		1,612
Investing activities				
Payments to acquire intangible fixed assets		-	-	
Payments to acquire tangible fixed assets		(15,905)	(51,424)	
Payments to acquire fixed asset investments		-	-	
Receipts from sales of intangible fixed assets		-	-	
Receipts from sales of tangible fixed assets		145,519	(8,969)	
Receipts from sales of fixed asset investments		-	-	
Government grants received		-	-	
		-	-	
		-	-	
		-	-	
Net cash inflow/(outflow) from investing activities		129,614		(60,393)
Net cash inflow/(outflow) before financing		156,347		(24,925)
Increase/(decrease) in cash and cash equivalents	12	£ 156,347	£	(24,925)

The notes on pages 6 to 10 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the period ended 28 February 1997

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value as determined by the Directors at the date of the purchase of the business by Quadrant Video Systems plc.

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

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

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	17 months to 28 February	
	1997	1995
	£	£
Depreciation of tangible fixed assets		
- owned by the company	76,373	16,097
- held under finance leases and hire purchase contracts	5,544	12,673
Audit fees	3,600	3,600
Auditors' remuneration - non-audit services	1,703	-
	<u>87,220</u>	<u>32,370</u>

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NOTES TO THE ABBREVIATED ACCOUNTS For the period ended 28 February 1997

3. TAXATION

	17 months to 28 February 1997 £	1995 £
Current year taxation		
UK Corporation Tax at 21% (1995 - 23%)	-	5,500
Prior years		
UK corporation tax	-	(1,612)
	<u>£ -</u>	<u>£ 3,888</u>

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 1 October 1995	101,525	126,943	10,550	74,996	314,014
Additions	-	15,905	-	-	15,905
Disposals	(101,525)	(142,848)	(10,550)	(74,996)	(329,919)
At 28 February 1997	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation					
At 1 October 1995	10,150	51,358	3,999	36,976	102,483
Charge for period	26,375	43,041	6,957	5,544	81,917
On disposals	(36,525)	(94,399)	(10,956)	(42,520)	(184,400)
At 28 February 1997	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value					
At 28 February 1997	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
At 30 September 1995	<u>£ 91,375</u>	<u>£ 75,585</u>	<u>£ 6,551</u>	<u>£ 38,020</u>	<u>£ 211,531</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	1997 £	1995 £
Motor Vehicles	<u>£ -</u>	<u>£ 23,871</u>

5. DEBTORS

	1997 £	1995 £
Due within one year		
Trade debtors	-	58,851
Other debtors	-	1,082
Prepayments and accrued income	-	1,840
	<u>£ -</u>	<u>£ 61,773</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the period ended 28 February 1997

6. CREDITORS:**Amounts falling due within one year**

	1997 £	1995 £
Bank loans and overdrafts	-	67,616
Net obligations under finance lease and hire purchase contracts	-	11,117
Trade creditors	-	3,356
Amounts owed to group undertakings	23,303	-
Corporation tax	-	5,500
Social security and other taxes	-	4,507
Other creditors	-	43,088
Accruals and deferred income	-	4,601
	<u>£ 23,303</u>	<u>£ 139,785</u>

7. CREDITORS:**Amounts falling due after more than one year**

	1997 £	1995 £
Bank loans and overdrafts	-	60,846
Net obligations under finance lease and hire purchase contracts	-	16,912
	<u>£ -</u>	<u>£ 77,758</u>

Included within the above are amounts falling due as follows:

In 1 - 2 years:

Finance lease and hire purchase obligations	-	16,912
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In more than 5 years:

Loan instalments	-	60,846
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8. CALLED UP SHARE CAPITAL

	1997 £	1995 £
Authorised		
1,000 ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
Authorised, allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>

9. SHAREHOLDERS' FUNDS**Reconciliation of movements on shareholders' funds**

	1997 £	1995 £
(Loss)/Profit for the period	(79,208)	17,343
Opening shareholders' funds	55,905	38,562
Closing shareholders' funds	<u>£ (23,303)</u>	<u>£ 55,905</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 February 1997

10. SHAREHOLDERS' FUNDS**Reconciliation of movements on shareholders' funds**

	1997 £	1995 £
(Loss)/Profit for the period	(79,208)	17,343
Opening shareholders' funds	55,905	38,562
Closing shareholders' funds	<u>£ (23,303)</u>	<u>£ 55,905</u>

11. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	17 months to 28 February	
	1997 £	1995 £
Operating profit	(79,208)	21,231
Depreciation of tangible fixed assets	81,917	28,770
Loss on disposal of tangible fixed assets	-	1,822
Decrease/(increase) in debtors	61,773	(10,880)
Decrease in creditors	(32,249)	(7,087)
Net cash inflow from operating activities	<u>£ 32,233</u>	<u>£ 33,856</u>

12. CASH AND CASH EQUIVALENTS**(a) Analysis of changes in cash and cash equivalents**

Balance at 1 October 1995	(156,347)	(129,599)
Net cash inflow/(outflow)	156,347	(24,925)
Loss on sale of assets	-	(1,823)
Balance at 28 February 1997	<u>£ -</u>	<u>£ (156,347)</u>

(b) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1997 £	Change in period £	1995 £	Change in year £	1995 £
Cash	-	(144)	144	(6)	150
Bank overdraft	-	67,616	(67,616)	(3,785)	(63,831)
HP	-	28,029	(28,029)	(26,269)	(1,760)
Bank Loan	-	60,846	(60,846)	3,312	(64,158)
	<u>£ -</u>	<u>£ 156,347</u>	<u>£ (156,347)</u>	<u>£ (26,748)</u>	<u>£ (129,599)</u>

13. TRANSACTIONS WITH DIRECTORS

The interests of R C Singleton, being a director of the parent undertaking Quadrant Video Systems plc during the period, are shown in the financial statements of that company.

14. RELATED PARTIES

As permitted by FRS 8 the financial statements do not disclose transactions with the ultimate parent company and fellow subsidiaries where more than 90 % of the voting rights are controlled by the group.