

Company Registration No. 03636794 (England and Wales)

ADVANCED DESIGN TECHNOLOGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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ADVANCED DESIGN TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors

A Goto
M Miyasaka
S Kuryu
M Zangeneh
A Wettern

Secretary

R Samii

Company number

03636794

Registered office

Monticello House
45 Russell Square
London
WC1B 4JP

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Business address

Monticello House
45 Russell Square
London
WC1B 4JP

ADVANCED DESIGN TECHNOLOGY LIMITED

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ADVANCED DESIGN TECHNOLOGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

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, especially to the turbomachinery industry

In 2007 there was significant progress in Japan and the far east , which is expected to continue in 2008
The directors look with optimism to 2008

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 January 2007

A Goto
M Miyasaka
S Kuryu
M Zangeneh
A Wettern

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985 Therefore, the auditors, Saffery Champness, will be deemed to be reappointed for each succeeding financial year

ADVANCED DESIGN TECHNOLOGY LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2007

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,
- 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 will continue in business

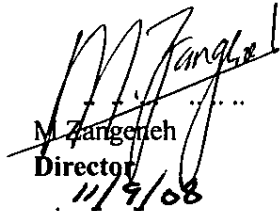
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


M. Zangeneh
Director
11/9/08

ADVANCED DESIGN TECHNOLOGY LIMITED

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

We have audited the financial statements of Advanced Design Technology Limited on pages 5 to 17 for the year ended 31 December 2007. 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

ADVANCED DESIGN TECHNOLOGY LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF ADVANCED DESIGN TECHNOLOGY LIMITED**

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended, and

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors' report is consistent with the financial statements


Saffery Champness

Chartered Accountants
Registered Auditors

30.9.08.

Lion House
Red Lion Street
London
WC1R 4GB

ADVANCED DESIGN TECHNOLOGY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
Turnover	2	395,477	419,645
Cost of sales		(88,270)	(82,813)
Gross profit		307,207	336,832
Selling and distribution costs		(256,910)	(215,261)
Administrative expenses		(80,451)	(51,771)
Operating (loss)/profit	3	(30,154)	69,800
Other interest receivable and similar income		9,712	3,975
Interest payable and similar charges	4	-	(219)
(Loss)/profit on ordinary activities before taxation		(20,442)	73,556
Tax on (loss)/profit on ordinary activities	5	(13,113)	(4,375)
(Loss)/profit on ordinary activities after taxation	12	(33,555)	69,181

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 17 form part of these financial statements

ADVANCED DESIGN TECHNOLOGY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Intangible assets	6	215,179		173,231	
Tangible assets	7	3,519		3,719	
		
		218,698		176,950	
Current assets					
Debtors	8	190,399		198,293	
Cash at bank and in hand		149,417		121,900	
		
		339,816		320,193	
Creditors: amounts falling due within one year	9	(260,358)		(165,432)	
		
Net current assets		79,458		154,761	
		
Total assets less current liabilities		298,156		331,711	
		
		298,156		331,711	
		
Capital and reserves					
Called up share capital	11	121		121	
Share premium account	12	209,929		209,929	
Profit and loss account	12	88,106		121,661	
		
Shareholders' funds - equity interests	13	298,156		331,711	
		

The notes on pages 8 to 17 form part of these financial statements

The financial statements were approved by the board on

11/9/08

M Zangeneh
Director

ADVANCED DESIGN TECHNOLOGY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	£	2007 £	£	2006 £
Net cash inflow from operating activities	19		144,088		83,575
Returns on investments and servicing of finance					
Interest received		9,712		3,975	
Interest element of finance lease rentals		-		(219)	
		
Net cash inflow for returns on investments and servicing of finance			9,712		3,756
Taxation			(31,586)		-
Capital expenditure					
Payments to acquire intangible assets		(92,090)		(86,201)	
Payments to acquire tangible assets		(2,607)		(3,482)	
		
Net cash outflow for capital expenditure			(94,697)		(89,683)
		
Net cash inflow/(outflow) before management of liquid resources and financing			27,517		(2,352)
Financing					
Capital element of hire purchase contracts		-		(686)	
		
Net cash outflow from financing			-		(686)
		
Increase/(decrease) in cash in the year	20, 21		27,517		(3,038)
		

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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
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1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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 tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

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 2007****2 Turnover****Geographical market**

	Turnover	
	2007	2006
	£	£
Japan and Far East	225,232	76,457
UK	19,821	63,329
Other EC Countries	98,038	201,761
USA	44,511	77,622
Other	7,875	476

	395,477	419,645

3 Operating (loss)/profit

	2007	2006
	£	£
Operating (loss)/profit is stated after charging		
Amortisation of intangible assets	50,141	42,724
Depreciation of tangible assets	2,807	2,960
Loss on foreign exchange transactions	7,056	4,167
Operating lease rentals	35,939	30,635
Auditors' remuneration	6,105	2,250

4 Interest payable

	2007	2006
	£	£
Lease finance charges	-	219

ADVANCED DESIGN TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**

5 Taxation	2007	2006
	£	£
Domestic current year tax		
U K corporation tax	-	1,193
Foreign corporation tax		
Other foreign tax	31,586	-

Current tax charge	31,586	1,193
Deferred tax		
Deferred tax charge/credit current year	(18,473)	3,182

	13,113	4,375

Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(20,442)	73,556

(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2006 30 00%)	(5,724)	22,067

Effects of		
Non deductible expenses	162	623
Depreciation add back	14,826	13,705
Capital allowances	(1,011)	(1,183)
Tax losses utilised	26,697	(1,694)
Foreign tax adjustments	31,586	-
Other tax adjustments	(34,950)	(32,325)

	37,310	(20,874)

Current tax charge	31,586	1,193

The company has estimated losses of £ 330,710 (2006. £ 250,707) available for carry forward against future trading profits

ADVANCED DESIGN TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007****6 Intangible fixed assets**

	Development Costs £
Cost	
At 1 January 2007	299,373
Additions	92,089

At 31 December 2007	391,462

Amortisation	
At 1 January 2007	126,142
Charge for the year	50,141

At 31 December 2007	176,283

Net book value	
At 31 December 2007	215,179

At 31 December 2006	173,231

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2007	33,188
Additions	2,607

At 31 December 2007	35,795

Depreciation	
At 1 January 2007	29,469
Charge for the year	2,807

At 31 December 2007	32,276

Net book value	
At 31 December 2007	3,519

At 31 December 2006	3,719

ADVANCED DESIGN TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**

8 Debtors	2007	2006
	£	£
Trade debtors	88,013	99,947
Other debtors	6,975	9,559
Prepayments and accrued income	485	12,334
Deferred tax asset	94,926	76,453

	190,399	198,293

Deferred tax	2007	
	£	
Balance at 1 January 2007	76,453	
Profit and loss account	18,473	
	
Balance at 31 December 2007	94,926	
	
	2007	2006
	£	£
Accelerated capital allowances	2,328	2,434
Tax losses available	92,598	74,019

	94,926	76,453

9 Creditors: amounts falling due within one year	2007	2006
	£	£
Trade creditors	23,970	21,898
Amounts owed to parent and fellow subsidiary undertakings	31,586	-
Corporation tax	1,193	1,193
Other taxes and social security costs	16,629	6,922
Other creditors	145,338	115,999
Accruals and deferred income	41,642	19,420

	260,358	165,432

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2007

10 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2007 £	2006 £
Contributions payable by the company for the year	2,671	2,450

11 Share capital

	2007 £	2006 £
Authorised		
999 A Ordinary shares of £1 each	999	999
500 C Ordinary shares of £1 each	500	500
1 B Ordinary share of £1 each	1	1
	1,500	1,500
Allotted, called up and fully paid		
100 A Ordinary shares of £1 each	100	100
20 C Ordinary shares of £1 each	20	20
1 B Ordinary share of £1 each	1	1
	121	121

The A, B and C 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 and C 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

(iii) The C shares have no voting rights

ADVANCED DESIGN TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007****12 Statement of movements on reserves**

	Share premium account £	Profit and loss account £
Balance at 1 January 2007	209,929	121,661
Retained loss for the year	-	(33,555)

Balance at 31 December 2007	209,929	88,106

13 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
(Loss)/profit for the financial year	(33,555)	69,181
Opening shareholders' funds	331,711	262,530

Closing shareholders' funds	298,156	331,711

14 Financial commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007 £	2006 £
Expiry date:		
Within one year	34,800	31,200

15 Directors' emoluments

	2007 £	2006 £
Emoluments for qualifying services	14,892	13,440

ADVANCED DESIGN TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2007

16 Employees**Number of employees**

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

	2007 Number	2006 Number
Software Developers	6	6
Management	1	1

	7	7

Employment costs

	£	£
Wages and salaries	151,016	101,094
Social security costs	15,313	10,436
Other pension costs	2,671	2,450

	169,000	113,980

17 Control

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

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2007

18 Related party transactions

During the year the company sold £114,706 (2006 £75,769) worth of computer software, on normal commercial terms, to Ebara Research Company Limited

The balance due from the holding company as at 31 December 2007 amounted to £31,552 (2006 £21,957)

Included in the cost of sales, are £60,605 (2006 £70,849) worth of royalties payable to Turbo Design Technology Limited, a UK registered company in which M Zangeneh, a director of the company, is interested by virtue of his 100% shareholding. The balance due to Turbo Design Technology Limited as at 31 December 2007 amounted to £118,318 (2006 £97,713)

Included in the cost of sales, are £7,734 (2006 £7,872) worth of royalties payable to University College London. The balance due to University College London as at 31 December 2007 amounted to £26,020 (2006 £18,286)

The company also paid accounting fees totalling £4,320 to Miss Kazemi, the sister of Mr Zangeneh, a director of the company

Wettern Ventures, which is controlled by A Wettern, received reimbursements for travel to the board meeting of £937 (2006 £650) in the year

19 Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2007	2006
	£	£
Operating (loss)/profit	(30,154)	69,800
Depreciation of tangible assets	2,807	2,960
Amortisation of intangible assets	50,141	42,724
Decrease/(increase) in debtors	26,368	(72,535)
Increase in creditors within one year	94,926	40,626

Net cash inflow from operating activities	144,088	83,575

20 Analysis of net (debt)/funds	1 January 2007	Cash flow	Other non- 31 December cash changes	2007
	£	£	£	£
Net cash				
Cash at bank and in hand	121,900	27,517	-	149,417

Net funds	121,900	27,517	-	149,417

ADVANCED DESIGN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

21 Reconciliation of net cash flow to movement in net funds	2007	2006
	£	£
Increase/(decrease) in cash in the year	27,517	(3,038)
Cash (inflow)/outflow from (increase)/decrease in debt	-	686

Movement in net funds in the year	27,517	(2,352)
Opening net funds	121,900	124,252

Closing net funds	149,417	121,900
