TEXT 100 GROUP PLC
Formerly Text 100 Limited

(Registered number: 1579589)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1996

TEXT 100 GROUP PLC
Formerly Text 100 Limited

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 JULY 1996

The directors present their report together with the audited financial statements of the Group and the Company for the year ended 31 July 1996.

PRINCIPAL ACTIVITY

The principal activity of the Group during the year continued to be that of the provision of public and press relations services, dealing principally with clients in the high-technology sector.

DIRECTORS AND THEIR INTERESTS

The directors and their interests in the shares of the Company were:

	Ordinary shares of 10p each	
	31 July 1996	31 July 1995
T W Lewis (Chairman)	222,649	222,649
M S Adams	222,649	222,649
T J Dyson	137,016	137,016
M Ravden	102,762	102,762
B P Magee	-	-
A J H West	31,354	31,354
K Kemp	31,354	31,354
S Kalsi (Appointed 1 August 1995)	18,028	-

DIVIDENDS

Interim dividends of £140,000 (1995: £160,000) were paid during the year. The directors recommend the payment of a final dividend for the year of £60,000 (1995: £Nil). The retained profit of £405,383 (1995: £377,228) has been transferred to reserves.

REVIEW OF BUSINESS

The Text 100 Group has enjoyed another very satisfactory year, with group turnover up 24% to £9,300,000, pre-tax profit up 17% to £1,020,000 and dividends up 25% to £200,000.

Two new trading operations were established in the course of the year. Text 100 BV is based in Amsterdam and covers the Benelux market, while Text 100 AB already represents a number of Group clients in Scandinavia from its base in Stockholm.

The board is confident that further growth and geographical expansion will be achieved in the coming year, and would again like to record its admiration for the outstanding and successful efforts of its staff.

TEXT 100 GROUP PLC
Formerly Text 100 Limited

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 JULY 1996 (CONTINUED)

NEW SUBSIDIARIES

During the year, the following new subsidiaries and trading operation of the Text 100 Group were formed :

Name	**Country of incorporation / operation**
Text 100 AB	Sweden
Text 100 BV	The Netherlands
Text 100 India - (branch office)	India

Full details of all of the Group's subsidiary undertakings are shown in Note 9 to these financial statements.

POST BALANCE SHEET EVENTS

Events after the balance sheet date are shown in Note 22 to these financial statements.

FIXED ASSETS

The movements in fixed assets are shown in Note 8 to these financial statements.

CHARITABLE DONATIONS

During the year the Group made charitable donations of £3,780 (1995 : £4,595) to the Charities Aid Foundation under a Give As You Earn scheme.

OFFICERS INSURANCE

The Company has taken out insurance under S310(3) of the Companies Act 1985 for officers of the Company, against liabilities in relation to the Group.

TEXT 100 GROUP PLC
Formerly Text 100 Limited

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 JULY 1996 (CONTINUED)

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 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, 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 and Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution for the re-appointment of Price Waterhouse as auditors of the Company will be proposed at the Annual General Meeting.

By Order of the Board

T W LEWIS
Company Secretary
12th February 1997

AUDITORS' REPORT TO THE MEMBERS OF
TEXT 100 GROUP PLC
Formerly Text 100 Limited

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the 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 Group'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 mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we have 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 affairs of the Company and of the Group as at 31 July 1996 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
and Registered Auditors

17 February 1997

TEXT 100 GROUP PLC
Formerly Text 100 Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 1996

		1996 £		1995 £
TURNOVER (Note 2)		9,318,694		7,485,678
Other external charges		(1,462,607)		(1,183,281)
TURNOVER LESS OTHER EXTERNAL CHARGES		7,856,087		6,302,397
Salaries	3,403,264		2,642,394	
Social Security Costs	369,480		305,162	
Pension contributions	98,895		15,050	
Depreciation	286,622		222,723	
Other operating charges	2,634,171		2,196,680	
		(6,792,432)		(5,382,009)
OPERATING PROFIT (Note 3)		1,063,655		920,388
Interest receivable and similar income (Note 4)		6,655		1,265
Interest payable and similar charges (Note 5)		(50,574)		(50,772)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,019,736		870,881
Tax on profit on ordinary activities (Note 6)		(411,765)		(340,495)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		607,971		530,386
MINORITY INTERESTS		(2,588)		6,842
PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY		605,383		537,228
Dividends (Note 7)		(200,000)		(160,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR (Note 15)		405,383		377,228

There are no differences between the profit stated on an historical cost basis and the profit as presented above.

The profit and loss account for the year ended 31 July 1996 and the preceding year relate to the continuing activities of the Group.

The Company's profit before tax for the financial year was £851,781 (1995 : £557,634)

The accompanying notes on pages 10 to 20 form an integral part of these financial statements.

TEXT 100 GROUP PLC
Formerly Text 100 Limited

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 JULY 1996

	1996 £	1995 £
Profit attributable to members of the parent company	605,383	537,228
Currency translation differences on foreign currency net investments	6,394	19,294
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	611,777	556,522

TEXT 100 GROUP PLC
Formerly Text 100 Limited

CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 1996

		1996 £		1995 £
FIXED ASSETS				
Tangible assets (Note 8)		838,245		594,125
Long term deposits (Note 10)		14,053		36,337
		852,298		630,462
CURRENT ASSETS				
Debtors (Note 11)	2,258,674		2,098,336	
Cash at bank and in hand	586,701		196,425	
	2,845,375		2,294,761	
CREDITORS - Amounts falling due within one year (Note 12)	2,226,523		1,862,889	
NET CURRENT ASSETS		618,852		431,872
TOTAL ASSETS LESS CURRENT LIABILITIES		1,471,150		1,062,334
CREDITORS - Amounts falling due after more than one year (Note 13)		38,025		39,945
NET ASSETS		1,433,125		1,022,389
EQUITY CAPITAL AND RESERVES				
Called up share capital (Note 14)		78,384		78,384
Capital redemption reserve (Note 15)		23,616		23,616
Profit and loss account (Note 15)		1,334,885		923,108
TOTAL SHAREHOLDERS' FUNDS		1,436,885		1,025,108
MINORITY INTERESTS		(3,760)		(2,719)
		1,433,125		1,022,389

APPROVED BY THE BOARD ON
17 FEBRUARY 1997

T W Lewis
CHAIRMAN

The accompanying notes on pages 10 to 20 form an integral part of these financial statements.

TEXT 100 GROUP PLC
Formerly Text 100 Limited

COMPANY BALANCE SHEET

AS AT 31 JULY 1996

		1996 £		1995 £
FIXED ASSETS				
Tangible assets (Note 8)		575,777		448,854
Investment in subsidiary companies (Note 9)		23,092		23,092
Long term deposits (Note 10)		7,850		30,148
		606,719		502,094
CURRENT ASSETS				
Debtors (Note 11)	2,000,598		1,679,715	
Cash at bank and in hand	101,861		18,664	
	2,102,459		1,698,379	
CREDITORS - Amounts falling due within one year (Note 12)	1,343,528		1,249,085	
NET CURRENT ASSETS		758,931		449,294
TOTAL ASSETS LESS CURRENT LIABILITIES		1,365,650		951,388
CREDITORS - Amounts falling due after more than one year (Note 13)		34,775		39,945
NET ASSETS		1,330,875		911,443
EQUITY CAPITAL AND RESERVES				
Called up share capital (Note 14)		78,384		78,384
Capital redemption reserve (Note 15)		23,616		23,616
Profit and loss account (Note 15)		1,228,875		809,443
TOTAL SHAREHOLDERS' FUNDS		1,330,875		911,443

APPROVED BY THE BOARD ON
17 FEBRUARY 1997

T W Lewis
CHAIRMAN

The accompanying notes on pages 10 to 20 form an integral part of these financial statements.

TEXT 100 GROUP PLC
Formerly Text 100 Limited

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 1996

		1996		1995
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 23(1))		1,303,924		838,223
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	6,655		1,265	
Interest paid	(50,574)		(50,772)	
Dividends paid	(140,000)		(160,000)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(183,919)		(209,507)
TAXATION				
Corporation tax paid		(403,993)		(178,522)
INVESTING ACTIVITIES				
Payments for long term deposits	-		(2,543)	
Long term deposits refunded	22,000		-	
Payments to acquire tangible fixed assets	(647,952)		(506,487)	
Receipts from sales of tangible fixed assets	152,074		159,435	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(473,878)		(349,595)
NET CASH INFLOW BEFORE FINANCING		242,134		100,599
FINANCING				
Net capital inflow on hire purchase contracts (Note 23(4))	36,336		9,055	
NET CASH INFLOW FROM FINANCING		36,336		9,055
INCREASE IN CASH AND CASH EQUIVALENTS (Note 23(3))		278,470		109,654

TEXT 100 GROUP PLC
Formerly Text 100 Limited

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

1 ACCOUNTING POLICIES

The Group's and the Company's financial statements are prepared in accordance with applicable accounting standards. The principal accounting policies are as follows:

(1) Basis of preparation

The financial statements are prepared under the historical cost convention.

The Group's financial statements consolidate the financial statements of Text 100 Group plc (formerly Text 100 Limited) and all of its subsidiary undertakings drawn up to 31 July each year using the acquisition method of accounting. No profit and loss account is presented for Text 100 Group plc as permitted by section 230 of the Companies Act 1985.

(2) Turnover

Turnover represents the invoiced value of services supplied excluding all sales taxes after adjusting for any change in the level of accrued income during the year.

(3) Accrued income

Accrued income is valued on the basis of the cost of services provided up to the balance sheet date and not yet invoiced. Profit is taken on all work completed by that date.

(4) Depreciation

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Leasehold premises	Over the term of the lease
Office furniture	20% per annum straight line
Motor vehicles	25% per annum straight line
Office equipment	33% per annum straight line

(5) Foreign currencies

Company
Assets and liabilities denominated in foreign currencies are expressed in sterling at the rate of exchange ruling at the balance sheet date. Foreign currency transactions are expressed in sterling at the rate of exchange ruling at the date of the transaction. Exchange gains and losses and translation differences are taken directly to the profit and loss account.

Group
Subsidiaries and branches whose accounts are prepared in foreign currencies are translated on consolidation using the closing rate method. Exchange differences arising on retranslation of opening net assets of foreign subsidiaries and branches are taken to reserves.

(6) Deferred taxation

Provision for deferred taxation is made under the liability method only to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

1 ACCOUNTING POLICIES (continued)

(7) Hire purchase and leasing transactions

Assets financed by hire purchase are included in the balance sheet at cost less accumulated depreciation. The interest element on these obligations is charged to the profit and loss account using the sum of the digits method so as to achieve a constant interest rate over the life of each agreement. Operating lease rentals are charged to the profit and loss account as incurred.

(8) Pension costs

Pension costs, which relate to payments to employees' own defined contribution pension plans, are charged to the profit and loss account as incurred.

2 TURNOVER

Analysis by geographical market	1996 £	1995 £
United Kingdom	5,421,340	4,162,201
Europe	2,951,030	2,980,014
Rest of the world	946,324	343,463
	9,318,694	7,485,678

3 OPERATING PROFIT

Operating profit is stated after charging / (crediting) :-		1996 £	1995 £
Auditor's remuneration:	audit services	24,351	14,741
Depreciation of tangible fixed assets:	owned	192,185	138,739
	on hire purchase	94,437	83,984
(Profit) on disposal of tangible fixed assets		(43,349)	(44,411)
Operating lease rentals:	plant and machinery	61,660	45,159
	other	198,176	126,942

TEXT 100 GROUP PLC
Formerly Text 100 Limited

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

3 OPERATING PROFIT (continued)

The average number of employees during the year was as follows	1996	1995
Directors	8	7
Other staff	127	105
	135	112

Directors' emoluments

			1996	1995
			£	£
Aggregate emoluments	-	Company	138,561	142,547
	-	subsidiaries	553,382	394,569
			691,943	537,116

Comprising:	1996	1995
	£	£
- amounts for services as director of the Company	336,308	260,158
- amounts for services as director of its subsidiaries	320,685	244,878
- amounts paid to third parties for making available the services of a director	34,950	32,080
	691,943	537,116

The emoluments of the Chairman, exclusive of pension contributions, were £89,499 (1995 : £77,421).

The emoluments of the highest paid director, exclusive of pension contributions, were £131,840 (1995: £142,207).

The emoluments of all of the directors, exclusive of pension contributions, fell into the following ranges:

	1996	1995
£30,001-£35,000	1	1
£50,001-£55,000	1	-
£60,001-£65,000	-	1
£65,001-£70,000	1	2
£70,001-£75,000	1	-
£75,001-£80,000	1	1
£80,001-£85,000	1	1
£85,001-£90,000	1	-
£130,001-£135,000	1	-
£140,001-£145,000	-	1

One director waived emoluments for the year of £Nil (1995 : £21,005).

The Company paid a management charge to its subsidiary Text 100 International Ltd of £690,989 (1995 : £837,904) for the provision of services to the Company.

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	1996 £	1995 £
Bank interest	6,655	1,265

5 INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
Bank interest	3,851	3,600
Other interest and similar charges	46,723	47,172
	50,574	50,772

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
UK corporation tax at 33% (1995: 33%) on the results for the year	387,742	317,241
UK corporation tax at 25% on the results for the year	-	2,800
Overseas taxation	42,687	20,454
Prior year over provision	(18,664)	-
	411,765	340,495

A small deferred tax asset is not included in the accounts on the grounds of prudence.

7 DIVIDENDS

	1996 £	1995 £
Interim dividend of 5.103 pence per share (paid 31.10.94)	-	40,000
Interim dividend of 2.552 pence per share (paid 31.3.95)	-	20,000
Interim dividend of 5.103 pence per share (paid 31.5.95)	-	40,000
Final dividend of 7.655 pence per share (paid 31.7.95)	-	60,000
Interim dividend of 5.103 pence per share (paid 13.12.95)	40,000	-
Interim dividend of 6.379 pence per share (paid 31.01.96)	50,000	-
Interim dividend of 6.379 pence per share (paid 16.05.96)	50,000	-
Final dividend of 7.655 pence per share (paid 16.08.96)	60,000	-
	200,000	160,000

TEXT 100 GROUP PLC
Formerly Text 100 Limited

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

8 **TANGIBLE FIXED ASSETS**

GROUP

	Short leasehold premises	Office equipment	Office furniture	Motor vehicles	Total
	£	£	£	£	£
COST					
At 1 August 1995	89,061	607,188	101,197	373,040	1,170,486
Exchange difference	-	(6,246)	(1,021)	(4,191)	(11,458)
Additions	6,500	244,100	68,958	328,394	647,952
Disposals	-	-	-	(173,324)	(173,324)
At 31 July 1996	95,561	845,042	169,134	523,919	1,633,656
DEPRECIATION					
At 1 August 1995	29,395	360,823	75,215	110,928	576,361
Exchange difference	-	(2,123)	(182)	(668)	(2,973)
Charge for the year	4,860	148,077	18,987	114,698	286,622
Disposals	-	-	-	(64,599)	(64,599)
At 31 July 1996	34,255	506,777	94,020	160,359	795,411
NET BOOK AMOUNT					
As at 31 July 1996	61,306	338,265	75,114	363,560	838,245
As at 31 July 1995	59,666	246,365	25,982	262,112	594,125

The net book amount of tangible fixed assets includes £220,849 (1995: £194,893) in respect of assets held under hire purchase contracts.

TEXT 100 GROUP PLC
Formerly Text 100 Limited

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

8 **TANGIBLE FIXED ASSETS (CONTINUED)**

COMPANY

	Short leasehold premises £	Office equipment £	Office furniture £	Motor vehicles £	Total £
COST					
At 1 August 1995	89,061	492,564	82,378	326,968	990,971
Additions	6,500	152,245	47,943	232,155	438,843
Disposals	-	-	-	(167,325)	(167,325)
At 31 July 1996	95,561	644,809	130,321	391,798	1,262,489
DEPRECIATION					
At 1 August 1995	29,395	336,716	69,698	106,308	542,117
Charge for the year	4,860	99,967	10,094	91,722	206,643
Disposals	-	-	-	(62,048)	(62,048)
At 31 July 1996	34,255	436,683	79,792	135,982	686,712
NET BOOK AMOUNT					
As at 31 July 1996	61,306	208,126	50,529	255,816	575,777
As at 31 July 1995	59,666	155,848	12,680	220,660	448,854

The net book amount of tangible fixed assets includes £189,799 (1995: £194,893) in respect of assets held under hire purchase contracts.

9 **FIXED ASSET INVESTMENTS**

Subsidiary undertakings :

Directly held

Name	Country of incorporation	Cost of investment £	% voting rights held Company	Group
Text 100 International Ltd	England	1,000	100	100
Bite Communications Ltd	England	600	60	92.5
Bite Staff Incentives Ltd	England	1,000	100	100
Text 100 GmbH	Germany	20,492	90	90
Total		23,092		

TEXT 100 GROUP PLC
Formerly Text 100 Limited

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

9 **FIXED ASSET INVESTMENTS (Continued)**

Subsidiary undertakings (Continued) :

Indirectly held

Name	Country of incorporation	% voting rights held by group
Text 100 SARL	France	100
Text 100 Ireland Ltd	Ireland	100
Text 100 (Pty) Ltd	South Africa	100
Text 100 BV	Netherlands	100
Text 100 Corp	USA	100
Text 100 AB	Sweden	100

Text 100 AB was incorporated on 21 May 1996.

The directors consider the value of investments in subsidiary undertakings to be not less than that stated in the balance sheet of the Company.

All subsidiary companies are included in the consolidation.

The principal activity of all of the subsidiary undertakings is public relations work specialising in the high-technology sector.

10 **LONG TERM BANK DEPOSITS**

These represent the value of deposits provided as security on the Group's leases.

11 **DEBTORS**

	Group		Company	
	1996 £	1995 £	1996 £	1995 £
Trade debtors	1,964,547	1,797,537	1,130,079	944,274
Amount due from subsidiary undertakings	-	-	349,961	297,220
Prepayments and accrued income	225,839	212,588	141,081	194,716
Other debtors	68,288	88,211	28,227	63,505
Dividends receivable	-	-	351,250	180,000
	2,258,674	2,098,336	2,000,598	1,679,715

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

12 CREDITORS: Amounts falling due within one year

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Bank overdraft	164,975	53,169	131,605	53,169
Trade creditors	393,561	443,706	202,963	280,276
Amount due to subsidiary undertakings	-	-	206,214	266,040
Corporation tax	428,706	420,934	259,085	268,509
Other creditors	18,403	126,649	182	49,087
Other taxation and social security	395,381	227,795	163,968	109,576
Obligations under hire purchase contracts	183,366	145,110	155,817	145,110
Dividends	60,000	-	60,000	-
Accruals and deferred income	582,131	445,526	163,694	77,318
	2,226,523	1,862,889	1,343,528	1,249,085

The bank overdraft is secured by a fixed and floating charge over the Company's assets.
The obligations under hire purchase contracts are secured on the assets concerned.

13 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Obligations under hire purchase contracts	38,025	39,945	34,775	39,945

The obligations under hire purchase contracts are secured on the assets concerned and are all repayable within five years.

14 CALLED UP SHARE CAPITAL

	1996	1995
	£	£
Authorised		
1,500,000 ordinary shares of 10p each	150,000	150,000
Allotted, called up and fully paid		
783,840 ordinary shares of 10p each	78,384	78,384

TEXT 100 GROUP PLC
Formerly Text 100 Limited

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

15 RESERVES

GROUP

	Profit & loss account £	Capital redemption reserve £	1996 Total reserves £
Opening balance	923,108	23,616	946,724
Currency translation differences on foreign currency net investments	6,394	-	6,394
Retained profit for the year	405,383	-	405,383
Closing balance	1,334,885	23,616	1,358,501

COMPANY

	Profit & loss account £	Capital redemption reserve £	1996 Total reserves £
Opening balance	809,443	23,616	833,059
Currency translation differences on foreign currency net investments	8,250	-	8,250
Retained profit for the year	411,182	-	411,182
Closing balance	1,228,875	23,616	1,252,491

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit attributable to members of the parent company	605,383	537,228
Currency translation differences on foreign currency net investments	6,394	19,294
Dividends	(200,000)	(160,000)
Net addition to shareholders' funds	411,777	396,522
Opening shareholders' funds	1,025,108	628,586
Closing shareholders' funds	1,436,885	1,025,108

TEXT 100 GROUP PLC
Formerly Text 100 Limited

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

17 DIRECTORS' INTERESTS

During the year the Company paid consultancy fees to the following organisations in which directors had a material interest:

Director	Organisation	1996 £	1995 £
B P Magee	Magee Gammon	34,950	32,080

18 PENSION COSTS

Employees of the Group belong to defined contribution pension plans, the assets of which are held separately from those of the Group.

19 CAPITAL COMMITMENTS

Future capital expenditure contracted for or authorised but not contracted for at 31 July 1996 amounted to £Nil (1995: £3,450).

20 OPERATING LEASE COMMITMENTS

The Group has entered into operating leases and has annual commitments under these expiring as follows:

	1996		1995	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	65,784	21,454	22,000	6,500
Between one and five years	64,430	60,985	22,000	36,994
After five years	102,400	-	116,800	-

21 CONTINGENT LIABILITIES

The Group is not aware of any contingent liabilities at the balance sheet date.

22 POST BALANCE SHEET EVENTS

On 27 January 1997 the following events took place :

a) The Company was re-registered as a public company.

b) The Company changed its name from Text 100 Limited to Text 100 Group plc.

c) The authorised share capital of the Company was increased from £150,000 to £1 million by the creation of a further 8.5 million ordinary shares of 10p each.

d) A bonus issue at par of 9,216,160 fully paid up ordinary shares of 10p each, being 11.7577 new ordinary shares of 10p each for each ordinary share of 10p each, was effected by way of a capitalisation of reserves. The issued share capital following the bonus issue was £1 million.

e) Each of the authorised and issued ordinary shares of 10p each were sub-divided into two ordinary shares of 5p each. The authorised and issued share capital following this subdivision consisted of 20 million ordinary shares of 5p each.

TEXT 100 GROUP PLC
Formerly Text 100 Limited

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 1996

23 NOTES TO THE CASH FLOW STATEMENT

(1) Reconciliation of operating profit to net cash inflow from operating activities

	1996	1995
Operating profit	1,063,655	920,388
Depreciation	286,622	222,723
Exchange movements	15,284	14,369
(Profit) on sale of tangible fixed assets	(43,349)	(44,411)
(Increase) in debtors	(135,338)	(621,554)
Increase in creditors	117,050	346,708
Net cash inflow from operating activities	1,303,924	838,223

(2) Analysis of changes in cash and cash equivalents during the year

	1996 £	1995 £
Balance at start of year	143,256	33,602
Net cash inflow	278,470	109,654
Balance at end of year	421,726	143,256

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

	1996 £	1995 £	Change in year £
Cash at bank and in hand	586,701	196,425	390,276
Bank overdraft	(164,975)	(53,169)	(111,806)
	421,726	143,256	278,470

(4) Analysis of changes in financing during the year

	1996 £	1995 £
Hire purchase contracts		
Balance at start of year	185,055	176,000
Net capital inflow	36,336	9,055
Balance at end of year	221,391	185,055