

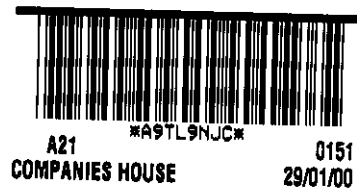
SPITFIRE DIGITAL NETWORKS LIMITED

Company Number: 2622508

ABBREVIATED ACCOUNTS

FOR THE

YEAR 31ST MARCH 1999



SORSKYS

Registered Auditors
Chartered Accountants

Gable House
239 Regents Park Road
London N3 3LF

REPORT OF THE AUDITORS

TO THE DIRECTORS OF SPITFIRE DIGITAL NETWORKS LIMITED

We have examined the abbreviated statutory accounts set out on pages 3 to 4, together with the full statutory accounts of the company. The scope of our work for the purpose of this report was limited to confirming the opinion set out in the following paragraph.

In our opinion, the Company is entitled under Sections 246 and 247 of the Companies Act 1985, to the exemptions conferred in section B of Part III of Schedule 8 to that Act in respect of the year ended 31ST MARCH 1999 and the abbreviated accounts have been properly prepared in accordance with that Schedule.

16th December 1999 we reported to the members on the full statutory accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31ST MARCH 1999. Our report under Section 235 of the Companies Act 1985 was as follows:

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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, except that the scope of our work was limited as explained below.

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 judgments 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.

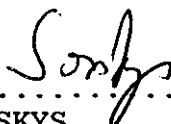
REPORT OF THE AUDITORS

TO THE DIRECTORS OF SPITFIRE DIGITAL NETWORKS LIMITED

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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the requirements of the Companies Act 1985 applicable to Small companies.

Gable House
239 Regents Park Road
London N3 3LF


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SORSKYS
Registered Auditors
Chartered Accountants

16th December 1999

SPITFIRE DIGITAL NETWORKS LIMITED

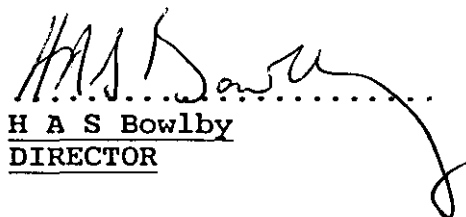
ABBREVIATED BALANCE SHEET AS AT 31ST MARCH 1999

		<u>1999</u>	<u>1998</u>
	<u>Notes</u>	£	£
<u>CURRENT ASSETS</u>			
Stock and Work in Progress		115,868	69,743
Debtors		244,397	237,517
		<u>360,265</u>	<u>307,260</u>
<u>CREDITORS</u>			
Amounts due within one year	2	325,845	273,183
<u>NET CURRENT ASSETS</u>		<u>34,420</u>	<u>34,077</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>34,420</u>	<u>34,077</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	3	30,000	30,000
Profit and Loss Account		4,420	4,077
Shareholders' Funds		<u>34,420</u>	<u>34,077</u>

In preparing these abbreviated accounts, the Directors have relied upon ss.246 to 247 of the Companies Act 1985 on the grounds that the Company is entitled to the benefit of those sections as a Small company.

The Directors have taken advantage, in the preparation of these accounts, of the special exemptions applicable to small companies under Schedule 8 Part III of the Companies Act 1985.

Approved by the Board of directors on 16th December 1999 and signed on its behalf:


H A S Bowlby
DIRECTOR

The notes on pages 4 to 6 form part of these accounts.

SPITFIRE DIGITAL NETWORKS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR 31ST MARCH 1999

1. ACCOUNTING POLICIES

- Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention.

- Turnover

Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding Value Added Tax.

- Stock and Work in Progress

Stock and Work in Progress is valued at the lower of Cost and Net Realisable Value after making due allowance for obsolete and slow-moving items.

2. CREDITORS

	<u>1999</u>	<u>1998</u>
	£	£
Amounts due within one year		
Bank Loans and Overdrafts	<u>55,205</u>	<u>27,693</u>

3. SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
Authorised		
Ordinary Shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted, Called Up and Fully Paid		
Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

4. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Spitfire Technology Group Limited, a company incorporated in England.