

REGISTRAR'S COPY

2589408
COMPANY NUMBER _____

Regent Technology Limited

Report and Financial Statements

Year Ended
31 December 2001



BDO

BDO Stoy Hayward
Chartered Accountants

REGENT TECHNOLOGY LIMITED

Report and financial statements for the year ended 31 December 2001

Contents

Directors

Page:

1	Report of the directors
3	Report of the independent auditors
4	Profit and loss account
5	Balance sheet
6	Notes forming part of the financial statements

Directors

P D Rowell	D A Burns
J R Calvert	S J Goetz
P J McGovern	S Sanktjohanser
J P Michaels Junior	

Secretary and registered office

A J King
17/21 Victoria Street
Windsor
Berkshire
SL4 1HE

Company number

2589408

Auditors

BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey KT17 1HS

REGENT TECHNOLOGY LIMITED

Report of the directors for the year ended 31 December 2001

The directors present their report together with the audited financial statements for the year ended 31 December 2001.

Results and dividends

The profit and loss account is set out on page 4 and shows the result for the year.

The directors do not recommend the payment of a dividend for the year (period ended 31 December 2000: £nil).

Principal activities, trading review and future developments

The principal activity of the company continues to be that of a holding company.

There have been no events since the balance sheet date which materially affect the position of the company.

Charitable and political contributions

During the year the company made charitable contributions of £106 (period ended 31 December 2000: £nil).

European Monetary Union

The board has reviewed the impact of the introduction of the Euro and believes that the company's systems are Euro compatible.

Directors

The directors of the company during the year were:

P D Rowell
J R Calvert
P J McGovern
J P Michaels Junior
D A Burns
S J Goetz
S Sanktjohanser

No director had any interest in the share capital of the company.

J P Michaels Junior, D A Burns and S J Goetz are also directors of the ultimate parent company, Communications Equity Associates International Limited, and their interests in the share capital of that company are shown in its financial statements.

REGENT TECHNOLOGY LIMITED

Report of the directors for the year ended 31 December 2001 (*Continued*)

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:

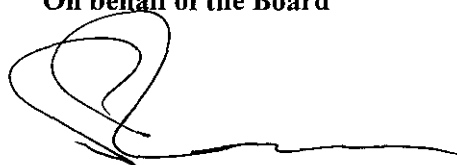
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



P D Rowell
Director

26/03/2002

REGENT TECHNOLOGY LIMITED

Report of the independent auditors

To the shareholders of Regent Technology Limited

We have audited the financial statements of Regent Technology Limited on pages 4 to 14 which have been prepared under the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD
Chartered Accountants and Registered Auditors
Epsom, Surrey

27 March 2002

REGENT TECHNOLOGY LIMITED

Profit and loss account for the year ended 31 December 2001

	Note	Year ended 31 December 2001 £	9 month period ended 31 December 2000 £
Turnover	2	2,296,141	1,956,568
Administrative expenses		(2,838,323)	(3,021,800)
		<u>(542,182)</u>	<u>(1,065,232)</u>
Other operating income		4,619	13,741
Operating loss	5	(537,563)	(1,051,491)
Interest receivable from subsidiary undertakings		-	62,544
Interest receivable		12	-
Interest payable and similar charges	6	(11,654)	(1,939)
Loss on ordinary activities before and after taxation and retained loss for the year		<u>(549,205)</u>	<u>(990,886)</u>
Retained (loss)/profit brought forward		(547,001)	443,885
Retained loss carried forward		<u><u>(1,096,206)</u></u>	<u><u>(547,001)</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There were no movements in shareholders funds apart from the loss for the year.

The notes on pages 6 to 14 form part of these financial statements.

REGENT TECHNOLOGY LIMITED

Balance sheet at 31 December 2001

	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	7	265,318	429,558
Investments	8	53,218	53,218
		<u>318,536</u>	<u>482,776</u>
Current assets			
Debtors	9	399,860	1,043,166
Cash at bank and in hand		10,000	9
		<u>409,860</u>	<u>1,043,175</u>
Creditors: amounts falling due within one year	10	<u>1,728,292</u>	<u>1,780,142</u>
Net current liabilities		<u>(1,318,432)</u>	<u>(736,967)</u>
Total assets less current liabilities		<u>(999,896)</u>	<u>(254,191)</u>
Creditors: amounts falling due after one year	11	-	196,500
Provision for liabilities and charges	12	<u>10,928</u>	<u>10,928</u>
		10,928	207,428
Net liabilities		<u>(1,010,824)</u>	<u>(461,619)</u>
Capital and reserves			
Called up share capital	13	10,204	10,204
Share premium account	14	75,178	75,178
Profit and loss account		<u>(1,096,206)</u>	<u>(547,001)</u>
Equity shareholders' funds – in deficit		<u>(1,010,824)</u>	<u>(461,619)</u>

The financial statements were approved by the Board on

P D Rowell
Director

26/03/2002

The notes on pages 6 to 14 form part of these financial statements.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the value of services supplied during the year to the company's subsidiary undertakings.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	-	Over the term of the lease
Fixtures, fittings and equipment	-	25% per annum on a straight line basis
Computers and telephone equipment	-	33 1/3% per annum on a straight line basis

Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Foreign currency

Foreign currency transactions of the company are translated at the rate ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Exemption from group accounts

The company is a wholly owned subsidiary of an EC company, Communications Equity Associates International Limited, and is included in the consolidated accounts of that company. The company has therefore taken advantage of the exemption provided by Section 228 of the Companies Act 1985 not to prepare group accounts.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

1 Accounting policies (*Continued*)

Cash flow statements

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the year of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the profit and loss account over the year to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Pension costs

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

Regent Trustees Limited

The company is deemed to have control of the assets, liabilities, income and costs of Regent Trustees Limited. It has therefore been included in the financial statements of the company.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 (Continued)

2 Turnover

Turnover is wholly attributable to the principal activity of the company.

Analysis by geographical market:

	Year ended 31 December 2001 £	9 month period ended 31 December 2000 £
United Kingdom	1,967,379	1,198,752
European Union	199,863	455,320
North America	128,899	302,496
	<u>2,296,141</u>	<u>1,956,568</u>

3 Employees

	Year ended 31 December 2001 £	9 month period ended 31 December 2000 £
Staff costs for all employees, including executive directors, consist of:		
Wages and salaries	997,327	1,068,726
Compensation for loss of office	(98,740)	441,500
Social security costs	76,455	171,694
Other pension costs	28,844	41,726
	<u>1,003,886</u>	<u>1,723,646</u>

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

	Number	Number
Management and administration	<u>16</u>	<u>14</u>

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

4 Directors

	Year ended 31 December 2001	9 month period ended 31 December 2000
	£	£
Directors' emoluments consist of:		
Salaries and other emoluments	350,421	430,955
Pension contributions	2,556	-
Compensation for loss of office	(98,740)	441,500
	<u>254,197</u>	<u>872,455</u>
	Year ended 31 December 2001	9 month period ended 31 December 2000
	£	£
Highest paid director:		
Emoluments	<u>180,159</u>	<u>245,796</u>

There was 1 director (period ended 31 December 2000: none) in the company's defined contribution pension scheme during the year.

5 Operating loss

	Year ended 31 December 2001	9 month period ended 31 December 2000
	£	£
The operating loss is stated after charging/(crediting):		
Operating lease rentals	130,736	93,845
Depreciation	201,866	119,960
Auditors' remuneration:		
Audit services	8,800	54,679
Non-audit services	39,454	51,086
Exchange differences	25,194	(90,209)
Profit on sale of fixed assets	(317)	(2,167)
Provision against amounts due from subsidiary undertaking	<u>627,614</u>	<u>501,574</u>

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

6 Interest payable and similar charges

	Year ended 31 December 2001	9 month period ended 31 December 2000
	£	£
Bank loans and overdrafts	<u>11,654</u>	<u>1,939</u>

7 Tangible assets

	Leasehold improvements £	Equipment, fixtures and fittings £	Total £
Cost			
At 1 January 2001	422,246	290,002	712,248
Additions	4,669	35,097	39,766
Disposals	-	(5,509)	(5,509)
At 31 December 2001	<u>426,915</u>	<u>319,590</u>	<u>746,505</u>
Depreciation			
At 1 January 2001	128,294	154,396	282,690
Charge for the year	127,241	74,625	201,866
Disposals	-	(3,369)	(3,369)
At 31 December 2001	<u>255,535</u>	<u>225,652</u>	<u>481,187</u>
Net book value:			
At 31 December 2001	<u>171,380</u>	<u>93,938</u>	<u>265,318</u>
At 31 December 2000	<u>293,952</u>	<u>135,606</u>	<u>429,558</u>

8 Investments

	Subsidiary undertakings £	Total £
Cost and net book value		
At 1 January 2001 and 31 December 2001	<u>53,218</u>	<u>53,218</u>

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

8 Investments – Subsidiary Undertakings (*Continued*)

The following were subsidiary undertakings of the company at 31 December 2001. All subsidiary undertakings are wholly owned.

Name	Country of incorporation	Nature of business	Shares held by
Regent Associates Limited	UK	Corporate finance services	Regent Technology Limited
Regent Associates International Inc	USA	Corporate finance services	Regent Associates Limited
Regent Associates GmbH	Germany	Corporate finance services	Regent Associates Limited
Regent Trustees Limited	UK	Dormant	Regent Technology Limited
Target Research Limited	UK	Dormant	Regent Associates Limited

9 Debtors

Amounts receivable within one year:	2001 £	2000 £
Trade debtors	-	24,973
Amounts due from subsidiary undertakings	230,889	826,101
Amounts due from parent undertaking	3,945	-
Other debtors	66,161	77,525
Prepayments and accrued income	98,865	114,567
	<u>399,860</u>	<u>1,043,166</u>

Included within other debtors is an amount of £63,089 (period ended 31 December 2000: £63,089) relating to amounts falling due for payment after more than one year.

All other amounts shown under debtors fall due for payment within one year.

REGENT TECHNOLOGY LIMITEDNotes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)**10 Creditors: amounts falling due within one year**

	2001 £	2000 £
Bank overdraft (secured)	5,392	173,692
Amounts due to subsidiary undertakings	1,115,385	778,107
Trade creditors	55,693	69,046
Other creditors	10,747	6,794
Taxation and social security	34,994	37,599
Corporation tax	16,689	64,865
Accruals and deferred income	489,392	650,039
	<u>1,728,292</u>	<u>1,780,142</u>

The bank overdraft is secured by a floating charge over the assets of the company.

11 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Accruals and deferred income	-	196,500
	<u>-</u>	<u>196,500</u>

12 Provisions for liabilities and charges

	2001 £	2000 £
Deferred taxation	10,928	10,928
	<u>10,928</u>	<u>10,928</u>

	2001		2000	
	Unprovided £	Provided £	Unprovided £	Provided £
Accelerated capital allowances	-	10,928	-	10,928
	<u>-</u>	<u>10,928</u>	<u>-</u>	<u>10,928</u>

There were no movements in deferred taxation in the year.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

13 Share capital

	2001 £	2000 £
<i>Authorised</i>		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>2001</u> £	<u>2000</u> £
<i>Allotted, called up and fully paid</i>		
10,204 ordinary shares of £1 each	10,204	10,204

14 Share premium account

	2001 £	2000 £
At 1 January 2001 and 31 December 2001	75,178	75,178

15 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

16 Commitments under operating leases

As at 31 December 2001, the company had annual commitments under non-cancellable operating leases as set out below:

	2001 Land and buildings £	2000 Land and buildings £
In two to five years	147,960	141,795

Rent for the premises increases each year at agreed levels.

17 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Communications Equity Associates International Limited.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 *(Continued)*

18 Ultimate parent company

At 31 December 2001, the company's ultimate UK parent company was Communication Equity Associates International Limited.

Copies of the consolidated financial statements of Communication Equity Associates International Limited are available from Companies House.

19 Controlling party

The ultimate controlling party of the company is J P Michaels Junior, a director of Regent Technology Limited.