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Company Registration No. 2526028 (England and Wales)

**ENTA TECHNOLOGIES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 1998**



# ENTA TECHNOLOGIES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Jason Tsai Yueh-Taou Chang Tsai
<b>Secretary</b>	Jason Tsai
<b>Company number</b>	2526028
<b>Registered office</b>	5th Floor 7/10 Chandos Street London W1M 9DE
<b>Auditors</b>	Simmons Gainsford 7/10 Chandos Street Cavendish Square London W1M 9DE
<b>Business address</b>	Stafford Park 6 Telford TF3 3AT

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# ENTA TECHNOLOGIES LIMITED

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# ENTA TECHNOLOGIES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1998

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The directors present their report and financial statements for the year ended 30 April 1998.

### Principal activities

The principal activity of the company continued to be that of the importation and sale of computers and related products.

The directors consider the trading and the results in the period satisfactory. We continue to consolidate our market position. Margins remained depressed by increasing price competition and short shelf life products.

### Year 2000 Compliance

The year 2000 issue, which stems from computer programs written using two rather than four digits to define the applicable year, could result in processing faults on the change of the century and produce a wide range of consequences.

The company has recognised the potential disruption and cost to the business of the Year 2000 issue and has already begun the implementation of a software upgrade in its internal accounting and administrative systems. The costs associated with this will be recognised in the year in which the expenditure is incurred.

The Year 2000 issue does create risks for us from third parties with whom we deal with on financial and business transactions. However, we cannot be certain of avoiding disruption to the business in areas where we do not have a direct relationship.

### Directors

The following directors have held office since 1 May 1997:

Jason Tsai  
Yueh-Taou Chang Tsai

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 April 1998	1 May 1997
Jason Tsai	-	-
Yueh-Taou Chang Tsai	51	51

### Charitable contributions

During the year the company made charitable donations of £50000 (1997 : £0).

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford be reappointed as auditors of the company will be put to the Annual General Meeting.

# ENTA TECHNOLOGIES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1998

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### 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

This 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



Jason Tsai

Director

18/12/99

# ENTA TECHNOLOGIES LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF ENTA TECHNOLOGIES LIMITED

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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 2 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**Simmons Gainsford**

Chartered Accountants  
**Registered Auditor**

19.2.99

7/10 Chandos Street  
Cavendish Square  
London  
W1M 9DE

# ENTA TECHNOLOGIES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1998

	Notes	Year ended 30 April 1998 £	Year ended 30 April 1997 £
<b>Turnover</b>	<b>2</b>	47,478,651	52,339,423
Cost of sales		(43,760,483)	(48,164,508)
<b>Gross profit</b>		3,718,168	4,174,915
Distribution costs		(794,221)	(780,681)
Administrative expenses		(3,108,488)	(3,199,662)
Other operating income		214,149	141,325
<b>Operating profit</b>	<b>3</b>	29,608	335,897
Other interest receivable and similar income	<b>4</b>	235,550	106,078
<b>Profit on ordinary activities before taxation</b>		265,158	441,975
Tax on profit on ordinary activities	<b>5</b>	(19,412)	(121,766)
<b>Profit on ordinary activities after taxation</b>	<b>15</b>	245,746	320,209

The profit and loss account has been prepared on the basis that all operations are continuing operations.

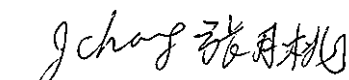
There are no recognised gains and losses other than those passing through the profit and loss account.

# ENTA TECHNOLOGIES LIMITED

## BALANCE SHEET AS AT 30 APRIL 1998

	Notes	1998 £	£	1997 £	£
<b>Fixed assets</b>					
Tangible assets	6	3,539,446		3,622,289	
Investments	7		100		100
		<u>3,539,546</u>		<u>3,622,389</u>	
<b>Current assets</b>					
Stocks	8	2,060,931		3,274,382	
Debtors	9	3,787,100		4,943,862	
Cash at bank and in hand		2,060,311		1,789,939	
		<u>7,908,342</u>		<u>10,008,183</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(6,737,847)</u>		<u>(9,095,674)</u>	
<b>Net current assets</b>			1,170,495		912,509
<b>Total assets less current liabilities</b>			<u>4,710,041</u>		<u>4,534,898</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(2,901,000)		(2,967,000)	
<b>Provisions for liabilities and charges</b>	12	(67,990)		(72,593)	
		<u>1,741,051</u>		<u>1,495,305</u>	
<b>Capital and reserves</b>					
Called up share capital	14	530,000		530,000	
Profit and loss account	15	1,211,051		965,305	
<b>Shareholders' funds - equity interests</b>	16	<u>1,741,051</u>		<u>1,495,305</u>	

The financial statements were approved by the Board on 18th Feb 99



Yueh-Taou Chang Tsai  
Director



# ENTA TECHNOLOGIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 1998

	Year ended 30 April 1998 £	Year ended 30 April 1997 £
<b>Net cash inflow from operating activities</b>	331,341	266,426
<b>Returns on investments and servicing of finance</b>		
Interest received	235,550	106,078
<b>Net cash inflow for returns on investments and servicing of finance</b>	235,550	106,078
<b>Taxation</b>	(23,550)	(87,576)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(312,230)	(542,689)
Receipts from sales of intangible assets	-	(100)
Receipts from sales of tangible assets	39,261	17,835
<b>Net cash outflow for capital expenditure</b>	(272,969)	(524,954)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>	270,372	(177,593)
Other new short term loans	-	176,794
Government grant received	-	110,000
<b>Net cash inflow/(outflow) from financing</b>	-	286,794
<b>Increase/(decrease) in cash in the year</b>	270,372	83,436

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 1998

1	Reconciliation of operating profit to net cash inflow from operating activities			1998	1997
				£	£
	Operating profit			29,608	335,897
	Depreciation of tangible assets			354,069	285,877
	Loss on disposal of tangible assets			1,743	-
	Decrease in stocks			1,213,451	138,822
	Decrease/(increase) in debtors			1,156,762	(813,802)
	(Decrease)/Increase in creditors within one year			(2,358,292)	381,965
	Movement on grant provision			(66,000)	(62,333)
	<b>Net cash inflow from operating activities</b>			<b>331,341</b>	<b>266,426</b>
2	Analysis of net debt	1 May 1997	Cash flow	Other non-cash changes	30 April 1998
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,789,939	270,372		2,060,311
	Debt:				
	Debts falling due within one year	(1,402,549)	1,087,083	-	(315,466)
	Debts falling due after one year	(2,967,000)	66,000	-	(2,901,000)
		(4,369,549)	1,153,083	-	(3,216,466)
	Net debt	(2,579,610)	1,423,455	-	(1,156,155)
3	Reconciliation of net cash flow to movement in net debt			1998	1997
				£	£
	Increase in cash in the year			270,372	83,437
	Cash outflow/(inflow) from decrease/(increase) in debt			1,153,083	(261,127)
	<b>Movement in net debt in the year</b>			<b>1,423,455</b>	<b>(177,690)</b>
	Opening net debt			(2,579,610)	(2,401,920)
	<b>Closing net debt</b>			<b>(1,156,155)</b>	<b>(2,579,610)</b>

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1998

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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:

Land and buildings Freehold	Straight line over forty years
Fixtures, fittings & equipment	20% straight line
Motor vehicles	15% straight line

#### 1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 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

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 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 balance sheet 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 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Enta UK Limited, a company incorporated in England, and is included in the consolidated accounts of that company.

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1998

### 2 Turnover and profit on ordinary activities before taxation

Class of business	Turnover	
	1998 £	1997 £
Sales of computer	47,618,075	52,339,423
	<u>47,618,075</u>	<u>52,339,423</u>

### 3 Operating profit

	1998 £	1997 £
Operating profit is stated after charging:		
Depreciation of tangible assets	354,069	285,877
Auditors' remuneration	23,000	21,900
and after crediting:		
Government grants	66,000	47,667
	<u>66,000</u>	<u>47,667</u>

### 4 Other interest receivable and similar income

	1998 £	1997 £
Bank interest	235,550	106,078
	<u>235,550</u>	<u>106,078</u>

### 5 Taxation

	1998 £	1997 £
<b>U.K. current year taxation</b>		
U.K. corporation tax at 21% (1997 - 24%)	24,015	23,550
Deferred taxation	(4,603)	90,580
	<u>19,412</u>	<u>114,130</u>
<b>Prior years</b>		
U.K. Corporation tax	-	7,636
	<u>19,412</u>	<u>121,766</u>

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1998

### 6 Tangible fixed assets

	Land and buildings Freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 May 1997	2,940,607	1,144,762	224,681	4,310,050
Additions	31,490	215,890	64,850	312,230
Disposals	-	-	(84,379)	(84,379)
	<u>2,972,097</u>	<u>1,360,652</u>	<u>205,152</u>	<u>4,537,901</u>
At 30 April 1998	2,972,097	1,360,652	205,152	4,537,901
<b>Depreciation</b>				
At 1 May 1997	168,583	404,720	114,458	687,761
On disposals	-	-	(43,375)	(43,375)
Charge for the year	61,760	261,159	31,150	354,069
	<u>230,343</u>	<u>665,879</u>	<u>102,233</u>	<u>998,455</u>
At 30 April 1998	230,343	665,879	102,233	998,455
<b>Net book value</b>				
At 30 April 1998	<u>2,741,754</u>	<u>694,773</u>	<u>102,919</u>	<u>3,539,446</u>
At 30 April 1997	<u>2,772,024</u>	<u>740,042</u>	<u>110,223</u>	<u>3,622,289</u>

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1998

### 7 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 May 1997 & at 30 April 1998	100

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Entanet International Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Entanet International Limited	(267,510)	(167,559)

8 Stocks	1998 £	1997 £
Finished goods and goods for resale	2,060,931	3,274,382

Replacement cost of the stocks held at 30th April 1998 is not materially different from the value stated in the accounts.

9 Debtors	1998 £	1997 £
Trade debtors	3,573,702	4,778,525
Amounts owed by parent and fellow subsidiary undertakings	141,385	117,996
Other debtors	1,232	110
Prepayments and accrued income	70,781	47,231
	3,787,100	4,943,862

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1998

10 Creditors: amounts falling due within one year	1998	1997
	£	£
Trade creditors	4,832,861	6,961,108
Corporation tax	24,015	23,550
Other taxes and social security costs	516,796	83,084
Directors' current accounts	24,280	26,492
Other creditors	317,295	1,404,378
Accruals and deferred income	1,022,600	597,062
	<u>6,737,847</u>	<u>9,095,674</u>
11 Creditors: amounts falling due after more than one year	1998	1997
	£	£
Other loans	2,769,000	2,769,000
Deferred income	132,000	198,000
	<u>2,901,000</u>	<u>2,967,000</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	3,084,466	4,171,549
	3,084,466	4,171,549
Included in current liabilities	(315,466)	(1,402,549)
	<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 1998

### 12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 May 1997	72,593
Profit and loss account	(4,603)
Balance at 30 April 1998	<u>67,990</u>

Deferred tax is provided at 31% (1997 - 33%) analysed over the following timing differences:

	Not provided		Provided	
	1998	1997	1998	1997
	£	£	£	£
Accelerated capital allowances	337,986	108,400	67,990	46,968
Other timing differences	-	-	-	25,625
	<u>337,986</u>	<u>108,400</u>	<u>67,990</u>	<u>72,593</u>

### 13 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 £68,819 (1997:£170,100).

### 14 Share capital

	1998 £	1997 £
<b>Authorised</b>		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>		
530,000 Ordinary shares of £1 each	<u>530,000</u>	<u>530,000</u>



# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1998

### 15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 1997	965,305
Retained profit for the period	245,746
	<hr/>
Balance at 30 April 1998	1,211,051
	<hr/>

### 16 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	245,746	320,209
Opening shareholders' funds	1,495,305	1,175,096
	<hr/>	<hr/>
Closing shareholders' funds	1,741,051	1,495,305
	<hr/>	<hr/>

### 17 Contingent liabilities

At the balance sheet date the company has contingent liabilities in respect of documentary credits amounting to £500,000 (1997:£147,000) The credits are guaranteed by way of a fixed charge over all book and other debts to a limit of £2,000,000.

An unlimited multilateral company guarantee was given to the company bankers to secure import facilities of Enta UK Limited and Entanet International Limited where applicable.

### 18 Directors' emoluments

	1998 £	1997 £
Emoluments for qualifying services	60,000	60,000
Company pension contributions to money purchase schemes	61,757	164,130
	<hr/>	<hr/>
	121,757	224,130
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# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1998

### 19 Employees

#### Number of employees

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

	1998 Number	1997 Number
Management and administration	25	24
Marketing and sales	87	81
	<u>112</u>	<u>105</u>

#### Employment costs

	£	£
Wages and salaries	1,551,709	1,432,493
Social security costs	6,002	6,120
Other pension costs	68,819	170,100
	<u>1,626,530</u>	<u>1,608,713</u>

### 20 Control

Enta Technologies Limited is a wholly owned subsidiary of Enta UK Limited, a company registered in England and Wales.