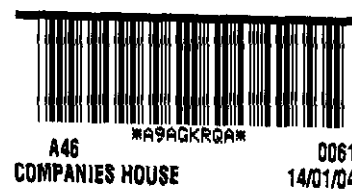


COMPUSPEECH LIMITED
COMPANY REGISTRATION NUMBER : 2757290

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003



TORBITT & CO
Chartered Accountants

COMPUSPEECH LIMITED**DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31ST March 2003.

PRINCIPAL ACTIVITIES

The company's principal activity was that of computer consultants.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital at the beginning and at the end of the year were as follows:-

	<u>2003</u> <u>Ordinary</u> <u>Shares</u> £	<u>2002</u> <u>Ordinary</u> <u>Shares</u> £
C P Smith	1	1
Mrs S M Smith	1	1

These financial statements, which have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities, (effective June 2002), were approved on 16th December 2003 and are signed by order of the Board by:



S M SMITH
Secretary

COMPUSPEECH LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31st MARCH 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
TURNOVER		3,573	3,660
Cost of sales		-	-
		-----	-----
GROSS PROFIT		3,573	3,660
Administrative expenses		2,433	3,189
		-----	-----
OPERATING PROFIT	2	1,140	471
Interest receivable		1	-
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,141	471
TAXATION	3	(48)	58
		-----	---
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,189	413
Dividends	4	897	799
		-----	---
PROFIT/(DEFICIT) FOR THE YEAR		292	(386)
RETAINED PROFIT BROUGHT FORWARD		438	824
		---	---
RETAINED PROFIT CARRIED FORWARD		730	438
		===	===

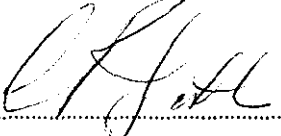
The notes on pages 5 to 7 form part of these financial statements

COMPUSPEECH LIMITED**BALANCE SHEET AS AT 31ST MARCH 2003**

	Notes	2003	2002
		£	£
FIXED ASSETS			
Tangible assets	5	570	480
CURRENT ASSETS			
Debtors	6	529	250
Cash at bank		535	88
		-----	---
		1,064	338
CREDITORS : amounts falling due within one year	7	902	330
		---	----
		162	8
		---	---
NET CURRENT ASSETS		732	488
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	-	(48)
		---	---
TOTAL ASSETS LESS CURRENT LIABILITIES		732	440
		===	===
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Reserves		730	438
		---	---
SHAREHOLDERS' FUNDS		732	440
		===	===

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit under Section 249(B)(2) of the Companies Act 1985. The directors acknowledge their responsibilities 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 for the year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities, (effective June 2002), were approved by the Board on 16th December 2003 and signed on its behalf.

 C P SMITH (Director)

The notes on pages 5 to 7 form part of these financial statements

COMPUSPEECH LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH 2003**1 ACCOUNTING POLICIES****(a) Accounting convention**

The financial statements have been prepared under the historical cost convention and incorporate the results of the principal activities which are described in the directors' report.

(b) The company qualifies as a small company under the Companies Act 1985. The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cashflow statement.

(c) Turnover

Turnover represents the invoiced amount of goods sold and services provided, stated net of value added tax, and relates to the continuing activity of the company.

(d) Fixed assets

The cost of fixed assets is written off in equal annual instalments over their expected useful lives as follows:-

Computer equipment - 20% per annum

(e) Deferred taxation

Deferred tax is provided on the liability method to take account of material timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes

2 OPERATING PROFIT

	<u>2003</u>	<u>2002</u>
	£	£
This is stated after charging:-		
Depreciation of tangible fixed assets	142	133
Director's remuneration	1,094	2,048

3 TAXATION

	<u>2003</u>	<u>2002</u>
	£	£
Taxation based on profit for the year:-		
Corporation tax at 20%	-	10
Deferred tax	(48)	48
	---	---
	(48)	58
	===	===

COMPUSPEECH LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH 2003 (CONTINUED)**4 DIVIDENDS**

The directors approved the payment of dividends of £448.50 per share, totalling £897 (2002 - £799).

5 TANGIBLE FIXED ASSETS

	<u>Computer Equipment</u> £
COST	
At 1 st April 2002	1,500
Addition	232

At 31 st March 2003	1,732

DEPRECIATION	
At 1 st April 2002	1,020
Charge for year	142

At 31 st March 2003	1,162

NET BOOK VALUE	
At 31 st March 2003	570
	===
At 31 st March 2002	480
	===

6 DEBTORS

	<u>2003</u> £	<u>2002</u> £
Trade debtors	529	-
Other debtors	-	250
	---	---
	529	250
	===	===

**7 CREDITORS : amounts falling due
within one year**

	<u>2003</u> £	<u>2002</u> £
Director's loan	34	20
Corporation tax	-	10
Accruals	300	300
Other taxes and Social Security	568	-
	---	---
	902	330
	===	===

COMPUSPEECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003 (CONTINUED)

8 DEFERRED TAX

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Balance at 1 st April 2002	48	-
Provision for the year	(48)	48
	---	---
Balance at 31 st March 2003	-	48
	===	===

The provision for deferred taxation is made up of accelerated capital allowances.

9 SHARE CAPITAL

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Authorised		
Ordinary shares of £1 each	100	100
	===	===
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2
	===	===

10 CONTROL

The company is under the control of the directors.