

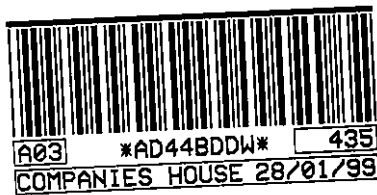
SPITFIRE DIGITAL NETWORKS LIMITED

Company Number: 2622508

ABBREVIATED ACCOUNTS

FOR THE

YEAR ENDED 31ST MARCH 1998



RUBIN WINTER & CO

Registered Auditors
Chartered Accountants

Pearl Assurance House
319 Ballards Lane
London N12 8LY

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 ended 31ST MARCH 1998 and the abbreviated accounts have been properly prepared in accordance with that Schedule.

8th January 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 ended 31ST MARCH 1998. 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.

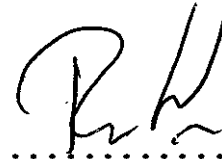
REPORT OF THE AUDITORS
TO THE DIRECTORS OF SPITFIRE DIGITAL NETWORKS LIMITED

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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 1998 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.

Pearl Assurance House
319 Ballards Lane
London N12 8LY



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RUBIN WINTER & CO
Registered Auditors
Chartered Accountants

8th January 1999

SPITFIRE DIGITAL NETWORKS LIMITED

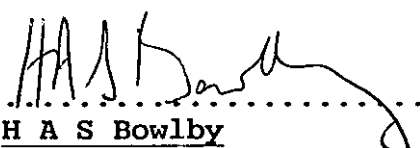
ABBREVIATED BALANCE SHEET AS AT 31ST MARCH 1998

		<u>1998</u>	<u>1997</u>
	<u>Notes</u>	£	£
<u>CURRENT ASSETS</u>			
Stock and Work in Progress		69,743	-
Debtors		237,517	30,000
		<hr/>	<hr/>
		307,260	30,000
<u>CREDITORS</u>			
Amounts due within one year		273,183	-
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		34,077	30,000
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<hr/>	<hr/>
		34,077	30,000
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	2	30,000	30,000
Profit and Loss Account		4,077	-
		<hr/>	<hr/>
Shareholders' Funds		34,077	30,000
		<hr/>	<hr/>

In preparing these abbreviated accounts, the Directors have taken advantage of the exemptions conferred by part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the Company qualifies 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 I of the Companies Act 1985.

Approved by the Board of directors on 8th January 1999 and signed on its behalf:



H A S Bowlby
DIRECTOR



J R Orde
DIRECTOR

The notes on page 4 form part of these accounts.

SPITFIRE DIGITAL NETWORKS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1998

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. SHARE CAPITAL

	<u>1998</u> £	<u>1997</u> £
Authorised		
Ordinary Shares of £1 each	30,000	30,000
	<u> </u>	<u> </u>
Allotted, Called Up and Fully Paid		
Ordinary shares of £1 each	30,000	30,000
	<u> </u>	<u> </u>

3. ULTIMATE HOLDING COMPANY

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