

Registered number: 1609392

DATAPATH LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 March 2008

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COMPANIES HOUSE

DATAPATH LIMITED

COMPANY INFORMATION

Directors

T Jones
S P De'Ath
D A MacIennan (appointed 19/09/2007)
S A Hunt (appointed 19/09/2007)
N Fasey (appointed 14/02/2008)

Company secretary

N Fasey

Company number

1609392

Registered office

Alfreton Road
Derby
DE21 4AD

Auditors

Cooper Parry LLP
Chartered Accountants & Registered Auditors
3 Centro Place
Pride Park
Derby
DE24 8RF

Bankers

National Westminster Bank plc
24 Uttoxeter Road
Mickleover
Derby
DE1 9DW

DATAPATH LIMITED

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DATAPATH LIMITED

DIRECTORS' REPORT for the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

Principal activities

The company is involved in consultancy work in the field of micro-electronics and the manufacture and supply of electronic component units, sub-systems and software to industry.

Business review

The business continues to make good progress in the market by concentrating on customer service and a robust product portfolio. The results support this policy with growth in turnover and profits for the year. Although the world markets look more turbulent the directors aim to continue to invest in products to ensure they are current and relevant to the market.

During the year the company undertook a reorganisation with new investors and new funding facilities adding to the existing directors and shareholders. The vehicle for this was Datapath Holdings Limited which purchased the whole of the share capital of Datapath Limited on 19 September 2007. The existing management team remained in place and has since been strengthened to help deliver the next stage of the company's growth.

The company sells its products into capital projects which can be affected by the general economic climate. Given the uncertainty in some markets this is a continuing risk to the business. The company manages this risk by having a spread of customers across the world to limit the effect of a downturn in a particular market.

Over 73% of the company's revenues are exported and it is therefore exposed to exchange rate movements in US dollars and the Euro. The company seeks to create a natural hedge in these currencies by purchasing goods and services in these currencies wherever possible to manage this risk.

The group is now exposed to interest rate fluctuations on loans. This risk has been managed by fixing the majority of the loan amounts only leaving a proportion exposed to rate fluctuations.

The company recognises the importance of its environmental responsibilities and designs and implements policies to reduce any damage that might be caused by the company's activities. Initiatives include safe disposal of computer equipment, recycling and reduced energy consumption.

DATAPATH LIMITED

DIRECTORS' REPORT
for the year ended 31 March 2008

Results

The profit for the year, after taxation, amounted to £2,159,808 (2007 - £1,815,302)

Directors

The directors who served during the year were

T Jones
S P De'Ath
D A MacLennan (appointed 19/09/2007)
S A Hunt (appointed 19/09/2007)
N Fasey (appointed 14/02/2008)

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

This report was approved by the board on 23 July 2008

and signed on its behalf

S P De'Ath
Director

S De'Ath

DATAPATH LIMITED

INDEPENDENT AUDITORS' REPORT TO DATAPATH LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts of Datapath Limited for the year ended 31 March 2008 set out on pages 4 to 12, together with the financial statements of the company for the year ended 31 March 2008 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 'The special auditors' report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 12 have been properly prepared in accordance with that provision.



Cooper Parry LLP

Chartered Accountants
Registered Auditors

Derby

29 July 2008

DATAPATH LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2008

	Note	2008 £	2007 £
Gross profit		4,559,685	4,048,048
Administrative expenses		(1,877,546)	(1,645,205)
		<hr/>	<hr/>
Operating profit	2	2,682,139	2,402,843
Interest receivable		62,223	25,376
		<hr/>	<hr/>
Profit on ordinary activities before taxation		2,744,362	2,428,219
Tax on profit on ordinary activities	5	(584,554)	(612,917)
		<hr/>	<hr/>
Profit on ordinary activities after taxation	10	2,159,808	1,815,302
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account

The notes on pages 6 to 12 form part of these financial statements

DATAPATH LIMITED

ABBREVIATED BALANCE SHEET as at 31 March 2008

	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible fixed assets	6		56,093		158,231
Current assets					
Stocks		1,872,524		1,430,888	
Debtors	7	4,869,637		822,789	
Cash at bank and in hand		324,675		2,697,122	
		<u>7,066,836</u>		<u>4,950,799</u>	
Creditors: amounts falling due within one year	8	<u>(1,172,613)</u>		<u>(1,246,920)</u>	
Net current assets			5,894,223		3,703,879
Total assets less current liabilities			<u>5,950,316</u>		<u>3,862,110</u>
Capital and Reserves					
Called up share capital	9		20		20
Capital redemption reserve	10		10		10
Profit and loss account	10		5,950,286		3,862,080
Shareholders' funds	11		<u>5,950,316</u>		<u>3,862,110</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 23 July 2008


N Fasey
Director

The notes on pages 6 to 12 form part of these financial statements

DATAPATH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 March 2008

1. Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard No 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.4 Research and development

Research and development expenditure is written off in the year in which it is incurred

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures, fittings & equipment	-	15%	straight line
Motor vehicles	-	25%	straight line
Plant and machinery	-	33 33%	straight line

1.6 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

1.7 Stocks

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

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

DATAPATH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 March 2008

1. Accounting policies (continued)

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling using monthly average exchange rates

Exchange gains and losses are recognised in the profit and loss account

1.10 Pensions

Amounts payable for pension contributions are charged to the profit and loss account in the period to which they relate

1.11 Prior year reclassification

In previous years, all distribution costs were shown separately in the profit and loss account and commissions payable were shown within administration expenses. The directors have taken the decision in 2008 to allocate the distribution costs and commissions payable to cost of sales, as this represents a fairer reflection of the costs within the business. Both the current and prior year profit and loss have been restated on this basis. This change in presentation has had no effect on the reported result for either year nor on the net assets position at either balance sheet date.

2. Operating profit

The operating profit is stated after charging/(crediting)

	2008	2007
	£	£
Depreciation of tangible fixed assets		
- owned by the company	63,135	55,352
Auditors' remuneration	12,500	11,500
Operating lease rentals		
- other operating leases	58,250	50,000
Difference on foreign exchange	(37,025)	75,690
(Profit)/loss on sale of tangible fixed assets	(11,367)	3,172
Research and development (excluding directors' emoluments)	691,497	607,818

DATAPATH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 March 2008

3. Staff costs

Staff costs, including directors' remuneration, were as follows

	2008	2007
	£	£
Wages and salaries	1,350,722	1,071,841
Social security costs	131,576	120,580
Other pension costs	57,062	39,971
	<u>1,539,360</u>	<u>1,232,392</u>

The average monthly number of employees, including the directors, during the year was as follows

	2008	2007
	No.	No.
Directors	5	2
Sales	1	1
Administration	4	4
Production	23	20
	<u>33</u>	<u>27</u>

4. Directors' remuneration

	2008	2007
	£	£
Emoluments	<u>248,747</u>	<u>188,526</u>

The highest paid director received remuneration of £104,648 (2007 - £94,263)

5. Taxation

	2008	2007
	£	£
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	585,000	616,000
Adjustments in respect of prior periods	(446)	(3,083)
	<u>584,554</u>	<u>612,917</u>
Tax on profit on ordinary activities		

DATAPATH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 March 2008

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2007 - lower than) the standard rate of corporation tax in the UK (30%) The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	2,744,362	2,428,219
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 - 30%)	823,309	728,466
Effects of:		
Expenses not deductible for tax purposes	6,316	(369)
Difference between capital allowances and depreciation	4,215	2,079
Adjustments to tax charge in respect of prior periods	(446)	(3,083)
Enhanced relief for research and development expenditure	(134,086)	(114,176)
Group relief claimed	(114,754)	-
Current tax charge for the year (see note above)	584,554	612,917

6. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 April 2007	450,862	95,887	115,723	662,472
Additions	14,679	-	6,552	21,231
Disposals	(16,733)	(95,887)	-	(112,620)
At 31 March 2008	448,808	-	122,275	571,083
Depreciation				
At 1 April 2007	370,494	25,653	108,094	504,241
Charge for the year	49,068	10,000	4,067	63,135
On disposals	(16,733)	(35,653)	-	(52,386)
At 31 March 2008	402,829	-	112,161	514,990
Net book value				
At 31 March 2008	45,979	-	10,114	56,093
At 31 March 2007	80,368	70,234	7,629	158,231

DATAPATH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **for the year ended 31 March 2008**

7. Debtors

	2008	2007
	£	£
Trade debtors	836,406	709,247
Amounts owed by group undertaking	3,892,581	-
Other debtors	113,739	88,658
Prepayments and accrued income	26,911	24,884
	<u>4,869,637</u>	<u>822,789</u>

8. Creditors: **Amounts falling due within one year**

	2008	2007
	£	£
Trade creditors	592,404	562,849
Corporation tax	205,085	616,000
Social security and other taxes	42,581	31,322
Accruals and deferred income	332,543	36,749
	<u>1,172,613</u>	<u>1,246,920</u>

DATAPATH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 March 2008

9. Share capital

	2008 £	2007 £
Authorised		
100 Ordinary shares of £1 each	100	70
10 Ordinary 'A' shares of £1 each	-	10
20 Ordinary 'B' shares of £1 each	-	20
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
20 Ordinary shares of £1 each	20	-
20 Ordinary 'B' shares of £1 each	-	20
	<u>20</u>	<u>20</u>

During the year the 20 issued ordinary 'B' shares of £1 each and the 10 unissued ordinary 'A' shares of £1 each were converted into ordinary shares of £1 each, having the rights set out in the Articles of Association

10. Reserves

	Capital redemption reserve £	Profit and loss account £
At 1 April 2007	10	3,862,080
Profit for the year	-	2,159,808
Dividends	-	(71,602)
	<u>10</u>	<u>5,950,286</u>
At 31 March 2008		

11. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds	3,862,110	2,046,808
Profit for the year	2,159,808	1,815,302
Dividends (Note 12)	(71,602)	-
	<u>5,950,316</u>	<u>3,862,110</u>
Closing shareholders' funds		

12. Dividends

	2008 £	2007 £
Dividends	<u>71,602</u>	<u>-</u>

DATAPATH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 March 2008

13. Pension commitments

The company operates two money purchase pension schemes for its employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £57,062 (2007 - £39,971). There were no pension commitments at the year end.

14. Operating lease commitments

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
Expiry date:		
After more than 5 years	66,500	50,000

15. Transactions with directors

On 19 September 2007 Datapath Holdings Limited purchased 100% of the shareholdings in Datapath Limited from T Jones and S De'Ath for £12,499,483.

During the year, the company transferred two motor vehicles to T Jones and S P De'Ath for £31,304 and £40,298 respectively. The vehicles were transferred at market value via a dividend.

During the year D A MacLennan, S A Hunt and N Fasey invoiced Datapath Limited for their services as directors. The amounts invoiced totalled £10,658, £18,000 and £15,000 respectively.

Datapath Limited trades from premises owned by a pension fund in which T Jones and S P De'Ath are beneficiaries. Rent of £58,250 was paid to the pension fund during the year (2007 - £50,000).

16. Ultimate parent undertaking and controlling party

The company is controlled by Datapath Holdings Limited, a company incorporated in England and Wales. Group accounts can be obtained from the registered office address as shown on the company information page of these financial statements.