

**ASTIR DATA COMMUNICATIONS LIMITED**  
(Registered No. 2897870)

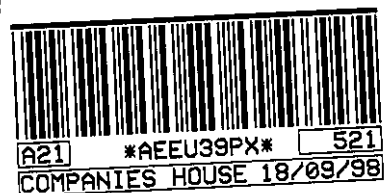
**REPORT**  
and  
**FINANCIAL STATEMENTS**

for the year ended  
**31 DECEMBER 1997**

**WILDING, HUDSON & CO.**

Chartered Accountants

Saxon House  
17 Lewis Road  
Sutton  
Surrey  
SM1 4BR



**ASTIR DATA COMMUNICATIONS LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 1997**

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**ASTIR DATA COMMUNICATIONS LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

The directors present their report, together with the audited financial statements of the company for the year ended 31 December 1997.

**RESULTS AND DIVIDENDS**

The loss for the year after taxation was £98,778 (1996: loss - £89,761).

The directors do not recommend the payment of a dividend for the current period.

**REVIEW OF THE BUSINESS**

The company's principal activity during the year was the development and sale of communication equipment.

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

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Ordinary Shares of £1 each</u>	
	<u>At 31 December 1997</u>	<u>At 1 January 1997</u>
E S Fattal (as beneficiary of Trust)	3,290	3,290
W S Fattal (as beneficiary of Trust)	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:-

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent; and
- (iii) 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 31 DECEMBER 1997**

**- CONTINUED -**

**AUDITORS**

The auditors, Wilding, Hudson & Co., have signified their willingness to continue in office and a resolution to re-appoint them will be proposed at the next general meeting at which accounts are presented.

This report was approved by the board on *10th September*, 1998 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'E. S. Fattal', written over a horizontal line.

**E S FATTAL**  
**Secretary**

**ASTIR DATA COMMUNICATIONS LIMITED**  
**AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**ASTIR DATA COMMUNICATIONS LIMITED**  
**YEAR ENDED 31 DECEMBER 1997**

We have audited the financial statements on pages 4 to 8 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.

The financial statements have been prepared on a going concern basis, the validity of which is dependent on continuing financial support from an associated company. Our opinion is not qualified in this respect.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**WILDING, HUDSON & CO.**  
Saxon House  
17 Lewis Road  
Sutton  
Surrey SM1 4BR

*W. L. H. L.*

10th September, 1998

Chartered Accountants  
Registered Auditors

**ASTIR DATA COMMUNICATIONS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 1997**

		<u>1997</u>	<u>1996</u>
	Note	£	£
<b>TURNOVER</b>	1(b)	256,644	168,762
Cost of sales	& 2	(157,929)	(63,053)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		98,715	105,709
Administrative expenses		(204,998)	(202,924)
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		(106,283)	(97,215)
Interest receivable		7,505	7,454
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION FOR THE YEAR</b>	3	(98,778)	(89,761)
<b>ACCUMULATED LOSS BROUGHT FORWARD</b>		(164,154)	(74,393)
		<hr/>	<hr/>
<b>ACCUMULATED LOSS CARRIED FORWARD</b>		£(262,932)	£(164,154)
		=====	=====

There were no recognised gains or losses for 1996 or 1997 other than those included in the profit and loss account.

The notes on pages 6 to 8 form part of these financial statements.


**ASTIR DATA COMMUNICATIONS LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 1997**

		<u>1997</u>	<u>1996</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
<b>CURRENT ASSETS</b>			
Stocks	1(c) & 6	176,568	109,954
Debtors	7	121,509	97,288
Cash at bank		59,091	304,546
		<hr/>	<hr/>
		357,168	511,788
 <b>CREDITORS - amounts falling due within one year</b>			
	8	(613,520)	(669,362)
		<hr/>	<hr/>
<b>NET LIABILITIES</b>		<u>£(256,352)</u>	<u>£(157,574)</u>
 <b>Financed by:</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	6,580	6,580
Profit and loss account		(262,932)	(164,154)
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS - All equity</b>	10	<u>£(256,352)</u>	<u>£(157,574)</u>

The financial statements were approved by the board on 10<sup>th</sup> September, 1998 and signed on its behalf by:



**W S FATTAL**  
**Director**

The notes on pages 6 to 8 form part of these financial statements.

**ASTIR DATA COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1997**

**1. ACCOUNTING POLICIES**

**(a) 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 principal activity which is described in the directors' report, and which is continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 and has not prepared a cash flow statement on the grounds that it is a small company.

**(b) Turnover**

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

**(c) Stock**

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

**2. TURNOVER**

The whole of the turnover is attributable to the principal activity of the company and arose in the United Kingdom.

**3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging:-

	<u>1997</u>	<u>1996</u>
Auditors' remuneration	£3,115	£310
	=====	=====

**4. STAFF COSTS**

Staff costs were as follows:-

	<u>1997</u>	<u>1996</u>
	£	£
Wages and salaries	108,289	134,732
Social security costs	10,848	10,093
Other pension costs	1,700	1,400
	-----	-----
	£120,837	£146,225
	=====	=====

**ASTIR DATA COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1997**

**- CONTINUED -**

**4. STAFF COSTS (Continued)**

The average monthly number of employees, including directors was as follows:-

	<u>1997</u>	<u>1996</u>
	£	£
Office and administration	2	3
Production	2	3
Sales	1	1
	—	—
	5	7
	==	==

Neither of the directors was remunerated by the company during the year.

**5. TAXATION**

As the company has made losses there is no corporation tax charge.

**6. STOCKS**

	<u>1997</u>	<u>1996</u>
	£	£
Raw materials and consumables	121,983	100,549
Finished goods	54,585	9,405
	—	—
	£176,568	£109,954
	=====	=====

**7. DEBTORS - due within one year**

	<u>1997</u>	<u>1996</u>
	£	£
Trade debtors	109,378	97,249
Accrued income	8,611	-
Corporation tax recoverable	39	39
Other debtors	3,481	-
	—	—
	£121,509	£97,288
	=====	=====

**ASTIR DATA COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1997**

**- CONTINUED -**

**8. CREDITORS - amounts falling due within one year**

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade creditors	39,975	-
Other taxation	-	55,760
Amount owed to an associated company (see note 11)	566,180	607,602
Accruals	7,365	6,000
	<u>£613,520</u>	<u>£669,362</u>

**9. SHARE CAPITAL**

	<u>1997</u>	<u>1996</u>
Authorised:		
10,000 Ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Allotted, issued and fully paid:		
6,580 Ordinary shares of £1 each	<u>£6,580</u>	<u>£6,580</u>

**10. MOVEMENT ON SHAREHOLDERS' FUNDS**

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Loss for the year	(98,778)	(89,761)
Opening shareholders' funds	(157,574)	(67,813)
	<u>£(256,352)</u>	<u>£(157,574)</u>

**11. RELATED PARTY TRANSACTIONS**

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

During the year sales of £51,759 were made to Datalect Computer Services Limited on normal commercial terms.

**12. ULTIMATE CONTROLLER**

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