

Company No. 2767639 (England and Wales)

**DATA INTEGRATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2004**



# DATA INTEGRATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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# DATA INTEGRATION LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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<b>The board of directors</b>	A R Brimson S R Crumplin J S W Grazebrook
<b>Company secretary</b>	J S W Grazebrook
<b>Registered office</b>	18 Northfields London SW18 1DD
<b>Auditors</b>	Windsor Stebbing Marsh Chartered Accountants & Registered Auditors Pinnacle House 17-25 Hartfield Road Wimbledon London SW19 3SE
<b>Bankers</b>	Barclays Bank PLC 54 Lombard Street London EC3P 3AH

# DATA INTEGRATION LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2004

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2004.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity during the year was the supply, installation and support of data communication equipment.

### RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2004 £	2003 £
Dividends paid on ordinary shares	<u>58,975</u>	<u>105,313</u>

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.10 each	
	At 31 March 2004	At 1 April 2003
A R Brimson	2,000	2,000
S R Crumplin	120,670	120,670
J S W Grazebrook	<u>30,830</u>	<u>30,830</u>

### 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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

# DATA INTEGRATION LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2004

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### DONATIONS

During the year the company made the following contributions:

	2004	2003
	£	£
Charitable	<u>—</u>	<u>1,292</u>

Signed by order of the directors



J S W GRAZEBROOK  
Company Secretary

Approved by the directors on ..... 22 June 2004

# **DATA INTEGRATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

**YEAR ENDED 31 MARCH 2004**

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We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 AUDIT 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.

# DATA INTEGRATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 MARCH 2004

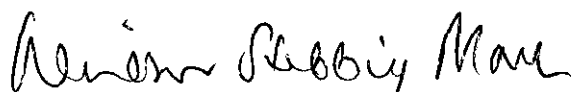
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### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Pinnacle House  
17-25 Hartfield Road  
Wimbledon  
London  
SW19 3SE

*30 June 04*



WINDSOR STEBBING MARSH  
Chartered Accountants  
& Registered Auditors

# DATA INTEGRATION LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2004

	Note	2004 £	2003 £
<b>TURNOVER</b>	<b>2</b>	<b>8,854,777</b>	<b>7,246,059</b>
Cost of sales		<u>6,386,775</u>	<u>4,846,935</u>
<b>GROSS PROFIT</b>		<b>2,468,002</b>	<b>2,399,124</b>
Administrative expenses		<u>2,216,304</u>	<u>2,117,175</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>251,698</b>	<b>281,949</b>
Interest receivable		1,423	8,211
Interest payable	<b>6</b>	<u>(2,328)</u>	<u>(2,247)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>250,793</b>	<b>287,913</b>
Tax on profit on ordinary activities	<b>7</b>	<u>65,418</u>	<u>47,705</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>185,375</b>	<b>240,208</b>
Dividends	<b>8</b>	<u>58,975</u>	<u>105,313</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>126,400</b>	<b>134,895</b>
Balance brought forward		<u>809,472</u>	<u>674,577</u>
Balance carried forward		<u><u>935,872</u></u>	<u><u>809,472</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 15 form part of these financial statements.



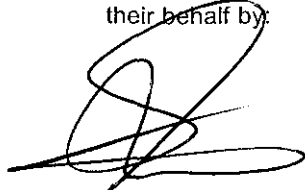
# DATA INTEGRATION LIMITED

## BALANCE SHEET

31 MARCH 2004

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Intangible assets	9	107,500	42,000
Tangible assets	10	62,494	83,336
		<u>169,994</u>	<u>125,336</u>
<b>CURRENT ASSETS</b>			
Stocks	11	86,511	163,378
Debtors	12	1,803,022	1,792,126
Cash at bank and in hand		668,361	237,887
		<u>2,557,894</u>	<u>2,193,391</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>1,709,643</u>	<u>1,445,735</u>
<b>NET CURRENT ASSETS</b>		<u>848,251</u>	<u>747,656</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,018,245</u>	<u>872,992</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	15	18,853	—
		<u>999,392</u>	<u>872,992</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	18	16,850	16,850
Share premium account	19	38,170	38,170
Capital redemption reserve	19	8,500	8,500
Profit and loss account		935,872	809,472
<b>SHAREHOLDERS' FUNDS</b>	20	<u>999,392</u>	<u>872,992</u>

These financial statements were approved by the directors on the 22 June 04 and are signed on their behalf by:



S R CRUMPLIN

The notes on pages 8 to 15 form part of these financial statements.

# DATA INTEGRATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

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

The financial statements have also been prepared in accordance with applicable accounting standards.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Software development**

Software development costs are capitalised to the extent that they are expected to be recovered against future related turnover.

Software development is amortised from the commencement of the commercial production of the product, and over the period from which the company expects to sell the product.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	- 25% per annum on a straight line basis
Furniture & Equipment	- 20% per annum on a straight line basis
Motor Vehicles	- 25% per annum on a straight line basis
Computer Hardware	- 25% per annum on a straight line basis
Computer Software	- 20% per annum on a straight line basis

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

# DATA INTEGRATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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### 1. ACCOUNTING POLICIES *(continued)*

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2004 £	2003 £
United Kingdom	<u>8,854,777</u>	<u>7,246,059</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004 £	2003 £
Directors' emoluments	261,530	257,563
Depreciation of owned fixed assets	48,208	52,436
Profit on disposal of fixed assets	-	(5,250)
Auditors' remuneration		
- as auditors	5,950	5,800
Operating lease costs:		
Plant and equipment	55,756	48,138
Net profit on foreign currency translation	<u>(30,384)</u>	<u>(4,243)</u>

# DATA INTEGRATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No	No
Number of administrative staff	<u>33</u>	<u>33</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	1,356,056	1,349,929
Social security costs	166,599	150,596
Other pension costs	38,933	37,358
	<u>1,561,588</u>	<u>1,537,883</u>

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Aggregate emoluments	261,530	257,563
Value of company pension contributions to money purchase schemes	10,875	—
	<u>272,405</u>	<u>257,563</u>

**Emoluments of highest paid director:**

	2004	2003
	£	£
Total emoluments (excluding pension contributions):	<u>96,801</u>	<u>106,697</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2004	2003
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

### 6. INTEREST PAYABLE

	2004	2003
	£	£
Interest payable on bank borrowing	305	96
Finance charges	—	2,151
Other similar charges payable	2,023	—
	<u>2,328</u>	<u>2,247</u>

# DATA INTEGRATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2003 - 19%)	46,565	53,291
Over/under provision in prior year	—	(5,586)
Total current tax	46,565	47,705
Deferred tax:		
Increase in deferred tax provision (note 15)		
Capital allowances	18,853	—
Tax on profit on ordinary activities	65,418	47,705

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2003 - 19%).

	2004 £	2003 £
Profit on ordinary activities before taxation	250,793	287,913
Profit on ordinary activities by rate of tax	47,651	54,703
Capital allowances in excess of depreciation	(8,807)	(8,133)
Expenses not deductible for tax purposes	7,721	6,721
Adjustment to tax charge in respect of previous years	—	(5,586)
Total current tax (note 7(a))	46,565	47,705

### 8. DIVIDENDS

The following dividends have been paid in respect of the year:

	2004 £	2003 £
Dividend paid on ordinary shares	58,975	105,313

# DATA INTEGRATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

### 9. INTANGIBLE FIXED ASSETS

	Software Development £
<b>COST</b>	
At 1 April 2003	42,000
Additions	65,500
<b>At 31 March 2004</b>	<u>107,500</u>
<b>AMORTISATION</b>	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 March 2004	107,500
At 31 March 2003	<u>42,000</u>

### 10. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Furniture & Equipment £	Computer Hardware £	Computer Software £	Total £
<b>COST</b>					
At 1 April 2003	4,700	102,208	73,183	43,141	223,232
Additions	-	-	24,378	2,988	27,366
<b>At 31 March 2004</b>	<u>4,700</u>	<u>102,208</u>	<u>97,561</u>	<u>46,129</u>	<u>250,598</u>
<b>DEPRECIATION</b>					
At 1 April 2003	3,780	68,005	46,150	21,961	139,896
Charge for the year	920	19,317	19,594	8,377	48,208
<b>At 31 March 2004</b>	<u>4,700</u>	<u>87,322</u>	<u>65,744</u>	<u>30,338</u>	<u>188,104</u>
<b>NET BOOK VALUE</b>					
At 31 March 2004	-	14,886	31,817	15,791	62,494
At 31 March 2003	<u>920</u>	<u>34,203</u>	<u>27,033</u>	<u>21,180</u>	<u>83,336</u>

#### Capital commitments

	2004 £	2003 £
Contracted but not provided for in the financial statements	-	<u>35,000</u>

### 11. STOCKS

	2004 £	2003 £
Finished goods	<u>86,511</u>	<u>163,378</u>

# DATA INTEGRATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

### 12. DEBTORS

	2004	2003
	£	£
Trade debtors	1,720,496	1,632,848
Other debtors	16,673	41,747
Prepayments and accrued income	65,853	117,531
	<u>1,803,022</u>	<u>1,792,126</u>

### 13. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	1,118,098	785,422
Corporation tax	46,565	53,291
PAYE and social security	48,153	40,083
VAT	85,278	93,856
Dividends payable	—	30,122
Other creditors	2,799	13,219
Accruals and deferred income	408,750	429,742
	<u>1,709,643</u>	<u>1,445,735</u>

### 14. PENSIONS

The company operates a defined contribution pension scheme for the benefit of the directors and employees. 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 and amounted to £38,933 (2003 - £37,358).

### 15. DEFERRED TAXATION

	2004	2003
	£	£
The movement in the deferred taxation provision during the year was:		
Profit and loss account movement arising during the year	18,853	—
Provision carried forward	<u>18,853</u>	<u>—</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004	2003
	£	£
Excess of taxation allowances over depreciation on fixed assets	18,853	—
	<u>18,853</u>	<u>—</u>

# DATA INTEGRATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

### 16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	2004		2003	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	19,534	—	21,870
Within 2 to 5 years	50,000	9,429	50,000	24,550
	<u>50,000</u>	<u>28,963</u>	<u>50,000</u>	<u>46,420</u>

### 17. RELATED PARTY TRANSACTIONS

During the year, the company traded at an arms length basis with Ouija Media Limited, a company in which the directors Messrs A R Brimson, S R Crumplin and J S W Grazebrook hold an interest in the share capital.

During the year the company acquired goods from Ouija Media Limited totalling £79,950 (2003: £246,709). The company also made payments to Ouija Media Limited totalling £nil (2003: £32,250) for assistance in the marketing and advertising of the company's services and products. At the balance sheet date the company owed Ouija Media Limited £14,586 (2003: £29,965).

During the year the company provided a loan to Ouija Media Limited. At the balance sheet date, Ouija Media Limited owed the company £nil (2002: £24,560).

### 18. SHARE CAPITAL

#### Authorised share capital:

	2004 £	2003 £
1,000,000 Ordinary shares of £0.10 each	<u>100,000</u>	<u>100,000</u>

#### Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £0.10 each	<u>168,500</u>	<u>16,850</u>	<u>168,500</u>	<u>16,850</u>

### 19. RESERVES

	Share premium account £	Capital redemption reserve £
At 1 April 2003 & 31 March 2004	<u>38,170</u>	<u>8,500</u>



# DATA INTEGRATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the financial year	185,375	240,208
Dividends	(58,975)	(105,313)
	<u>126,400</u>	<u>134,895</u>
Opening shareholders' equity funds	872,992	738,097
Closing shareholders' equity funds	<u>999,392</u>	<u>872,992</u>

### 21. CONTROL

The company was under the control of Mr S Crumplin, the company's managing director and majority shareholder, throughout the current and previous year.