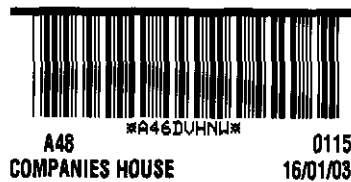


Company Registration No. 03636794 (England and Wales)

ADVANCED DESIGN TECHNOLOGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001



Saffery Champness
CHARTERED ACCOUNTANTS

ADVANCED DESIGN TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors

A Goto
M Miyasaka
S Kuryu
R Samii
A Wettern
M Zangeneh

Secretary

R Samii

Company number

03636794

Registered office

Monticello House
45 Russell Square
London
WC1B 4JP
Great Britain

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Business address

Monticello House
45 Russell Square
London
WC1B 4JP
Great Britain

ADVANCED DESIGN TECHNOLOGY LIMITED

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ADVANCED DESIGN TECHNOLOGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and financial statements for the year ended 31 December 2001.

Principal activities and review of the business

The principal activities of the company continued to be those of development and production of computer software products and the provision of related services.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2001:

A Goto	
M Miyasaka	(Appointed 1 June 2002)
H Harada	(Resigned 1 June 2002)
S Kuryu	
R Samii	
A Wettern	
M Zangeneh	

Directors' interests

The directors' interests in the shares of the company were as stated below:

	A Ordinary shares of £ 1 each	
	31 December 2001	1 January 2001
A Goto	-	-
H Harada	-	-
S Kuryu	-	-
R Samii	-	-
A Wettern	-	-
M Zangeneh	45	45

	B Ordinary share of £ 1 each	
	31 December 2001	1 January 2001
A Goto	-	-
H Harada	-	-
S Kuryu	-	-
R Samii	-	-
A Wettern	-	-
M Zangeneh	-	-

The single B Ordinary share is held by the company's holding company.

ADVANCED DESIGN TECHNOLOGY LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

Auditors

Saffery Champness were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

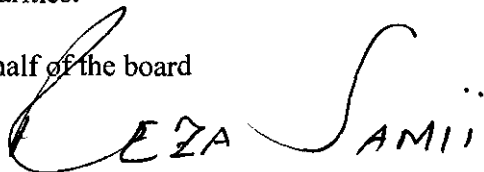
Directors' responsibilities

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.

On behalf of the board



.....
R Samii

Director

15 January 2003

ADVANCED DESIGN TECHNOLOGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADVANCED DESIGN TECHNOLOGY LIMITED

We have audited the financial statements of Advanced Design Technology Limited on pages 4 to 14 for the year ended 31 December 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Saffery Champness

Chartered Accountants
Registered Auditors

15 January 2003

Lion House
Red Lion Street
London
WC1R 4GB

ADVANCED DESIGN TECHNOLOGY LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
Turnover	2	353,316	112,049
Cost of sales		<u>(63,006)</u>	<u>(25,850)</u>
Gross profit		290,310	86,199
Selling and distribution costs		(83,326)	(63,782)
Administrative expenses		<u>(33,358)</u>	<u>(33,083)</u>
Operating profit/(loss)	3	173,626	(10,666)
Other interest receivable and similar income		<u>2,069</u>	<u>221</u>
Profit/(loss) on ordinary activities before taxation		175,695	(10,445)
Tax on profit/(loss) on ordinary activities	4	<u>(13,359)</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation	11	<u>162,336</u>	<u>(10,445)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

ADVANCED DESIGN TECHNOLOGY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Intangible assets	5		28,763		38,495
Tangible assets	6		11,521		1,183
			<u>40,284</u>		<u>39,678</u>
Current assets					
Debtors	7	8,766		9,531	
Cash at bank and in hand		<u>266,710</u>		<u>49,539</u>	
		275,476		59,070	
Creditors: amounts falling due within one year	8	<u>(95,765)</u>		<u>(41,089)</u>	
Net current assets			<u>179,711</u>		<u>17,981</u>
Total assets less current liabilities			<u>219,995</u>		<u>57,659</u>
Capital and reserves					
Called up share capital	10		101		101
Share premium account	11		149,949		149,949
Profit and loss account	11		<u>69,945</u>		<u>(92,391)</u>
Shareholders' funds	12		<u>219,995</u>		<u>57,659</u>
Equity interests			219,994		57,658
Non-equity interests			<u>1</u>		<u>1</u>
			<u>219,995</u>		<u>57,659</u>

The notes on pages 8 to 14 form part of these financial statements.

The financial statements were approved by the Board on 15 January 2003

.....
M Zangeneh
Director

.....
R Samii
Director

ADVANCED DESIGN TECHNOLOGY LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	2001	2000
	£	£
Net cash inflow from operating activities	226,718	14,306
Returns on investments and servicing of finance		
Interest received	2,069	221
Net cash inflow for returns on investments and servicing of finance	2,069	221
Capital expenditure		
Payments to acquire intangible assets	-	(20,000)
Payments to acquire tangible assets	(11,616)	(932)
Net cash outflow for capital expenditure	(11,616)	(20,932)
Net cash inflow/(outflow) before management of liquid resources and financing	217,171	(6,405)
Increase/(decrease) in cash in the year	217,171	(6,405)

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2001	2000
		£	£
	Operating profit/(loss)	173,626	(10,666)
	Depreciation of tangible assets	1,278	1,132
	Amortisation of intangible assets	9,732	8,732
	Decrease/(increase) in debtors	765	(3,981)
	Increase in creditors within one year	41,317	19,089
	Net cash inflow from operating activities	226,718	14,306
2	Analysis of net funds	1 January 2001	Cash flow Other non- 31 December cash changes 2001
		£	£
	Net cash:		
	Cash at bank and in hand	49,539	217,171
	Bank deposits	-	-
	Finance leases	-	-
	Debts falling due within one year	-	-
	Debts falling due after one year	-	-
	Net funds	49,539	217,171
3	Reconciliation of net cash flow to movement in net funds	2001	2000
		£	£
	Increase/(decrease) in cash in the year	217,171	(6,405)
	Movement in net funds in the year	217,171	(6,405)
	Opening net funds	49,539	55,944
	Closing net funds	266,710	49,539

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% and 50% per annum straight line
--------------------------------	-------------------------------------

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

ADVANCED DESIGN TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001****2 Turnover****Geographical market**

	Turnover	
	2001	2000
	£	£
Japan and Far East	264,117	107,049
UK	11,000	5,000
Other EC Countries	59,500	-
USA	18,700	-
	<u>353,317</u>	<u>112,049</u>

3 Operating profit/(loss)

	2001	2000
	£	£
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	9,732	8,732
Depreciation of tangible assets	1,278	1,132
Loss on foreign exchange transactions	781	-
Operating lease rentals	19,329	18,145
Auditors' remuneration	1,500	1,500
	<u> </u>	<u> </u>

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

4	Taxation	2001 £	2000 £
	Domestic current year tax		
	U.K. corporation tax	13,359	-
	Current tax charge	<u>13,359</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>175,695</u>	<u>(10,445)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2000 : 30.00%)	<u>52,709</u>	<u>(3,134)</u>
	Effects of:		
	Non deductible expenses	-	(6,000)
	Depreciation	3,303	601
	Capital allowances	(937)	(368)
	Tax losses utilised	<u>(41,716)</u>	<u>8,901</u>
		<u>(39,350)</u>	<u>3,134</u>
	Current tax charge	<u>13,359</u>	<u>-</u>

The company has estimated losses of £ nil (2000 : £ 131,191) available for carry forward against future trading profits.

5	Intangible fixed assets	Development Costs £
	Cost	
	At 1 January 2001 & at 31 December 2001	<u>48,660</u>
	Amortisation	
	At 1 January 2001	10,165
	Charge for the year	<u>9,732</u>
	At 31 December 2001	<u>19,897</u>
	Net book value	
	At 31 December 2001	<u>28,763</u>
	At 31 December 2000	<u>38,495</u>

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

6 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2001	2,885
Additions	11,616
	<hr/>
At 31 December 2001	14,501
	<hr/>
Depreciation	
At 1 January 2001	1,702
Charge for the year	1,278
	<hr/>
At 31 December 2001	2,980
	<hr/>
Net book value	
At 31 December 2001	11,521
	<hr/>
At 31 December 2000	1,183
	<hr/>

7 Debtors	2001 £	2000 £
Trade debtors	-	5,875
Other debtors	8,766	3,656
	<hr/>	<hr/>
	8,766	9,531
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year	2001 £	2000 £
Trade creditors	-	1,911
Amounts owed to parent and fellow subsidiary undertakings	-	6,178
Corporation tax	13,359	-
Other creditors	79,406	30,000
Accruals and deferred income	3,000	3,000
	<hr/>	<hr/>
	95,765	41,089
	<hr/>	<hr/>

ADVANCED DESIGN TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001****9 Pension costs****Defined contribution**

	2001 £	2000 £
Contributions payable by the company for the year	1,350	762

10 Share capital

	2001 £	2000 £
Authorised		
999 A Ordinary shares of £ 1 each	999	999
1 B Ordinary share of £ 1 each	1	1
	<u>1,000</u>	<u>1,000</u>
 Allotted, called up and fully paid		
100 A Ordinary shares of £ 1 each	100	100
1 B Ordinary share of £ 1 each	1	1
	<u>101</u>	<u>101</u>

The A and B shares rank pari-passu except:-

(i)The B share carries no rights to receive dividends or other distributions out of the revenue or any other profits of the company.

(ii)The B share shall, on winding up or other return of assets of the company, be entitled to share pari-passu the assets available for distribution only after the debts and liabilities of the company and the costs of the winding up have been paid or allowed for and after there has been paid on each A share of £1 in the capital of the company the sum of £1 Million or its equivalent in any other currency in which payment is determined to be made.

ADVANCED DESIGN TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001****11 Statement of movements on reserves**

	Share premium account £	Profit and loss account £
Balance at 1 January 2001	149,949	(92,391)
Retained profit for the year	-	162,336
	<u>149,949</u>	<u>69,945</u>
Balance at 31 December 2001	149,949	69,945

12 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit/(loss) for the financial year	162,336	(10,445)
Opening shareholders' funds	57,659	68,104
	<u>219,995</u>	<u>57,659</u>
Closing shareholders' funds	219,995	57,659

13 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2001 £	2000 £
Expiry date:		
Between two and five years	19,800	-

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Software Developers	<u>2</u>	<u>1</u>
Employment costs		
	£	£
Wages and salaries	48,988	28,667
Social security costs	3,988	2,965
Other pension costs	<u>1,350</u>	<u>762</u>
	<u>54,326</u>	<u>32,394</u>

15 Control

The ultimate parent company is Ebara Research Company Limited, a company incorporated in Japan.

16 Related party transactions

The company was controlled throughout the current year and previous period by Ebara Research Company Limited, a company incorporated in Japan, by virtue of its 51% holding of the voting shares.

During the year the company sold £258,117 (2000: £104,945) worth of computer software, on normal commercial terms, to Ebara Research Company Limited.

Included in the cost of sales, are £53,466 (2000: £18,000) worth of royalties payable to Turbo Design Technology Limited, a UK registered company in which Dr Zangeneh is interested by virtue of his 100% shareholdings.

The balance due to Turbo Design Technology Ltd as at 31 December 2001 amounted to £71,466 (2000: £27,000).

The company also purchased £1,850 (2000: £3,320) worth of accountancy, legal, tax and secretarial services from Mr Reza Samii Chartered Accountant, a director, on normal commercial terms during the year.

The balance due to Mr Samii as at 31.12.2001 amounted to £1,500 (2000: £1,500).