

**CLINPHONE LIMITED**  
**ANNUAL REPORT**  
**YEAR ENDED 29 FEBRUARY 2000**



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**PANNELL KERR FORSTER**

# CLINPHONE LIMITED

## COMPANY INFORMATION

**Directors** Dr J H W Engler  
Dr N E Rotherman

**Secretary** A Hampson

**Company Number** 3042328

**Registered Office** Lady Bay House  
Meadow Grove  
Nottingham  
Nottinghamshire  
NG2 3HF

**Auditors** Pannell Kerr Forster  
Regent House  
Clinton Avenue  
Nottingham  
NG5 1AZ

# CLINPHONE LIMITED

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**CLINPHONE LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 29 FEBRUARY 2000**

The directors submit their report and the financial statements for the year ended 29 February 2000.

**Principal activity**

The company did not trade throughout the year. The only transaction was the payment of a dividend to Clinphone Group Limited.

**Directors**

The directors who served during the year had no interest in the share capital of the company. Their shareholding in ClinPhone Group Limited, the company's holding company is shown below:

	Holding company	
	'A' Ordinary 1p shares	
	2000	1999
Dr J H W Engler	32,649	32,649
Dr N E Rotherman	32,649	32,649

Dr N E Rotherham and Dr J H W Engler are also directors of the holding company.

**Year 2000**

The directors have considered the impact and extent of year 2000 issues on the business and operations and are of the opinion that these have not had a material effect on the ability of the company to continue as a going concern.

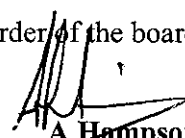
**Auditors**

The auditors, Pannell Kerr Forster, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

**Basis of preparation**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

  
**A Hampson**  
Secretary

17 July 2000

**CLINPHONE LIMITED**  
**STATEMENT OF 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;
- 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 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' REPORT TO THE SHAREHOLDERS OF  
CLINPHONE LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999) and under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 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.

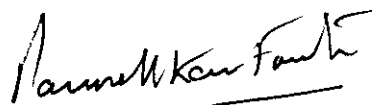
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards. 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 affairs of the company as at 29 February 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PANNELL KERR FORSTER**

Nottingham  
18 July 2000

Registered Auditors

**CLINPHONE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 29 FEBRUARY 2000**

	Notes	2000 £	1999 £
<b>TURNOVER</b>	<b>2</b>	-	3,144,765
Cost of sales		-	(1,201,269)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		-	1,943,496
Administrative expenses - Normal		-	(1,375,430)
- Exceptional	<b>3</b>	-	(236,600)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	<b>3</b>	-	331,466
Interest receivable and similar items		-	5,429
Interest payable and similar items		-	(5,426)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	331,469
<b>TAXATION</b>	<b>5</b>	-	(13,750)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		-	317,719
<b>DIVIDENDS</b>	<b>6</b>	(941,852)	-
		<hr/>	<hr/>
		(941,852)	317,719
		<hr/>	<hr/>



**CLINPHONE LIMITED**  
**BALANCE SHEET**  
**29 FEBRUARY 2000**

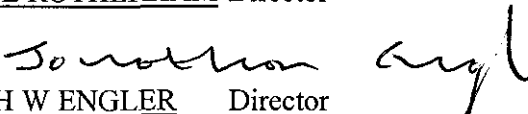
	Notes	2000 £	1999 £
<b>CURRENT ASSETS</b>			
Debtors	7	9,704	951,556
<b>NET CURRENT ASSETS</b>		<u>9,704</u>	<u>951,556</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	9,704	9,704
Profit and loss account	9	-	941,852
		<u>9,704</u>	<u>951,556</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 17 July 2000

Signed on behalf of the board of directors

  
Dr N E ROTHERHAM Director

  
Dr J H W ENGLER Director

**CLINPHONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 FEBRUARY 2000**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

**(b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

**(c) Operating leases**

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

**(d) 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**(e) Deferred taxation**

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

**(f) Pensions**

The group contributes to a various personal pension scheme and a Directors Self Administered Pension Fund providing benefits for employees additional to those from the state.

The pension cost charge represents contributions payable by the company to these funds in respect of the year.

**(g) Research and Development**

Research expenditure is written off in the year in which the expenditure is incurred.

Development costs are capitalised and amortised over a prudent period where it can be reasonably foreseen that future economic benefits will be in excess of the costs incurred.

**2 TURNOVER**

NIL% of turnover (1999 - 41%) is attributable to geographical markets outside the United Kingdom.

**CLINPHONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 FEBRUARY 2000**

**3 OPERATING PROFIT**

The operating profit is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets:		
- owned by the company	-	156,953
- held under finance lease or hire purchase contracts	-	3,696
Audit fees	-	7,650
Operating lease rentals:		
- other	-	38,000
Management charges	-	36,000
<u>Exceptional items:</u>		
Reorganisation and office set-up costs	-	153,600
The development costs of a new product platform	-	83,000
	<u>          </u>	<u>          </u>

**4 DIRECTORS' EMOLUMENTS AND BENEFITS**

	2000 £	1999 £
Aggregate of directors' emoluments and other benefits as defined in paragraph 1 of Schedule 6 to the Companies Act 1985	-	373,961
	<u>          </u>	<u>          </u>

The numbers of directors accruing benefits under pension schemes were:

	No	No
Money purchase schemes	-	5
	<u>          </u>	<u>          </u>

A total of £NIL (1999 - £20,500) was paid to a former director as compensation for loss of office.

**5 TAXATION**

	2000 £	1999 £
<b>Current year taxation</b>		
UK corporation tax at 33% (1999 - 33%)	-	13,750
	<u>          </u>	<u>          </u>

**6 DIVIDENDS**

	2000 £	1999 £
Dividends paid to ClinPhone Group Limited	941,852	-
	<u>          </u>	<u>          </u>

**CLINPHONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 FEBRUARY 2000**

**7 DEBTORS**

	2000	1999
	£	£
Amounts due from group undertakings	9,704	951,556

The movement in the year (£941,852) relates to the payment of a dividend to ClinPhone Group Limited.

**8 SHARE CAPITAL**

	Authorised	Allotted, called up and fully paid	
	£	No.	£
At 1 March 1999 and 29 February 2000			
'A' Ordinary shares of 1p each	565	56,500	565
'B' Ordinary shares of 1p each	20,435	913,900	9,139
	<u>21,000</u>	<u>970,400</u>	<u>9,704</u>

Each class of share rank pari passu in all respects as if representing a single class of share.

**9 RESERVES**

Profit and loss account	£
At 1 March 1999	941,852
Dividends paid	(941,852)
At 29 February 2000	<u>-</u>

**10 CONTINGENT LIABILITIES**

The company together with its parent and fellow subsidiary undertakings, has given a composite joint and several guarantee to the bank in respect of overdraft facilities available to the group.

**11 PENSION COSTS**

The company operates various defined contribution pension schemes, the assets of which are held separately from those of the company in an independently administered fund.

Contributions made by the company to the scheme during the year amounted to **£NIL** (1999 - £49,811), with contributions of **£NIL** (1999: £20,869) accrued but not yet paid being hived up into ClinPhone Group Limited.

**CLINPHONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 FEBRUARY 2000**

**12 PARENT UNDERTAKINGS AND CONTROLLING PARTIES**

The company is controlled by ClinPhone Group Limited.

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is Clinphone Group Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.