

**ACTIVE SILICON LIMITED**  
**FINANCIAL STATEMENTS**

**31ST MARCH 1999**

**Company Registration Number 02263641**

**HARE WILSON & CO**

Chartered Accountants & Registered Auditors  
Redmead House, Uxbridge Road  
Hillingdon Heath, Uxbridge  
Middlesex, UB10 0LT

**ACTIVE SILICON LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 1999**

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**ACTIVE SILICON LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

Mr H C Pearce  
Mr C J Beynon

**Company secretary**

Mr I R Marshall

**Registered office**

Redmead House  
Uxbridge Road  
Hillingdon Heath  
Uxbridge  
Middlesex  
UB10 0LT

**Auditors**

Hare Wilson & Co  
Chartered Accountants  
& Registered Auditors  
Redmead House, Uxbridge Road  
Hillingdon Heath, Uxbridge  
Middlesex, UB10 0LT

**ACTIVE SILICON LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31ST MARCH 1999**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 1999.

**PRINCIPAL ACTIVITIES**

The principal activities of the company during the year were the design and supply of electronic and computer systems.

**THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At 31 March 1999</b>	<b>At 1 April 1998</b>
Mr H C Pearce	51	51
Mr W G Pearce	-	5
Mr C J Beynon	26	26
	----	----

Mr W G Pearce retired as a director on 31st December 1999.

**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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

**AUDITORS**

A resolution to re-appoint Hare Wilson & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**ACTIVE SILICON LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31ST MARCH 1999**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Redmead House  
Uxbridge Road  
Hillingdon Heath  
Uxbridge  
Middlesex  
UB10 0LT

Signed by order of the directors

MR I R MARSHALL  
Company Secretary

Approved by the directors on .....

**ACTIVE SILICON LIMITED**  
**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 31ST MARCH 1999**

We have audited the financial statements on pages 5 to **Error! Bookmark not defined.** which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with 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 31st March 1999 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Redmead House, Uxbridge Road  
Hillingdon Heath, Uxbridge  
Middlesex, UB10 0LT

HARE WILSON & CO  
Chartered Accountants  
& Registered Auditors

.....

**ACTIVE SILICON LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31ST MARCH 1999**

	Note	1999 £	1998 £
<b>TURNOVER</b>		1,623,398	1,025,483
Cost of sales		(862,016)	(471,966)
<b>GROSS PROFIT</b>		761,382	553,517
Administrative expenses		(551,038)	(419,388)
<b>OPERATING PROFIT</b>	<b>2</b>	210,344	134,129
Profit on disposal of fixed assets		4,750	1,500
		215,094	135,629
Income from other fixed asset investments	<b>4</b>	462	-
Interest receivable		5,219	3,654
Interest payable		(840)	(803)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		219,935	138,480
Tax on profit on ordinary activities	<b>5</b>	(44,762)	(24,796)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		175,173	113,684
Equity dividends paid		(41,760)	-
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		133,413	113,684
Balance brought forward		235,856	122,172
Balance carried forward		369,269	235,856

## ACTIVE SILICON LIMITED

## BALANCE SHEET

31ST MARCH 1999

	Note	1999	1998
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	114,486	95,351
Investments	7	50,000	50,000
		<u>164,486</u>	<u>145,351</u>
<b>CURRENT ASSETS</b>			
Stocks		69,596	51,294
Debtors	8	450,089	265,907
Cash at bank and in hand		147,820	90,600
		<u>667,505</u>	<u>407,801</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(462,622)</u>	<u>(317,196)</u>
<b>NET CURRENT ASSETS</b>		204,883	90,605
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>369,369</u>	<u>235,956</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	100	100
Profit and loss account		369,269	235,856
<b>SHAREHOLDERS' FUNDS</b>		<u>369,369</u>	<u>235,956</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the ....., and are signed on their behalf by:

.....  
MR H C PEARCE

.....  
MR C J BEYNON

**ACTIVE SILICON LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 1999**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment	-	33.33%
Fixtures & Fittings	-	20%
Motor Vehicles	-	20%

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**2. OPERATING PROFIT**

Operating profit is stated after charging:

	<b>1999</b>	1998
	£	£
Staff pension contributions	9,200	3,700
Depreciation	29,973	22,939
Auditors' fees	2,200	1,800
Net loss on foreign currency translation	-	7,367
	-----	-----

**ACTIVE SILICON LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 1999**

**3. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	<b>1999</b>	1998
	£	£
Aggregate emoluments	90,800	72,897
Value of company pension contributions to money purchase schemes	10,004	6,402
	-----	-----
	100,804	79,299
	-----	-----

The number of directors who are accruing benefits under company pension schemes were as follows:

	<b>1999</b>	1998
	No.	No.
Money purchase schemes	2	-
	----	----

**4. INCOME FROM OTHER FIXED ASSET INVESTMENTS**

	<b>1999</b>	1998
	£	£
Dividend received	462	-
	----	----

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>1999</b>	1998
	£	£
<b>In respect of the year:</b>		
Corporation tax based on the results for the year at 21% (1998 - 21%)	44,662	24,796
Adjustment in respect of previous years:		
Corporation tax	100	-
	-----	-----
	44,762	24,796
	-----	-----

**ACTIVE SILICON LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 1999**

**6. TANGIBLE FIXED ASSETS**

	<b>Computer Equipment £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>COST</b>				
At 1st April 1998	134,860	22,969	64,713	222,542
Additions	27,484	1,290	20,333	49,107
Disposals	-	-	(22,811)	(22,811)
<b>At 31st March 1999</b>	<u>162,344</u>	<u>24,259</u>	<u>62,235</u>	<u>248,838</u>
<b>DEPRECIATION</b>				
At 1st April 1998	94,886	5,049	27,256	127,191
Charge for the year	17,524	4,068	8,381	29,973
On disposals	-	-	(22,812)	(22,812)
<b>At 31st March 1999</b>	<u>112,410</u>	<u>9,117</u>	<u>12,825</u>	<u>134,352</u>
<b>NET BOOK VALUE</b>				
<b>At 31st March 1999</b>	<u>49,934</u>	<u>15,142</u>	<u>49,410</u>	<u>114,486</u>
At 31st March 1998	<u>39,974</u>	<u>17,920</u>	<u>37,457</u>	<u>95,351</u>

**7. INVESTMENTS**

	<b>£</b>
<b>COST</b>	
At 1st April 1998 and 31st March 1999	<u>50,000</u>
<b>NET BOOK VALUE</b>	
<b>At 31st March 1999</b>	<u>50,000</u>
At 31st March 1998	<u>50,000</u>

**Listed investments**

Listed investments having a net book value of £50,000 (1998 - £Nil) are held by the company and had a market value of £27,717 at the end of the year (1998 - £Nil).

**ACTIVE SILICON LIMITED**  
**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31ST MARCH 1999**

	1999		1998	
	£	£	£	£
<b>8. DEBTORS</b>				
		<b>1999</b>		1998
		£		£
Trade debtors		429,157		245,658
Other debtors		8,056		8,056
Prepayments and accrued income		12,876		12,193
		450,089		265,907

**9. CREDITORS: Amounts falling due within one year**

	1999		1998	
	£	£	£	£
Bank loans and overdrafts		71,803		29,968
Trade creditors		156,416		88,269
Other creditors comprise:				
Corporation tax	44,855		24,881	
VAT	38,051		15,309	
Directors current accounts	12,828		12,261	
		95,734		52,451
Accruals and deferred income		138,669		146,508
		462,622		317,196

**10. RELATED PARTY TRANSACTIONS**

The company was under the control of Mr H C Pearce throughout the current and previous year. Mr Pearce is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**11. SHARE CAPITAL**

**Authorised share capital:**

	1999		1998	
	£	£	£	£
1,000 Ordinary shares of £1 each		1,000		1,000

**Allotted, called up and fully paid:**

	1999		1998	
	£	£	£	£
Ordinary share capital		100		100