



**PRICE BAILEY**

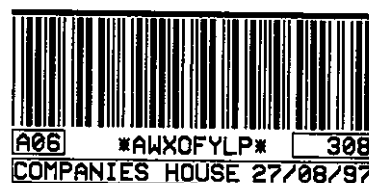
Chartered Accountants

**PARADISE DATACOM LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 1997**

**Company Registration No: 2829165**



**Offices at:**

Bishop's Stortford Cambridge Chingford Ely Harlow Newmarket  
Norwich Saffron Walden

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



## **AUDITORS' REPORT TO PARADISE DATACOM LIMITED**

### **PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of Paradise Datacom Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30 April 1997.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246(5) and (6) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly prepared in accordance with that section.

#### **Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. 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 under Sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Act in respect of the year ended 30 April 1997, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with that section.

A handwritten signature in dark ink, appearing to read 'Price Bailey'.

**AYLMER HOUSE**

**THE HIGH**

**HARLOW**

**ESSEX**

**CM20 1DH**

**PRICE BAILEY**

**CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITORS**

**Dated: 26 August 1997**

**PARADISE DATACOM LIMITED**

**ABBREVIATED BALANCE SHEET AT 30 APRIL 1997**

	Notes		1996
<b>FIXED ASSETS</b>			
Intangible assets	2	55,211	-
Tangible assets	3	131,360	118,935
<b>CURRENT ASSETS</b>			
Stock		223,463	236,952
Debtors		392,533	669,645
Cash at bank and in hand		226,738	74,758
		<hr/>	<hr/>
		842,734	981,355
CREDITORS: amounts falling due within one year		382,552	525,004
		<hr/>	<hr/>
NET CURRENT ASSETS		460,182	456,351
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£646,753	£575,286
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	60,000	60,000
Profit and loss account		586,753	515,286
		<hr/>	<hr/>
Equity shareholders' funds		£646,753	£575,286
		<hr/>	<hr/>

**DIRECTORS' STATEMENT**

The financial statements are prepared in accordance with the special provisions under Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 16/8/97

N L Mills  
Director

*Nigel L Mills*

The notes on pages 3 to 5 form part of these abbreviated financial statements.

**PARADISE DATACOM LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

**1.1 Accounting convention and standards**

The financial statements have been prepared under the historical cost convention in accordance with applicable Statements of Standard Accounting Practice and Financial Reporting Standards.

**1.2 Turnover**

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax).

**1.3 Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected life, on the reducing balance basis, as follows:

Motor vehicles	25% per annum
Computers	33% per annum
Fixtures, fittings and equipment	15% per annum

**1.4 Stocks**

Stocks are stated at the lower of cost and net realisable value.

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

**1.5 Deferred taxation**

Deferred taxation is calculated using the liability method on timing differences between amounts as computed for taxation purposes and amounts as stated in these financial statements in conjunction with losses carried forward.

**1.6 Foreign currencies**

Assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at the end of 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 the profit and loss account.

**PARADISE DATACOM LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Leasing commitments**

Rentals paid under operating agreements are charged to income as incurred.

**1.8 Defined contribution pension scheme**

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

**1.9 Government grants**

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

**1.10 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.

**2. INTANGIBLE FIXED ASSETS**

	<b>Research and Development</b>
<b>Cost:</b>	
Additions	97,643
Less: Grants receivable	42,432
	<hr/>
At 30 April 1997	£55,211
	<hr/>
<b>Net book value:</b>	
At 30 April 1997	£55,211
	<hr/>

PARADISE DATACOM LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

3. TANGIBLE FIXED ASSETS

	Computer Equipment	Fixtures Fittings and Equipment	Motor Vehicles	Total
<b>Cost:</b>				
At 1 May 1996	54,509	95,441	1,964	151,914
Additions	12,955	33,262	-	46,217
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1997	£67,464	£128,703	£1,964	£198,131
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation:</b>				
At 1 May 1996	18,171	14,317	491	32,979
Charge for the year	16,266	17,158	368	33,792
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1997	£34,437	£31,475	£859	£66,771
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>				
At 30 April 1996	£36,338	£81,124	£1,473	£118,935
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1997	£33,027	£97,228	£1,105	£131,360
	<hr/>	<hr/>	<hr/>	<hr/>

4. SHARE CAPITAL

	1996	
	No:	No:
<b>Authorised</b>		
Ordinary shares of £1 each	250,000	250,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
60,000 ordinary shares of £1 each	£60,000	£60,000
	<hr/>	<hr/>

5. TRANSACTIONS WITH DIRECTORS

During the year the company made total payments of £26,013 (1996 £21,430) 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 £38,307, due from Paradise Datacom LLC (a company incorporated in the United States of America), in which the company has a 65% interest. No accounts are available yet for this company.

Included in creditors is £77,627 owed to the director N Mills Esq by the company.