DIGITROL LIMITED

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 2000



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COMPANIES HOUSE 26/03/01

OWEN JOHN & COMPANY
CHARTERED ACCOUNTANTS

DIGITROL LIMITED

FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 2000

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Registered Number 985113 England and Wales

DIGITROL LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST OCTOBER 2000

The Directors present their annual report with the accounts of the Company.

1. PRINCIPAL ACTIVITY

The Company's principal activity during the year was that of manufacture and assembly of computer products.

2. BUSINESS REVIEW

The directors are pleased to report an excellent year. For the third consecutive year there has been an increase in turnover and profit, turnover by 64% and profit by over 500%. As in previous years, development work amounting to more than 5% of this year's turnover has been written off. During the year the board invested heavily in marketing the company in order to maintain future growth and profitability.

3. DIRECTORS

The Directors of the Company during the year and their beneficial interests in the issued share capital of the Company at the beginning and end of the year were:

	Ordinary Shares of 10p each	
	31st October 2000	31st October 1999
W. P Shapton	180,000	180,000
D. J. Rowlands	1,000	1,000
D. M. W. Coughlin	180,000	1,000
A. Bevan	180,000	1,000

4. DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and estimates that are reasonable and prudent;
c. follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.
d. prepare the accounts 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 accounts 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.

5. POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the year.

DIGITROL LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31ST OCTOBER 2000

6. AUDITORS

The Auditors, Messrs Owen John & Co., are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



A. Bevan
Secretary

12th March 2001

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF DIGITROL LIMITED

ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 2000

We have audited the accounts on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion based on our audit, on those accounts 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 test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at the 31st October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985 applicable to small companies.



OWEN JOHN & COMPANY
CHARTERED ACCOUNTANTS
& Registered Auditors

12th March 2001

DIGITROL LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 2000

	Notes		2000 £		1999 £
FIXED ASSETS					
Tangible Assets	(5)		117,947		96,278
CURRENT ASSETS					
Stock and Work-in-Progress	(6)	103,687		33,094	
Debtors	(7)	156,910		118,628	
Investments		3,000		3,000	
Cash at Bank and in Hand		43,266		42,433	
		306,863		197,155	
CREDITORS					
Amounts due within one year	(8)	152,351		134,454	
NET CURRENT ASSETS			154,512		62,701
TOTAL ASSETS LESS CURRENT LIABILITIES			272,459		158,979
CREDITORS					
Amounts due in more than one year	(8)		80,191		69,075
NET ASSETS			£ 192,268		£ 89,904
CAPITAL AND RESERVES					
Share Capital	(9)		74,000		72,020
Profit and Loss Account	(10)		118,268		17,884
SHAREHOLDERS' FUNDS	(10)		£ 192,268		£ 89,904

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Approved by the Board on 12th March 2001 and
signed on their behalf by :



A. Bevan
DIRECTOR

DIGITROL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 2000

	Notes	2000 £		1999 £	
TURNOVER	(2)		885,107		539,839
Deduct : Cost of Sales			277,606		168,545
GROSS PROFIT			607,501		371,294
Deduct :					
Administration Costs			470,857		345,170
OPERATING PROFIT	(3)		136,644		26,124
Income from Investments					
Bank Interest Received		2,000		1,080	
Interest payable		32		100	
			1,968		980
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			138,612		27,104
Taxation on Ordinary Activities			27,862		7,198
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			110,750		19,906
DIVIDENDS	(4)		10,364		21,690
PROFIT/(LOSS) FOR THE YEAR			£ 100,386		£ (1,784)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit/(loss) of the above two financial years.

DIGITROL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 2000

1 ACCOUNTING POLICIES

a. The Accounts have been prepared under the Historical Cost Convention.

b. The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

c. Turnover represents net invoiced sales of goods, excluding VAT.

d. Depreciation is provided on all tangible assets to write off the cost or valuation,less estimated residual value, of each asset evenly over its expected useful life, as follows :

Leasehold Land & Buildings	4% on cost
Motor Vehicles	25% on cost
Plant and Equipment	15% on cost
Fixtures and Fittings	15% on cost

e. Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.
Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

f. Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

g. Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.
The interest element is charged to the profit and loss account over the period of the agreement, and represent a constant proportion of the balance of capital repayments outstanding.

h. Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

2 TURNOVER

Turnover attributable to geographical markets outside the United Kingdom amounted to nil% (1999-nil%).

3 OPERATING PROFIT

The operating profit is stated after charging :

	2000 £	1999 £
Depreciation of Tangible Fixed Assets	15,632	17,027
Directors Remuneration	176,234	122,155
Auditors Remuneration	2,134	2,517

DIGITROL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 2000

4 DIVIDENDS

	2000 £	1999 £
Dividend on ordinary shares - paid (1.4p per share)	10,364	10,000
Dividend on cumulative participating preference shares - paid	-	11,690
	10,364	21,690

5 FIXED ASSETS

Tangible Assets

	Long Leasehold Property	Motor Vehicles	Fixtures & Fittings/ Plant & Equipment	Total
	£	£	£	£
COST:				
At 1st November 1999	78,523	59,380	72,859	210,762
Additions	-	38,895	306	39,201
Disposals	-	(38,040)	-	(38,040)
At 31st October 2000	78,523	60,235	73,165	211,923
DEPRECIATION :				
At 1st November 1999	14,698	53,801	45,986	114,485
On Disposals	-	(38,040)	-	(38,040)
Charge for the Year	3,061	3,770	10,700	17,531
At 31st October 2000	17,759	19,531	56,686	93,976
NET BOOK VALUE :				
At 31st October 2000	60,764	40,704	16,479	117,947
At 31st October 1999	63,825	5,579	26,874	96,278

The net value of fixed assets includes an amount of £37,038 (1999 - £Nil) in respect of assets held under hire purchase agreements.

6 STOCKS

	2000 £	1999 £
Stocks	25,007	21,310
Work in Progress	78,680	11,784
	103,687	33,094

DIGITROL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 2000

7 DEBTORS

	2000 £	1999 £
Amounts due within one year :		
Trade Debtors	154,615	116,804
Other Debtors	2,295	1,824
	156,910	118,628

8 CREDITORS

	2000 £	1999 £
Amounts due within one year :		
Trade Creditors	54,179	60,563
Taxation	27,865	7,198
Other Taxation and Social Security	28,265	24,538
Hire Purchase Account	8,017	-
Accruals	27,892	23,707
Proposed Dividend	-	10,000
British Coal Loan	-	2,315
Bank Commercial Mortgage	6,133	6,133
	152,351	134,454
Amounts due after more than one year :		
Bank Commercial Mortgage	64,536	69,075
Hire Purchase Account	15,655	-
	80,191	69,075
Debt due after more than one year :		
- repayable between 1-5 years	40,187	24,532
- repayable in 5 years or more	40,004	44,543
	80,191	69,075

The bank loan, the aggregate total of which amounts to £70,669, is repayable in monthly instalments of £511.

DIGITROL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 2000

9 CALLED UP SHARE CAPITAL

Ordinary Shares of 10p each :	2000 £	1999 £
Authorised	**100,000**	100,000
Allotted, Issued and Fully Paid		
740,000 (1999 - 720,200) ordinary shares of 10p each	**74,000**	72,020

During the year 19,800 ordinary shares of 10p each were allotted and fully paid for cash at par.

10 COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Issued Share Capital £	Profit and loss Account £	Total 2000 £	Total 1999 £
At beginning of the year	72,020	17,884	**89,904**	111,788
Profit for the financial year after taxation	-	110,750	**110,750**	19,906
Dividends	-	(10,364)	**(10,364)**	(21,690)
New share capital subscribed	1,980	-	**1,980**	-
Purchase of own shares	-	-	-	(20,100)
At end of the year	74,000	118,270	**192,270**	89,904

11 TRANSACTIONS WITH DIRECTORS

There were no material trading transactions with the directors during the year.