

PARADISE DATACOM LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1998

REGISTERED NUMBER: 2829165



PARADISE DATACOM LIMITED

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FOR THE YEAR ENDED 30 APRIL 1998

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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 4 to 7, together with the financial statements of the company for the year ended 30 April 1998 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 4 to 7 are properly prepared in accordance with those provisions.

AYLMER HOUSE

THE HIGH

HARLOW

ESSEX

CM20 1DH



PRICE BAILEY

**CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS**

Dated: 3 September 1998

PARADISE DATACOM LIMITED**ABBREVIATED BALANCE SHEET AT 30 APRIL 1998**

	Notes		1997
FIXED ASSETS			
Intangible fixed assets	2	55,211	55,211
Tangible fixed assets	2	127,207	131,360
		<u>182,418</u>	<u>186,571</u>
CURRENT ASSETS			
Stocks		115,553	223,463
Debtors	3	481,389	392,533
Cash at bank and in hand		5,901	226,738
		<u>602,843</u>	<u>842,734</u>
CREDITORS: amounts falling due within one year	4	283,215	382,552
		<u>319,628</u>	<u>460,182</u>
NET CURRENT ASSETS			
		<u>£502,046</u>	<u>£646,753</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	5	60,000	60,000
Profit and loss account		442,046	586,753
		<u>£502,046</u>	<u>£646,753</u>
EQUITY SHAREHOLDERS FUNDS			

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.

The abbreviated financial statements on pages 4 to 7 were approved by the board of directors on 28/8/98 and signed on its behalf by:

Nigel L Mills
N L Mills
Chairman

The notes on pages 5 to 7 form part of these financial statements.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1998

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%
Motor vehicles	25%
Fixtures and fittings	15%

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.

Cost comprises direct material and labour costs together with the relevant factory overheads on the basis of normal activity levels.

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 the relevant expenditure as incurred.

Research and development

Research expenditure is written off in the year 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. Development expenditure incurred for the purpose of DTI grants is written off in the year incurred.

PARADISE DATACOM LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1998

2 FIXED ASSETS

	Intangible Assets	Tangible Assets	Total
Cost			
1 May 1997	55,211	198,131	253,342
Additions	-	32,086	32,086
30 April 1998	<u>£55,211</u>	<u>£230,217</u>	<u>£285,428</u>
Depreciation			
1 May 1997	-	66,771	66,771
Charge for year	-	36,239	36,239
30 April 1998	<u>£Nil</u>	<u>£103,010</u>	<u>£103,010</u>
Net book value			
30 April 1997	<u>£55,211</u>	<u>£131,360</u>	<u>£186,571</u>
30 April 1998	<u>£55,211</u>	<u>£127,207</u>	<u>£182,418</u>

3 DEBTORS

1997

Amounts falling due within one year	<u>£481,389</u>	<u>£392,533</u>
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4 CREDITORS

Creditors include the following amounts:

Secured creditors

1997

Aggregate amount of secured creditors	<u>£53,724</u>	<u>£Nil</u>
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The above figure represents the aggregate amount of all creditors in the company's balance sheet in respect of which security has been given by the company.

PARADISE DATACOM LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

5 CALLED UP SHARE CAPITAL

	Number of shares	£	Number of shares	1997 £
Authorised share capital				
Ordinary shares of £1 each	250,000	250,000	250,000	250,000
Allotted called up and fully paid				
Ordinary shares of £1 each	60,000	60,000	60,000	60,000

6 DIRECTORS LOANS

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

			1997
Amounts due to directors			
Chairman	£26,321		£77,627

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 £25,596 (1997 £26,013) 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 £80,368 (1997 £38,307) due from Paradise Datacom Inc (a partnership incorporated in the United States of America) in which the company has a 65% interest.

Control

The company is under the immediate and ultimate control of its directors.