



PRICE BAILEY
Chartered Accountants

PARADISE DATACOM LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

REGISTERED NUMBER: 2829165



Offices at:

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Saffron Walden

A member of The UK 200 Group, an association of independent practising Chartered Accountants

PARADISE DATACOM LIMITED

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1999

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PARADISE DATACOM LIMITED

AUDITORS' REPORT TO PARADISE DATACOM LIMITED

UNDER SECTION 247B TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 3 to 6, together with the financial statements of the company for the year ended 30 April 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 3 to 6 are properly prepared in accordance with those provisions.

AYLMER HOUSE

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HARLOW

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PRICE BAILEY

**CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS**

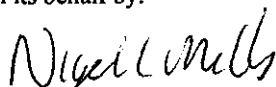
Dated: 3 August 1999

PARADISE DATACOM LIMITED**ABBREVIATED BALANCE SHEET AT 30 APRIL 1999**

	Notes		1998
FIXED ASSETS			
Intangible fixed assets	2	-	55,211
Tangible fixed assets	3	125,534	127,207
		<u>125,534</u>	<u>182,418</u>
CURRENT ASSETS			
Stocks		256,145	115,553
Debtors	4	552,150	481,389
Cash at bank and in hand		-	5,901
		<u>808,295</u>	<u>602,843</u>
CREDITORS: amounts falling due within one year		<u>355,224</u>	<u>283,215</u>
NET CURRENT ASSETS		<u>453,071</u>	<u>319,628</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£578,605</u>	<u>£502,046</u>
CAPITAL AND RESERVES			
Called up share capital	5	60,000	60,000
Profit and loss account		518,605	442,046
EQUITY SHAREHOLDERS FUNDS		<u>£578,605</u>	<u>£502,046</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The abbreviated financial statements on pages 3 to 6 were approved by the board of directors on 3 August 1999 and signed on its behalf by:



N L Mills
Chairman

The notes on pages 4 to 6 form part of these financial statements.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

1 ACCOUNTING POLICIES

Accounting convention and standards

The financial statements are prepared in accordance with the Financial Reporting Standard for Smaller Entities and under the historical cost convention.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives, on the reducing balance basis, as follows:

Plant and machinery	33% per annum
Motor vehicles	25% per annum
Fixtures and fittings	15% per annum

Research and development

Expenditure on research and development is written off against profits in the year in which it is incurred, net of any grants receivable. Development expenditure incurred for specific projects is deferred (net of grants receivable) until future sales of that project are generated.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

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

Defined contribution pension scheme

Contributions to a money purchase scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Government Grants

Money received from government grants is written off against relevant expenditure as incurred.

PARADISE DATACOM LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

2 INTANGIBLE FIXED ASSETS

	Development Costs
At 1 May 1998	55,211
Written back in respect of developed projects	55,211
	<u>£Nil</u>
At 30 April 1999	<u>£Nil</u>
Net book amount	
30 April 1998	<u>£55,211</u>
30 April 1999	<u>£Nil</u>

3 TANGIBLE FIXED ASSETS

	Plant and Machinery, etc
Cost	
1 May 1998	230,217
Additions	37,972
Disposals	(1,964)
	<u>£266,225</u>
30 April 1999	<u>£266,225</u>
Depreciation	
1 May 1998	103,010
Charge for year	38,816
Disposals	(1,135)
	<u>£140,691</u>
30 April 1999	<u>£140,691</u>
Net book value	
30 April 1999	<u>£125,534</u>
30 April 1998	<u>£127,207</u>

4 DEBTORS

		1998
Amounts falling due within one year	<u>£552,150</u>	<u>£481,389</u>

PARADISE DATACOM LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 APRIL 1999****5 CALLED UP SHARE CAPITAL**

	Number of shares	£	Number of shares	1998 £
Authorised share capital				
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>

6 DIRECTORS LOANS

The company has loans payable to directors and their associates as follows:

	1998
Amounts due to directors	
N L Mills Esq	<u>£20,233</u>
	<u>£26,321</u>

There are no formal terms for these loans, which are interest free and repayable on demand.

7 RELATED PARTY TRANSACTIONS

During the year the company made total payments of £25,246 (1998 £25,596) to N Mills Esq, a director of the company, for use of the property owned by himself.

Included in other debtors is an amount of £95,848 (1998 £80,368) due from Paradise Datacom LLC (a limited liability company organised in Pennsylvania, USA) in which the company has a 65% interest.

Paradise Datacom LLC prepares accounts to 31 December and the following information has been extracted from the unaudited accounts to 31 December 1998 and 1997:

	1998	1997
Aggregate of members equity at end of year	£(21,020)	£(10,305)
Loss for the year	<u>£(10,771)</u>	<u>£(131,078)</u>

Control

The company is under the immediate and ultimate control of its directors N L Mills Esq and Mrs E Mills.