

# Innovision Research & Technology Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 1997



# Innovision Research & Technology Limited

## DIRECTORS AND OFFICERS

---

### DIRECTORS

MA Borrett  
AD White  
MW Sperring

### SECRETARY

MA Borrett

### COMPANY NUMBER

3024348 (England and Wales)

### REGISTERED OFFICE

Exa House  
Alexandra Court  
Denmark Street  
Wokingham  
Berkshire RG40 2SJ

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# Innovision Research & Technology Limited

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements of Innovision Research & Technology Limited for the year ended 31 March 1997.

### PRINCIPAL ACTIVITIES

The company's principal activity during the year was the conception, development, patenting and licensing of new technologies.

### REVIEW OF THE BUSINESS

The directors are satisfied that work on the development and licensing of products and technologies during the year ending 31 March 1997 will lead to a satisfactory development of trading in future years.

### RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £164,912.

The directors do not recommend the payment of a dividend.

### SHARE CAPITAL

In September 1996 the company raised £500,000 by reorganising its authorised share capital into 100,000 'A' ordinary shares of 1p each and 100,000 'B' ordinary shares of 1p each. 100 'B' ordinary shares were issued for cash consideration of £500,000 for the purposes of increasing working capital.

### DIRECTORS

The following directors have held office since 1 April 1996:

MA Borrett  
AD White  
MW Sperring                      appointed 18 September 1996

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares</i>	
	<i>of 1p each</i>	<i>of £1 each</i>
	<i>31.3.97</i>	<i>31.3.96</i>
MA Borrett	200	1
AD White	200	1
MW Sperring	20	-

# Innovision Research & Technology Limited

## DIRECTORS' REPORT

---

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

Secretary

A large, stylized handwritten signature in black ink, likely belonging to the Secretary, is written over the word 'Secretary'.

3 . 4 . 98

# Innovision Research & Technology Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

Company law requires directors to prepare financial statements for each financial period 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, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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' REPORT TO THE MEMBERS OF INNOVISION RESEARCH & TECHNOLOGY LIMITED

We have audited the financial statements on pages 6 to 13.

## **Respective responsibilities of directors and auditors**

As described on page 4 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.

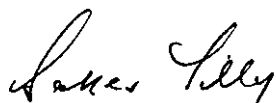
## **Basis of opinion**

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 at 31 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



3 April 1998

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# Innovision Research & Technology Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1997

	<i>Notes</i>	Year to 31 March 1997 £	21 February 1995 to 31 March 1996 £
TURNOVER	1	370,233	161,947
Cost of sales		163,239	8,768
Gross profit		<u>206,994</u>	<u>153,179</u>
Other operating expenses (net)	2	398,698	91,333
OPERATING (LOSS)/PROFIT		<u>(191,704)</u>	<u>61,846</u>
Investment income	3	11,684	1,106
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>(180,020)</u>	<u>62,952</u>
Taxation	6	15,108	(15,108)
RETAINED (LOSS)/PROFIT FOR THE PERIOD	14	<u>(164,912)</u>	<u>47,844</u>

The operating loss for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# Innovision Research & Technology Limited

## BALANCE SHEET

31 March 1997

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	7	57,596	-
Investments	8	2	-
		<u>57,598</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Stock	9	4,621	-
Debtors	10	225,744	74,877
Cash at bank and in hand		303,996	61,321
		<u>534,361</u>	<u>136,198</u>
CREDITORS: Amounts falling due within one year	11	223,874	88,352
NET CURRENT ASSETS		<u>310,487</u>	<u>47,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>368,085</u>	<u>47,846</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	5	2
Share premium	13	485,148	-
Profit and loss account	14	(117,068)	47,844
SHAREHOLDERS' FUNDS	15	<u>368,085</u>	<u>47,846</u>

Approved by the board on 3 . 4 . 98

Director





# Innovision Research & Technology Limited

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

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

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers. Advance payments are accounted for on an earned basis.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Fixtures, fittings and equipment	25% straight line
Motor vehicles	25% straight line

### INVESTMENTS

Long term investments are described as participating interests and are classified as fixed assets.

### STOCKS AND WORK IN PROGRESS

Stock is valued at the lower of cost and net realisable value. Cost of finished goods includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

### DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate 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 the profit and loss account.

# Innovision Research & Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1997

### 1 TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and (loss)/profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	Year 1997 £	Period 1996 £
United Kingdom	116,820	8,000
United States of America	253,413	153,947
	<u>370,233</u>	<u>161,947</u>

### 2 OTHER OPERATING EXPENSES (NET)

Administration expenses

1997 £	1996 £
398,698	91,333
<u>          </u>	<u>          </u>

### 3 INVESTMENT INCOME

Interest receivable

1997 £	1996 £
11,684	1,106
<u>          </u>	<u>          </u>

### 4 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

Auditors' remuneration

4,125	1,000
-------	-------

Depreciation and amounts written off tangible fixed assets:

Charge for the year:

Owned assets

12,291	-
--------	---

Exchange rate loss

4,133	-
-------	---

1997 No.	1996 No.
-------------	-------------

### 5 EMPLOYEES

The average weekly number of persons (including directors) employed by the company during the period was:

Office and management

14	2
<u>          </u>	<u>          </u>
£	£

Staff costs for the above persons:

Wages and salaries

201,598	-
---------	---

Social security costs

19,923	-
--------	---

<u>220,521</u>	<u>-</u>
----------------	----------

# Innovision Research & Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1997

5	EMPLOYEES ( <i>continued</i> )	1997 £	1996 £	
	DIRECTORS' REMUNERATION			
	Emoluments	52,219	-	
		<hr/>	<hr/>	
6	TAXATION	1997 £	1996 £	
	Based on the result for the period:			
	UK corporation tax at 23% (1996: 24%)	(15,655)	15,108	
	Over provided in previous years	547	-	
		<hr/>	<hr/>	
		(15,108)	15,108	
		<hr/>	<hr/>	
7	TANGIBLE FIXED ASSETS			
		<i>Fixtures, fittings and equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
	Cost			
	1 April 1996	-	-	-
	Additions	43,585	22,900	66,485
	Transfers from Innovision Concepts Limited	21,168	-	21,168
	Disposals	-	(11,400)	(11,400)
	31 March 1997	<hr/>	<hr/>	<hr/>
		64,753	11,500	76,253
	Depreciation			
	1 April 1996	-	-	-
	Charged in the year	10,616	1,437	12,053
	Transfers from Innovision Concepts Limited	6,604	-	6,604
	31 March 1997	<hr/>	<hr/>	<hr/>
		17,220	1,437	18,657
	Net book value			
	31 March 1997	<hr/>	<hr/>	<hr/>
		47,533	10,063	57,596
		<hr/>	<hr/>	<hr/>
	31 March 1996	-	-	-

# Innovision Research & Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1997

8	INVESTMENTS	£
	Shares in subsidiary undertakings	
	1 April 1996	-
	Additions	2
	31 March 1997	<u>2</u>

The following was a subsidiary undertaking at the end of the year:

Name	Proportion of ordinary share capital held	Capital and reserves	Country of registration	Nature of business
Innovision Concepts Limited	100%	£(81,377)	England	Dormant

9	STOCK	1997 £	1996 £
---	-------	-----------	-----------

Raw material	2,244	-
Finished goods	2,377	-
	<u>4,621</u>	<u>-</u>

10	DEBTORS	1997 £	1996 £
----	---------	-----------	-----------

Due within one year:		
Trade debtors	103,785	36,634
Amounts owed by subsidiary undertaking	81,377	38,241
Corporation tax	15,655	-
Other debtors	20,069	-
Unpaid share capital	-	2
Prepayments and accrued income	4,858	-
	<u>225,744</u>	<u>74,877</u>

11	CREDITORS: Amounts falling due within one year	1997 £	1996 £
----	--	-----------	-----------

Bank overdraft	6,211	-
Payments on account	104,502	72,244
Trade creditors	31,125	-
Corporation tax	-	15,108
Other creditors	70,869	-
Accruals and deferred income	11,167	1,000
	<u>223,874</u>	<u>88,352</u>

# Innovision Research & Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1997

12	SHARE CAPITAL	1997 £	1996 £
	Authorised:		
	100,000 'A' ordinary shares of 1p each	1,000	2,000
	100,000 'B' ordinary shares of 1p each	1,000	-
		<u>2,000</u>	<u>2,000</u>
	Allotted and issued:		
	400 'A' ordinary shares of 1p each	4	2
	100 'B' ordinary shares of 1p each	1	-
		<u>5</u>	<u>2</u>
	Fully paid 'B' ordinary 1p each	<u>1</u>	<u>NIL</u>

In September 1996 the company raised £500,000 by reorganising its authorised share capital into 100,000 'A' ordinary shares of 1p each and 100,000 'B' ordinary shares of 1p each. 100 'B' ordinary shares were issued for cash consideration of £500,000.

The 'A' and 'B' ordinary shares rank pari passu in all respects.

13	SHARE PREMIUM	1997 £	1996 £
	B/fwd at 1 April 1996	-	-
	Premium on issue of shares	499,999	-
	Less: issue costs	(14,851)	-
		<u>485,148</u>	<u>-</u>
14	PROFIT AND LOSS ACCOUNT	1997 £	1996 £
	1 April 1996	47,844	-
	(Loss)/profit for the financial year	(164,912)	47,844
	31 March 1997	<u>(117,068)</u>	<u>47,844</u>

# Innovision Research & Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1997

---

15	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1997 £	1996 £
	(Loss)/profit after taxation	(164,912)	47,844
	Shares issued	485,151	2
	Net addition to shareholders' funds	320,239	47,846
	Opening shareholders' funds	47,846	NIL
	Closing shareholders' funds	368,085	47,846