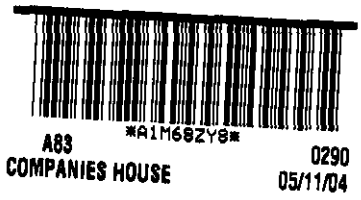
COMPANY REGISTRATION NUMBER 04646321

DYALOG LIMITED

FINANCIAL STATEMENTS

31st MARCH 2004



SHEEN STICKLAND

CHARTERED ACCOUNTANTS

DYALOG LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

CONTENTS	PAGES
The directors' report	1 to 2
Independent auditors' report to the shareholders	3 to 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 9

DYALOG LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

The directors have pleasure in presenting their report and the financial statements of the company for the period from 23rd January 2003 to 31st March 2004.

PRINCIPAL ACTIVITIES

The company was incorporated on 23 January 2003.Dyalog Limited acquired the trade, assets and liabilities of the APL division from Dyadic Systems Limited on 28 March 2003 and the company started trading on that date.

The principal activity of the company during the period was the sale of computer software and related consultancy and support services.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

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

		Ordinary Shares of £1 each	
		At 31 March 2004	At 23 January 2003 or later date of appointment
P Donnelly	(Appointed 23 January 2003)	500	–
Mrs P J Brand	(Appointed 23 January 2003)	500	–
Mr J M Scholes	(Appointed 23 January 2003)	500	–

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 period and of the profit or loss for the period 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 Sheen Stickland as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

DYALOG LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

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:
4 High Street
Alton
Hampshire
GU34 1BU

Signed by order of the directors

J M SCHOLES
Company Secretary

Approved by the directors on 25 June 2004

DYALOG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DYALOG LIMITED

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

We have audited the financial statements on pages 5 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 7 .

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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.

DYALOG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DYALOG LIMITED *(continued)*

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

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 2004 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

SHEEN STICKLAND
Chartered Accountants
& Registered Auditors

4 High Street
Alton
Hampshire
GU34 1BU

28th June 2004

DYALOG LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

	Note	Period from 23 Jan 03 to 31 Mar 04 £
TURNOVER		611,384
Cost of sales		105,086
GROSS PROFIT		506,298
Distribution costs		7,081
Administrative expenses		497,418
OPERATING PROFIT	2	1,799
Interest receivable		911
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,710
Tax on profit on ordinary activities		128
RETAINED PROFIT FOR THE FINANCIAL PERIOD		2,582

DYALOG LIMITED

BALANCE SHEET

31st MARCH 2004

	Note	£	31 Mar 04 £
FIXED ASSETS			
Tangible assets	4		6,578
CURRENT ASSETS			
Debtors	5	35,321	
Cash at bank		172,908	
		208,229	
CREDITORS: Amounts falling due within one year	6	210,725	
NET CURRENT LIABILITIES			(2,496)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,082
CAPITAL AND RESERVES			
Called-up equity share capital	9		1,500
Profit and loss account			2,582
SHAREHOLDERS' FUNDS			4,082

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 June 2002).

These financial statements were approved by the directors on the 25/6/4 and are signed on their behalf by:

.....
P DONNELLY

DYALOG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

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 June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, after making any necessary adjustments for amounts invoiced in advance at the end of the current period, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

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:

Motor Vehicles	-	50% Straight line
Computer Equipment	-	50% Straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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:

	Period from 23 Jan 03 to 31 Mar 04
	£
Staff pension contributions	4,492
Depreciation of owned fixed assets	6,620
Auditors' fees	4,000

DYALOG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

3. DIRECTORS' EMOLUMENTS

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

	Period from 23 Jan 03 to 31 Mar 04 £
Aggregate emoluments	204,806

4. TANGIBLE FIXED ASSETS

	Additions £	Carried forward 31 Mar 04 £
COST		
Motor Vehicles	8,630	8,630
Computer Equipment	4,568	4,568
	13,198	13,198

	Charges £	Carried forward 31 Mar 04 £
DEPRECIATION		
Motor Vehicles	(4,315)	(4,315)
Computer Equipment	(2,305)	(2,305)
	(6,620)	(6,620)

	Carried forward 31 Mar 04 £
NET BOOK VALUE	
Motor Vehicles	4,315
Computer Equipment	2,263
	6,578

5. DEBTORS

	31 Mar 04 £
Trade debtors	19,024
Other debtors	2,342
Prepayments and accrued income	13,955
	35,321

DYALOG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 23rd JANUARY 2003 TO 31st MARCH 2004

6. CREDITORS: Amounts falling due within one year

	£	31 Mar 04 £
Trade creditors		3,796
Other creditors including taxation and social security:		
Corporation tax	128	
PAYE and social security	5,334	
Other creditors	1,133	
Accruals and deferred income	200,334	
		206,929
		210,725

7. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2004 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	31 Mar 04 £
Operating leases which expire:	
Within 1 year	2,058

8. RELATED PARTY TRANSACTIONS

Dyadic Systems Limited sold the trade,assets and liabilities of its APL division to Dyalog Limited on 28 March 2003. Mr P Donnelly and Mr J Scholes were directors of Dyadic Systems Limited until 31 March 2003. Mrs P Brand remains a director of both Dyadic Systems Limited and Dyalog Limited.

At the period end, an amount of £1,133 was owed to Dyadic Systems Ltd, representing, an employee's pension contributions paid by Dyadic Systems Ltd on Dyalog Ltd's behalf.

Dyadic Systems Limited charged Dyalog Limited £4,000 for secretarial services incurred during the period. There was no balance outstanding at the year end.

9. SHARE CAPITAL

Authorised share capital:

	31 Mar 04 £
10,000 Ordinary shares of £1 each	10,000

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	1,500	1,500

On 20 March 2003 1,499 ordinary shares of £1 each were issued at par.