

2526028 (England and Wales)

ENTA TECHNOLOGIES LIMITED

Directors' Report and Financial Statements

for the year ended 30 April 1995



ENTA TECHNOLOGIES LIMITED

Company Information

Directors	Jason Tsai Yueh-Taou Chang Tsai
Secretary	Jason Tsai
Company Number	2526028 (England and Wales)
Registered Office	27 John Street London WC1N 2BL
Auditors	Simmons Cohen Fine Chartered Accountants and Registered Auditors 27 John Street London WC1N 2BL

ENTA TECHNOLOGIES LIMITED

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ENTA TECHNOLOGIES LIMITED

Directors' Report for the year ended 30 April 1995

The directors present their report and the financial statements for the year ended 30 April 1995.

Principal Activities and Review of the Business

The principal activities of the company have been that of the importation and sale of computers and related products.

The directors are pleased to report a significant improvement in trading in the period under review. This upturn was not matched by the achieved margins in the face of continuing stiff price competition.

The directors are pleased to announce that the new office/ warehouse was completed on time and we would congratulate our workforce for their efforts to carry out a very successful and smooth transfer from our old office.

The current trend of trading indicates continuing steady improvements in the computer market. Despite the prevailing pricing pressure, we are optimistic of the prospect in the improvements in the operating profitability.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £285,272 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 6 to the financial statements.

Market Value of Land and Buildings

The market value of land and buildings is not lower than the book value.

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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. 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.

ENTA TECHNOLOGIES LIMITED

Directors' Report for the year ended 30 April 1995 (continued)

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

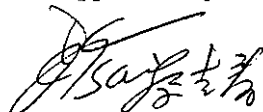
	Class of share	Number of shares	
		1995	1994
Jason Tsai	Ordinary shares	259,700	259,700
Yueh-Taou Chang Tsai	Ordinary shares	270,300	270,300

Auditors

Simmons Cohen Fine have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the next Annual General Meeting.

This report was approved by the Board on 31.8.1995

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Jason Tsai
Secretary



ENTA TECHNOLOGIES LIMITED

Auditors' Report to the shareholders of ENTA TECHNOLOGIES LIMITED

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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.

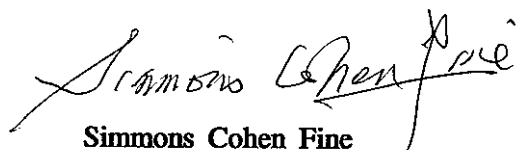
Basis of opinion

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 30 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Simmons Cohen Fine

Chartered Accountants
Registered Auditor

10/11/95
.....

Chartered Accountants
and Registered Auditors
27 John Street
London WC1N 2BL

ENTA TECHNOLOGIES LIMITED

Profit and Loss Account for the year ended 30 April 1995

	Notes	1995 £	1994 £
Turnover	2	27,284,826	16,520,329
Cost of sales		(25,356,218)	(15,435,715)
Gross profit		1,928,608	1,084,614
Distribution costs		(443,818)	(226,307)
Administrative expenses		(1,228,647)	(849,735)
Other operating income		18,333	-
Operating profit	3	274,476	8,572
Other interest receivable and similar income	4	31,996	26,549
Profit on ordinary activities before taxation		306,472	35,121
Tax on profit on ordinary activities	5	(21,200)	(9,095)
Profit for the year	14	<u>£ 285,272</u>	<u>£ 26,026</u>

There are no recognised gains and losses other than those passing through the profit and loss account.

ENTA TECHNOLOGIES LIMITED

Balance Sheet as at 30 April 1995

	Notes	1995 £	1994 £
Fixed Assets			
Tangible assets	6	2,867,206	123,504
Current Assets			
Stocks	7	2,471,635	1,483,809
Debtors	8	2,748,323	1,954,386
Cash at bank and in hand		423,754	1,124,034
		<u>5,643,712</u>	<u>4,562,229</u>
Creditors: amounts falling due within one year	9	<u>(4,787,935)</u>	<u>(1,339,688)</u>
Net Current Assets		<u>855,777</u>	<u>3,222,541</u>
Total Assets Less Current Liabilities		<u>3,722,983</u>	<u>3,346,045</u>
Creditors: amounts falling due after more than one year	10	<u>(2,860,667)</u>	<u>(2,769,000)</u>
		<u>£ 862,316</u>	<u>£ 577,045</u>
Capital and Reserves			
Called up share capital	12	530,000	530,000
Profit and loss account	13	332,316	47,045
Shareholders' Funds	14	<u>£ 862,316</u>	<u>£ 577,045</u>

The financial statements were approved by the Board on 31.8.1995

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Jason Tsai
Director

Jason Tsai

ENTA TECHNOLOGIES LIMITED

Cash Flow Statement for the year ended 30 April 1995

	1995		1994
	£	£	£
Net cash in/outflow from operating activities		2,153,471	(167,687)
Returns on investments and servicing of finance			
Interest received	31,996		26,549
Net cash in/outflow from returns on investments and servicing of finance		31,996	26,549
Taxation			
Corporation tax paid (including advance corporation tax)	(12,522)		-
Tax paid		(12,522)	-
Investing activities			
Payments to acquire tangible assets	(2,964,892)		(56,628)
Net cash in/outflow from investing activities		(2,964,892)	(56,628)
Net cash in/outflow before financing		(791,947)	(197,766)
Financing			
Issue of ordinary share capital	-		500,000
Other new long term loans	91,667		455
Net cash in/outflow from financing		-	500,455
In/Decrease in cash and cash equivalents		£ (700,280)	£ 302,689

ENTA TECHNOLOGIES LIMITED

Notes to the Cash Flow Statement for the year ended 30 April 1995

1	Reconciliation of operating profit to net cash in/outflow from operating activities	1995 £	1994 £	
	Operating profit	274,476	8,572	
	Depreciation of tangible assets	221,190	30,840	
	Increase in stocks	(987,826)	(167,800)	
	Increase in debtors	(793,937)	(1,228,717)	
	Increase in creditors due within one year	3,439,568	1,189,418	
	Net cash in/outflow from operating activities	£2,153,471	£ (167,687)	
2	Analysis of changes in cash and cash equivalents during the year	1995 £	1994 £	
	Balance at 1 May 1994	1,124,034	821,345	
	Net cash in/outflow	(700,280)	302,689	
	Balance at 30 April 1995	£ 423,754	£1,124,034	
3	Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1995 £	1994 £	Change in year £
	Cash at bank and in hand	423,754	1,124,034	(700,280)
		£ 423,754	£1,124,034	£ (700,280)
4	Analysis of changes in financing during the year		Share capital £	Loans £
	Balance at 1 May 1994		530,000	2,769,000
	Balance at 30 April 1995		£ 530,000	£2,769,000

ENTA TECHNOLOGIES LIMITED

Notes to the Financial Statements for the year ended 30 April 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 Turnover

Turnover represents sales to outside customers at invoiced amounts, less Value Added Tax

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Buildings	-	Straight line over twenty five years
Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	20% Straight line
Fixtures, fittings and equipment	-	20% Straight line
Motor vehicles	-	15% Straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

ENTA TECHNOLOGIES LIMITED

Notes to the Financial Statements for the year ended 30 April 1995

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2. Turnover and Profit on Ordinary Activities before Taxation

The total turnover of the company for the year has been derived from its principal activity mainly undertaken in the U.K.

	Turnover		Profit	
	1995	1994	1995	1994
Class of business	£	£	£	£
Sale of computer products	27,284,826	16,520,329	306,472	35,121
	£27,284,826	£16,520,329	£306,472	£35,121

ENTA TECHNOLOGIES LIMITED

Notes to the Financial Statements for the year ended 30 April 1995

3. Operating Profit	1995	1994
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	221,190	30,840
Operating lease rentals		
- Land and buildings	39,000	39,000
Auditors' remuneration	15,000	14,000
and after crediting:		
Government grants	18,333	-
	<u>18,333</u>	<u>-</u>
 4. Other Interest Receivable and Similar Income	 1995	 1994
	£	£
Bank interest received	31,996	26,549
	<u>31,996</u>	<u>26,549</u>
 5. Taxation	 1995	 1994
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 25% (1994 - 25%)	21,563	9,095
Prior years		
U.K. Corporation tax	(363)	-
	<u>21,200</u>	<u>9,095</u>
	<u>£ 21,200</u>	<u>£ 9,095</u>

ENTA TECHNOLOGIES LIMITED

Notes to the Financial Statements for the year ended 30 April 1995

6. Tangible Assets

	Land and Buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 May 1994	-	54,094	-	69,069	78,737	201,900
Additions	2,516,269	-	28,822	375,109	44,692	2,964,892
At 30 April 1995	2,516,269	54,094	28,822	444,178	123,429	3,166,792
Depreciation						
At 1 May 1994	-	8,126	-	31,650	38,620	78,396
Charge for year	95,000	45,968	551	61,156	18,515	221,190
At 30 April 1995	95,000	54,094	551	92,806	57,135	299,586
Net book values						
At 30 April 1995	£2,421,269	£ -	£ 28,271	£ 351,372	£ 66,294	£2,867,206
At 30 April 1994	£ -	£ 45,968	£ -	£ 37,419	£ 40,117	£ 123,504

7. Stocks

	1995 £	1994 £
Finished goods and goods for resale	2,414,068	1,489,852

The replacement cost of the stocks held at 30 April 1995 is not materially different from the value stated in the accounts.

8. Debtors

	1995 £	1994 £
Trade debtors	2,736,970	1,939,266
Prepayments and accrued income	11,353	15,120
	£2,748,323	£1,954,386

ENTA TECHNOLOGIES LIMITED

Notes to the Financial Statements for the year ended 30 April 1995

9. Creditors: amounts falling due within one year	1995 £	1994 £
Trade creditors	3,684,471	489,901
Corporation tax	26,989	18,310
Other taxes and social security costs	541,003	422,001
Directors' current accounts	27,844	18,468
Other creditors	442,336	368,658
Accruals and deferred income	65,292	22,350
	<u>£4,787,935</u>	<u>£1,339,688</u>

10. Creditors: amounts falling due after more than one year	1995 £	1994 £
Loans	2,769,000	2,769,000
Deferred income	91,667	-
	<u>£2,860,667</u>	<u>£2,769,000</u>

Not wholly repayable within five years:

Other Loans	2,769,000	2,769,000
	<u>£2,769,000</u>	<u>£2,769,000</u>

Other loans are unsecured and interest free. The repayment of the loan is not fixed but not earlier of 1st September 2000.

ENTA TECHNOLOGIES LIMITED

Notes to the Financial Statements for the year ended 30 April 1995

11. Provisions for Liabilities and Charges

Deferred tax is provided at 25% (1994 - 25%) analysed over the following timing differences:

	Not provided		Provided	
	1995	1994	1995	1994
	£	£	£	£
Accelerated capital allowances	30,373	-	-	-
Other timing differences	(22,917)	-	-	-
	<u>£ 7,456</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

12. Pension Costs

The company contributes to a money purchase scheme for its directors and a defined contribution scheme for other staff. The contributions paid in the year is £51,004 (1994:£50,000).

13. Share Capital

	1995	1994
	£	£
Authorised		
1,000,000 Ordinary shares of £1 each	<u>£1,000,000</u>	<u>£1,000,000</u>
Allotted, called up and fully paid		
530,000 Ordinary shares of £1 each	<u>£ 530,000</u>	<u>£ 530,000</u>

14. Profit And Loss Account

	1995	1994
	£	£
Retained profits at 1 May 1994	47,044	21,019
Retained profit for the year	<u>285,272</u>	<u>26,026</u>
Retained profits at 30 April 1995	<u>£ 332,316</u>	<u>£ 47,045</u>

ENTA TECHNOLOGIES LIMITED

Notes to the Financial Statements for the year ended 30 April 1995

15. Reconciliation of Movements in Shareholders' Funds

	1995 £	1994 £
Profit for the financial year	285,272	26,026
Proceeds of issue of shares	-	500,000
Net addition to shareholders' funds	285,272	526,026
Opening shareholders' funds	577,045	51,019
Closing shareholders' funds	£ 862,316	£ 577,045

16. Contingent Liabilities

At the balance sheet date the company has contingent liabilities in respect of documentary credits amounting to £ 236,325 (1994: £ 598,360)

17. Financial Commitments

At 30 April 1995 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 1995 £	1994 £
Expiry date:		
Within one year	-	39,000
	£ -	£ 39,000

18. Capital Commitments

Details of capital commitments at the accounting date are as follows:

	1995 £	1994 £
Authorised but not contracted for	300,000	-

ENTA TECHNOLOGIES LIMITED

Notes to the Financial Statements for the year ended 30 April 1995

19. Directors' Emoluments	1995	1994
	£	£
Remuneration	60,000	60,000
Pension scheme contributions	50,000	50,000
	<u> </u>	<u> </u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The highest-paid director	£ 32,000	£ 32,000
	<u> </u>	<u> </u>
Other directors' emoluments (excluding pension contributions) were in the following ranges:	Number	Number
£Nil - £5,000	1	-
£25,001 - £30,000	-	1
	<u> </u>	<u> </u>

20. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1995	1994
	Number	Number
Office and management	58	34
	<u> </u>	<u> </u>

Employment costs

	£	£
Wages and salaries	650,584	371,196
Social security costs	62,344	32,069
Other pension costs	51,004	50,000
	<u> </u>	<u> </u>
	£ 763,932	£ 453,265
	<u> </u>	<u> </u>