

2897870

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998
FOR
ASTIR DATA COMMUNICATIONS LIMITED



ASTIR DATA COMMUNICATIONS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 1998

DIRECTORS: W S Fattal
E S Fattal

SECRETARY: E S Fattal

REGISTERED OFFICE: 12, Aintree Road
Perivale
Greenford
Middlesex
UB7 7LA

REGISTERED NUMBER: 2897870 (England and Wales)

AUDITORS: Wilding, Hudson & Co.
Chartered Accountants and
Registered Auditors
Saxon House
17 Lewis Road
Sutton
Surrey SM1 4BR

ASTIR DATA COMMUNICATIONS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1998

The directors present their report with the financial statements of the company for the year ended 31st December 1998.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the development and sale of communication equipment.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company is well placed to take advantage of any further improvements in business activity.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 1998.

DIRECTORS

The directors during the year under review were:

W S Fattal
E S Fattal

The beneficial interests of the directors holding office on 31st December 1998 in the issued share capital of the company were as follows:

	31.12.98	1.1.98
Ordinary £1 shares		
W S Fattal	3,290	3,290
E S Fattal	3,290	3,290

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;
- 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.


ASTIR DATA COMMUNICATIONS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1998

AUDITORS

The auditors, Wilding, Hudson & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



E S Fattal - SECRETARY

Dated: 25 October 1999

ASTIR DATA COMMUNICATIONS LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
ASTIR DATA COMMUNICATIONS LIMITED

We have audited the financial statements on pages five to ten which have been prepared under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described on page two 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 31st December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wilding, Hudson & Co.
Chartered Accountants and
Registered Auditors
Saxon House
17 Lewis Road
Sutton
Surrey SM1 4BR

W H & C: H L - L.

Dated: 25 October 1999

ASTIR DATA COMMUNICATIONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998

		1998	1997
	Notes	£	£
TURNOVER		146,791	256,644
Cost of sales		<u>87,844</u>	<u>157,929</u>
GROSS PROFIT		58,947	98,715
Administrative expenses		<u>222,402</u>	<u>204,998</u>
OPERATING LOSS	3	(163,455)	(106,283)
Interest receivable and similar income		<u>3,539</u>	<u>7,505</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(159,916)	(98,778)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(159,916)	(98,778)
Deficit brought forward		<u>(262,932)</u>	<u>(164,154)</u>
DEFICIT CARRIED FORWARD		<u>£(422,848)</u>	<u>£(262,932)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES


The company has no recognised gains or losses other than the losses for the current and previous years.

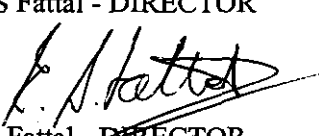
ASTIR DATA COMMUNICATIONS LIMITED

BALANCE SHEET
31ST DECEMBER 1998

		<u>1998</u>		<u>1997</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		1,384		-
CURRENT ASSETS:					
Stocks	6	278,478		176,568	
Debtors	7	101,241		121,509	
Cash at bank		63,998		59,091	
		<u>443,717</u>		<u>357,168</u>	
CREDITORS: Amounts falling due within one year	8	<u>861,369</u>		<u>613,520</u>	
NET CURRENT LIABILITIES:			<u>(417,652)</u>		<u>(256,352)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£(416,268)</u>		<u>£(256,352)</u>
CAPITAL AND RESERVES:					
Called up share capital	10		6,580		6,580
Profit and loss account			<u>(422,848)</u>		<u>(262,932)</u>
Shareholders' funds	12		<u>£(416,268)</u>		<u>£(256,352)</u>

ON BEHALF OF THE BOARD:


W S Fattal - DIRECTOR


E S Fattal - DIRECTOR

Approved by the Board on

25 October 1999

The notes form part of these financial statements

ASTIR DATA COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover comprises the invoiced value of goods supplied by the company, net of Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on cost

Stock

Stock, which consists of communication components and related components is valued at the lower of cost and net realisable value.

2. STAFF COSTS

	1998	1997
	£	£
Wages and salaries	123,775	108,289
Social security costs	12,583	10,848
Other pension costs	1,817	1,700
	<u>138,175</u>	<u>120,837</u>

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

	1998	1997
Office and administration	2	2
Production	2	2
Sales	1	1
	<u>5</u>	<u>5</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	1998	1997
	£	£
Auditors' remuneration	<u>2,295</u>	<u>3,115</u>
Directors' emoluments	<u>-</u>	<u>-</u>

ASTIR DATA COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

4. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 1998 nor for the year ended 31st December 1997.

5. TANGIBLE FIXED ASSETS

	Computer equipment
	£
COST:	
Additions	1,384
At 31st December 1998	1,384
NET BOOK VALUE:	
At 31st December 1998	1,384

6. STOCKS

	1998	1997
	£	£
Raw materials and consumables	185,717	121,983
Finished goods	92,761	54,585
	278,478	176,568

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998	1997
	£	£
V.A.T.	12,517	-
Trade debtors	88,724	109,378
Other debtors	-	3,481
Accrued income	-	8,611
Corporation tax recoverable	-	39
	101,241	121,509

ASTIR DATA COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998 £	1997 £
Amount due to associated company (Datalect Group Ltd) (see note 9)	741,509	566,180
Amount due to associated company (Citylink Group Ltd) (see note 9)	6,336	-
Trade creditors	40,140	39,975
Accruals and deferred income	73,384	7,365
	<u>861,369</u>	<u>613,520</u>

9. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1998 £	1997 £
Amounts falling due within one year or on demand:		
Amount due to associated company (Datalect Group Ltd)	741,509	566,180
Amount due to associated company (Citylink Group Ltd)	6,336	-
	<u>747,845</u>	<u>566,180</u>

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	1998 £	1997 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1998 £	1997 £
6,580	Ordinary	£1	<u>6,580</u>	<u>6,580</u>

11. RELATED PARTY DISCLOSURES

The company has been funded by Datalect Group Limited (formerly Datalect Computer Services Limited), a company under common control. No interest has been charged in the accounts.

During the year sales of £13,703 were made to Datalect Group Limited on normal commercial terms.

ASTIR DATA COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Loss for the financial year	(159,916)	(98,778)
NET REDUCTION OF SHAREHOLDERS' FUNDS	(159,916)	(98,778)
Opening shareholders' funds	(256,352)	(157,574)
CLOSING SHAREHOLDERS' FUNDS	(416,268)	(256,352)
Equity interests	(416,268)	(256,352)

13. ULTIMATE CONTROLLER

The company is controlled by the trustees of the Walbrook Trusts.