

# Sigma Wireless (U.K.) Limited

Directors' report and  
financial statements

**Year ended 31 December 2002**

*Registered number: 3759979*





# Sigma Wireless (U.K.) Limited

## Directors' report and financial statements

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# Sigma Wireless (U.K.) Limited

## Directors and other information

### Directors

James A. Boyle (Chairman)  
Michael J. McGinley  
Peter Crowley

### Registered office

No. 6 Bridgegate Business Park  
Gatehouse Way  
Aylesbury  
Buckinghamshire  
HP19 8XN  
England

### Secretary

Michael J. McGinley

### Auditors

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

### Principal bankers

NatWest Bank plc  
67 High Street  
Staines, Middlesex  
TW18 4PU  
England

### Principal solicitors

Pinsent Curtis  
3 Colmore Circus  
Birmingham B4 6BH  
England



# Sigma Wireless (U.K.) Limited

## Directors' report

The directors have pleasure in submitting their annual report together with the audited financial statements of the company for the year ended 31 December 2002.

### **Principal activities and business review**

The company carries out research and development services and provides sales and marketing support services in the UK solely for its parent company, Sigma Wireless Technologies Limited.

### **Results**

The company realised an operating profit for the year of Stg£36,187 (2001:Stg£46,396).

The directors do not anticipate any changes in the company's activities for the foreseeable future.

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Directors**

In accordance with the Articles of Association, the directors are not required to retire by rotation.

# Sigma Wireless (U.K.) Limited

## Directors' report *(continued)*

### Directors' and secretary's interests

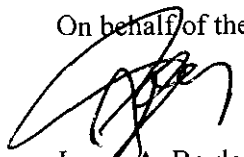
The directors and secretary who held office at 31 December 2002 had no interest in shares, debentures or loan stock of the company or any group companies except as set out below:

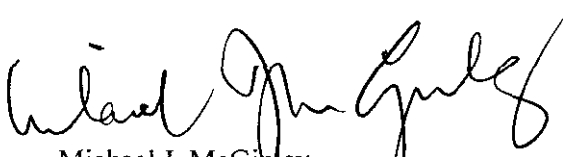
Name	Description	At 31 December 2002	At 31 December 2001
		Stg£	Stg£
	<b><i>BMS Holdings Limited</i></b>		
J.A. Boyle	Ordinary shares of Stg£1 each	750.00	750.00
M. J. McGinley	Ordinary shares of Stg£1 each	250.00	250.00
	<b><i>Sigma Communications Group Limited</i></b>	€	€
J.A. Boyle	10% non-cumulative participating preference shares of €1.269738 each	95.23	95.23
M. J. McGinley	10% non-cumulative participating preference shares of €1.269738 each	31.74	31.74
P. Crowley	10% non-cumulative participating preference shares of €1.269738 each	31.74	31.74
	250 ordinary shares of €1.269738 each	317.43	317.43
	<b><i>Finglas Technologies Limited</i></b>	€	€
J.A. Boyle	1 "A" ordinary share of €0.012697 each	0.01	0.01
	75 "B" ordinary shares of €0.063487 each	4.76	4.76
M. J. McGinley	25 "B" ordinary shares of €0.063487 each	1.59	1.59

### Auditors

In accordance with Section 385(2) of the Companies Act, 1985, as amended by the Companies Act 1989, KPMG, Chartered Accountants, will continue in office.

On behalf of the board

  
 James A. Boyle  
 Director

  
 Michael J. McGinley  
 Director

8 August 2003

## Sigma Wireless (U.K.) 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 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 books of account 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board

  
James A. Boyle  
Director  
Michael J. McGinley  
Director



**Chartered Accountants**

1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

**Independent auditors' report to the members of Sigma Wireless (U.K.) Limited**

We have audited the financial statements on pages 6 to 14.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body for our audit work, for this report or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

**Basis of audit 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 affairs of the company as at 31 December 2002 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants  
Registered Auditors

8 August 2003



# Sigma Wireless (U.K.) Limited

## Statement of accounting policies

*for the year ended 31 December 2002*

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### **Basis of preparation**

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Accounting Standards Board.

### **Turnover**

Turnover comprises the value of sales, excluding VAT and trade discounts, of goods and services in the normal course of business.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are shown at the directors' assessment of fair value on the acquisition of a business or otherwise at original historical cost. Depreciation is provided at rates calculated to write off the cost or valuation, of each asset, other than freehold land, on a straight line basis over its remaining expected useful life, as follows:

Fixtures & Fittings	3 to 15 years
Computer equipment	3 years
Motor vehicles	3 years

### **Foreign currencies**

Trading activities denominated in foreign currencies are recorded in Sterling at rates approximating actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

### **Taxation**

Corporation tax, including UK corporation tax and foreign tax, is provided on the company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

### **Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.



# Sigma Wireless (U.K.) Limited

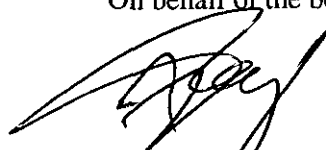
## Profit and loss account for the year ended 31 December 2002

	<i>Note</i>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
<b>Turnover – continuing operations</b>	<b>1</b>	<b>377,872</b>	456,445
Operating expenses		<b>(341,685)</b>	(410,049)
<b>Operating profit - continuing operations</b>		<b>36,187</b>	46,396
Interest payable and similar charges	<b>2</b>	<b>(1,835)</b>	(4,901)
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	<b>34,352</b>	41,495
Tax on profit on ordinary activities	<b>5</b>	<b>(6,870)</b>	(12,923)
<b>Profit for the financial year</b>		<b>27,482</b>	28,572
Profit and loss account at beginning of year		<b>64,960</b>	36,388
<b>Profit and loss account at end of year</b>		<b>92,442</b>	64,960

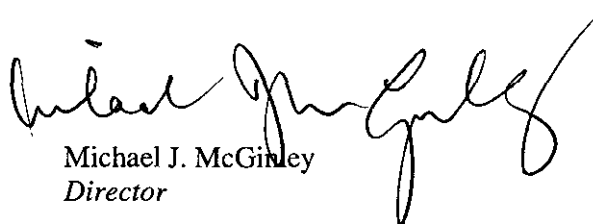
## Statement of total recognised gains and losses for the year ended 31 December 2002

The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the profit and loss account.

On behalf of the board



James A. Boyle  
Director




Michael J. McGinley  
Director

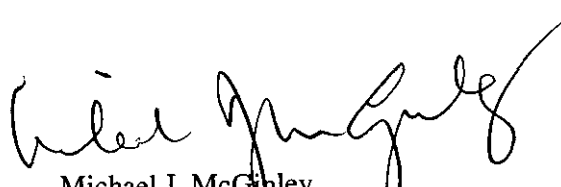
# Sigma Wireless (U.K.) Limited

## Balance sheet at 31 December 2002

	Note	2002 Stg£	2001 Stg£
<b>Fixed assets</b>			
Tangible assets	6	47,704	72,388
<b>Current assets</b>			
Debtors	7	133,051	78,199
<b>Creditors: amounts falling due within one year</b>	8	(88,312)	(85,626)
<b>Net current assets/(liabilities)</b>		44,739	(7,427)
<b>Net assets</b>		92,443	64,961
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		92,442	64,960
<b>Shareholders' funds - equity</b>	11	92,443	64,961

On behalf of the board

  
 James A. Boyle  
 Director

  
 Michael J. McGinley  
 Director

# Sigma Wireless (U.K.) Limited

## Notes

*forming part of the financial statements*

<b>1 Turnover</b>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
Service fees and commissions	<u>377,872</u>	<u>456,445</u>
<b>2 Interest payable and similar charges</b>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
Bank interest and charges	1,835	2,226
Finance lease interest	-	2,675
	<u>1,835</u>	<u>4,901</u>
<b>3 Statutory and other information</b>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	24,684	29,440
(Profit)/loss on disposal of fixed assets	-	(7,071)
Auditors' remuneration	500	500
	<u>24,684</u>	<u>22,869</u>

## 4 Employees

The average weekly number of persons employed by the company (including executive directors), during the year, analysed by category, was as follows:

	<b>2002 Number</b>	<b>2001 Number</b>
Research and development	2	3
Sales and administration	2	4
	<u>4</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows:

	<b>2002 Stg£</b>	<b>2001 Stg£</b>
Wages and salaries	143,101	211,920
Social welfare costs	17,559	21,446
Pensions	6,402	7,853
	<u>167,062</u>	<u>241,219</u>

# Sigma Wireless (U.K.) Limited

## Notes (continued)

<b>5 Tax on profit on ordinary activities</b>	<b>2002</b>	<b>2001</b>
	<b>Stg£</b>	<b>Stg£</b>
<b>(a) Analysis of charge in the year</b>		
Corporation tax	<b>6,870</b>	8,084
Underprovision in respect of prior years	-	4,839
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	<b>6,870</b>	12,923
	<hr/>	<hr/>

### (b) Factors affecting tax charge for the year

The tax assessed for the year is equivalent to the standard rate of corporation tax in the UK.

	<b>2002</b>	<b>2001</b>
	<b>Stg£</b>	<b>Stg£</b>
Profit on ordinary activities before tax	<b>34,352</b>	41,495
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax of 20% (2001: 20%)	<b>6,870</b>	8,299
<i>Effects of:</i>		
Capital allowances in excess of depreciation	-	(215)
Adjustments to tax charge in respect of prior years	-	4,839
	<hr/>	<hr/>
<b>Tax charge for year</b>	<b>6,870</b>	12,923
	<hr/>	<hr/>

# Sigma Wireless (U.K.) Limited

Notes (continued)

## 6 Tangible fixed assets

	Motor vehicles Stg£	Fixtures & fittings Stg£	Computer equipment Stg£	Total Stg£
<i>Cost</i>				
At beginning and end of year	29,566	72,088	19,217	120,871
<i>Depreciation</i>				
At beginning of year	13,453	21,969	13,061	48,483
Charge	7,446	12,650	4,588	24,684
At end of year	20,899	34,619	17,649	73,167
<i>Net book value</i>				
At 31 December 2002	8,667	37,469	1,568	47,704
At 31 December 2001	16,113	50,119	6,156	72,388

The net book value of the company's tangible fixed assets includes Stg£8,667 (2001:Stg£16,113) in respect of leased assets. The depreciation charge for the year on these assets amounted to Stg£7,446 (2001:Stg£11,651)

# Sigma Wireless (U.K.) Limited

## Notes (continued)

<b>7 Debtors</b>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
Amounts due from parent undertaking	116,276	60,620
VAT refundable	2,707	3,511
Prepayments	14,068	14,068
	<hr/>	<hr/>
	<b>133,051</b>	<b>78,199</b>
	<hr/>	<hr/>
All amounts fall due within one year		
<b>8 Creditors: amounts falling due within one year</b>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
Bank overdrafts	1,246	9,951
Trade creditors	2,768	9,757
Amounts owed to fellow subsidiary undertaking	31,581	31,581
Accruals	35,376	23,017
Taxation and social welfare creditors (see below)	17,341	10,301
Obligations under finance leases (note 9)	-	1,019
	<hr/>	<hr/>
	<b>88,312</b>	<b>85,626</b>
	<hr/>	<hr/>
Analysis of taxation and social welfare creditors:		
Corporation tax	14,954	8,084
National insurance	2,387	2,217
	<hr/>	<hr/>
	<b>17,341</b>	<b>10,301</b>
	<hr/>	<hr/>

# Sigma Wireless (U.K.) Limited

Notes (continued)

<b>9 Obligations under finance leases</b>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
Within one year	-	1,019
Finance charges attributable to future periods	-	-
	-	1,019
Included in creditors as follows:		
Within one year	-	1,019
<b>10 Share capital - equity</b>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
<i>Authorised</i>		
1,000 ordinary shares of Stg£1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
1 ordinary share of Stg£1 each	1	1
<b>11 Reconciliation of shareholders' funds - equity</b>	<b>2002 Stg£</b>	<b>2001 Stg£</b>
Shareholders funds at beginning of year	64,961	36,389
Total recognised gains and losses	27,482	28,572
Shareholders' funds at end of year	92,443	64,961

## Sigma Wireless (U.K.) Limited

### Notes *(continued)*

#### **12 Pension**

The company makes contributions on behalf of a number of employees to an external pension scheme. The pension cost charged for the year represents contribution payable by the company to the fund and amounted to Stg£6,402 (2001: Stg£7,853).

#### **13 Related party transactions**

The company has availed of the exemption available in FRS8 - Related party disclosures from disclosing transactions with group undertakings. Details on the availability of the group consolidated financial statements are given in note 14.

#### **14 Group relationships and controlling parties**

The company is a wholly owned subsidiary of Sigma Wireless Technologies Limited which is incorporated in the Republic of Ireland. The financial statements reflect all intergroup transactions.

The ultimate holding company is BMS Holdings Ltd, a company incorporated in Jersey, which does not prepare consolidated financial statements. The smallest and largest group into which the results of the company are consolidated is Sigma Communications Group Limited and Subsidiaries. The consolidated financial statements of Sigma Communications Group Limited and Subsidiaries are available for public inspection at the Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1.

#### **15 Post balance sheet events**

No material events affecting the company have occurred since the balance sheet date.

#### **16 Cashflow statement**

In accordance with Financial Reporting Standard No. 1 '*Cashflow Statements*' the company is exempt from preparing a cashflow statement.

#### **17 Comparative amounts**

Comparative amounts have been reclassified, where necessary, on the same basis as those for the current year.

#### **18 Approval of financial statements**

The directors approved the financial statements on 8 August 2003.