

Imagination Technologies Limited
(formerly VideoLogic Limited)
Directors' Report and Financial Statements
31 March 2000
Registered Number 1306335



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

The Company changed its name from VideoLogic Limited to Imagination Technologies Limited on 31 August 1999.

Principal Activities and Business Review

The company's principal activity, which has remained unchanged during the year, is the design, development and marketing of multimedia technology for the PC, console and arcade markets.

The results for the year are shown on page 6; amounts transferred to reserves are given in note 17 to the financial statements. The directors do not recommend payment of a dividend for the year ended 31 March 2000 (1999 : £nil).

The directors believe the company is a world leader in the new generation of multimedia technology and is well positioned to exploit the growing market for this technology.

Research and Development

The company will continue to undertake research and development activities to retain its technological advantage and competitive position in the market.

Acquisitions

The company agreed to acquire the trading assets and liabilities of Enigma Limited on 31st March 2000. Details of the assets and liabilities are shown in note 20.

The Directors consider that the assets and liabilities were transferred at fair value.

Donations

During the year, the company made donations for charitable purposes of £232 (1999 : £406).

Creditor Payment Policy

It is company policy to agree payment terms with suppliers when negotiating contracts or transactions. The company ensures that, subject to any necessary variations which may result from supplier related problems, the agreed payment terms are adhered to.

Directors report (continued)

Directors and directors' interests

Directors

The directors who held office during the year, including changes since the end of the year, were as follows: -

H Yassaie

K J Dale

T Selby

M C Walsh - resigned 30th June 2000

T Wing - resigned 1st October 1999

Director's share options

The following table sets out the interests of directors who held office at the end of the financial year to subscribe for shares in Imagination Technologies Limited:-

| | Balance as at 31 March 1999 | Exercised during year | Balance as at 31 March 2000 | Exercise Price | Date from which first exercisable | Expiry Date |
|-----------|--|----------------------------------|--|---------------------------|--|------------------------|
| M C Walsh | 22,665 | (22,665) | - | 10.4 p | Apr 96 | Sept 2000 |
| H Yassaie | 90,662 | (90,662) | - | 10.4 p | Apr 96 | Sept 2000 |

T Selby and K J Dale hold no interests in share options in Imagination Technologies Limited as at 31 March 2000.

On 6 June 1994, each of the directors with options over shares in Imagination Technologies Limited entered into put and call agreements with Imagination Technologies Group plc, under which each of the directors has the right to sell to Imagination Technologies Group plc (which company also has the right to acquire) ordinary shares in Imagination Technologies Limited issued pursuant to those option arrangements. During the year each of the directors exercised these options, and subsequently exercised the options acquired in Imagination Technologies Group plc.

Directors report (continued)

Directors' interests in ultimate parent company

The interests of directors who held office at the end of the financial year to subscribe for shares in the ultimate parent company, Imagination Technologies Group plc were:

| | Balance as at 31 March 1999 | Granted during year | Exercised during year | Balance as at 31 March 2000 |
|-----------|--|--------------------------------|----------------------------------|--|
| K J Dale | 550,100 | - | (150,100) | 400,000 |
| M C Walsh | 25,000 | 217,939 | (217,939) | 25,000 |

The interests of directors who are also directors of the ultimate parent company, Imagination Technologies Group plc, were disclosed in the report and accounts of that company.

The market price of the shares in Imagination Technologies Group plc at 31 March 2000 was 386.5p and the range during the financial year was 51.75p to 610p.

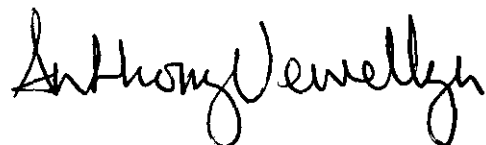
During the financial year, K Dale exercised 80,000 options with an exercise price of 29.5p when the market price was 338p, 20,100 options with an exercise price of 29.5p when the market price was 419.5p and 50,000 options with an exercise price of 47.5p when the market price was 419.5p.

During the financial year, M C Walsh exercised 217,939 options with an exercise price of 10.4p when the market price was 78p.

Auditor

Pursuant to a shareholder's elective resolution the company is not obliged to reappoint its auditor annually and KPMG Audit plc will, therefore, continue in office.

By order of the Board



A Llewellyn
Secretary
23 January 2001

Home Park Estate
Kings Langley
Hertfordshire WD4 8LZ

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;
- 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. They have general responsibilities 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.

Report of the auditor to the members of Imagination Technologies Limited

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of directors and auditors

The directors are responsible for preparing 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 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 as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit plc
Chartered Accountants
Registered Auditor

23 January 2001

London

Profit and loss account
for the year ended 31 March 2000

| | Note | 2000 <u>£'000</u> | 1999 <u>£'000</u> |
|--|------|----------------------|----------------------|
| Turnover | 2 | 16,854 | 11,525 |
| Cost of sales | | <u>(3,056)</u> | <u>(2,026)</u> |
| Gross profit | | 13,798 | 9,499 |
| Research and development expenses | | (6,905) | (5,844) |
| Sales and administrative expenses | | (2,243) | (2,348) |
| Other operating income | 3 | <u>-</u> | <u>90</u> |
| Operating profit | 4 | 4,650 | 1,397 |
| Net interest receivable and similar income | 7 | 18 | 8 |
| Amount written off investments | 8 | <u>3</u> | <u>136</u> |
| Profit on ordinary activities before taxation | | 4,671 | 1,541 |
| Tax on profit on ordinary activities | 9 | (665) | - |
| Profit on ordinary activities after taxation | | <u>4,006</u> | <u>1,541</u> |

The results for 2000 and 1999 are derived from continuing activities, and are prepared on a historical cost basis.

A statement of the movement on reserves is set out in note 17 to these accounts.

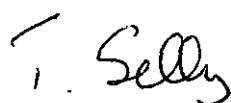
Statement of total recognised gains and losses
for the year ended 31 March 2000.

| | 2000 <u>£'000</u> | 1999 <u>£'000</u> |
|--|----------------------|----------------------|
| Profit for the financial year | 4,006 | (1,541) |
| Profit/(loss) on currency translation | <u>72</u> | <u>(4)</u> |
| Total gains recognised since last Annual Report | <u>4,078</u> | <u>1,537</u> |

Balance sheet
as at 31 March 2000

| | Note | 2000 <u>£'000</u> | 1999 <u>£'000</u> |
|---|------|----------------------|----------------------|
| Fixed Assets | | | |
| Intangible assets | 10 | 170 | 153 |
| Tangible assets | 11 | 3,429 | 2,855 |
| Investments | 12 | <u>120</u> | <u>120</u> |
| | | 3,719 | 3,128 |
| Current assets | | | |
| Stock and work in progress | 13 | 965 | 335 |
| Debtors | 14 | 3,776 | 2,579 |
| Cash at bank and in hand | | <u>1,498</u> | <u>712</u> |
| | | 6,239 | 3,626 |
| Creditors: amounts falling due within one year | 15 | <u>(19,736)</u> | <u>(20,757)</u> |
| Net current liabilities | | <u>(13,497)</u> | <u>(17,131)</u> |
| Total assets less current liabilities | | <u>(9,778)</u> | <u>(14,003)</u> |
| Capital and reserves | | | |
| Called up share capital | 16 | 14,161 | 14,014 |
| Profit and loss account | 17 | <u>(23,939)</u> | <u>(28,017)</u> |
| Shareholders' deficit - equity | 18 | <u>(9,778)</u> | <u>(14,003)</u> |

These financial statements were approved by the board of directors on 23 January 2001 and were signed on its behalf by:



T Selby
Director

Notes

(forming part of the financial statements)

1. Accounting Policies

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 have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of S.228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the basis that the ultimate parent company, Imagination Technologies Group plc, includes the company in its own published consolidated financial statements.

Turnover

Turnover represents the sale of goods to third parties, development income and royalties received under licence agreements.

Sales of goods to third parties are accounted for net of vat and returns.

Development income represents the value of income received for design and development services provided to third parties under contracts. Development income is accounted for so as to match with the costs of providing the services set out in the contract.

Royalty income under licensing agreements is accounted for as it is earned.

Depreciation

Tangible fixed assets are depreciated to write down their cost to their estimated residual values over the period of their estimated useful economic lives. Periodic reviews are made of estimated remaining useful economic lives and residual values, and the depreciation rates applied are:

| | |
|------------------------|--------------------------------------|
| Freehold buildings | 2 per cent on cost |
| Leasehold improvements | Equally over the period of the lease |
| Plant and equipment | 20 per cent to 33 per cent on cost |
| Motor vehicles | 20 per cent on cost |

Notes (continued)

Research and development costs

Costs of basic and applied research and product development expenditure are written off in the period in which they are incurred.

Intellectual property rights and patents

Trademarks and patents are capitalised at cost of acquisition and registration and amortised over the anticipated period of profitable exploitation.

Stock and work in progress

Stock is valued at the lower of cost and net realisable value. Finished goods include direct costs and attributable overheads based on the normal level of activity.

Work in progress is valued at the cost of work completed on contracts in hand, net of provisions.

Deferred taxation

Provision is made for deferred taxation using the liability method on all timing differences to the extent that a liability is expected to arise in the foreseeable future.

Foreign exchange

Transactions in foreign currencies are translated at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Exchange gains and losses on settled transactions and monetary items are taken to the profit and loss account.

Government grants

Revenue grants are taken to the profit and loss account in the period when the relevant expenditure was incurred.

Operating Leases

Rental charges in respect of operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Pension Scheme

The company contributes to a defined contribution pension plan. Payments are charged to the profit and loss account in the period to which they relate.

Notes (continued)

2. Turnover and segmental analysis

Turnover is derived from a single business segment and comprises development income and royalties from licencing agreements for the design of multimedia technology and from the sale of multimedia products.

Turnover is analysed by geographical area of sales as follows:

| | 2000 | 1999 |
|---------------------------|----------------------|---------------------|
| | <u>£'000</u> | <u>£'000</u> |
| United Kingdom and Europe | 5,833 | 2,634 |
| North America | 222 | 345 |
| Rest of world | <u>10,799</u> | <u>8,546</u> |
| | <u>16,854</u> | <u>11,525</u> |

All turnover originated from the United Kingdom and Europe.

3. Other operating income

Other operating income represents Government grants receivable in respect of certain research and development projects.

4. Operating profit

| | 2000 | 1999 |
|---|---------------------|---------------------|
| | <u>£'000</u> | <u>£'000</u> |
| Operating profit is stated after charging/(crediting): | | |
| Depreciation and amortisation of owned tangible and intangible assets | 1,079 | 1,087 |
| Auditors' remuneration: | | |
| Audit | 30 | 35 |
| Other services (including other fees paid to the auditors and their associates) | 16 | 10 |
| Operating lease rentals: | | |
| Other operating leases | 264 | 266 |
| Other Income | - | (90) |

Notes (continued)

5. Remuneration of directors

| | 2000 | 1999 |
|----------------------------|---------------------|---------------------|
| | <u>£'000</u> | <u>£'000</u> |
| Directors' emoluments: | | |
| Remuneration as executives | <u>461</u> | <u>517</u> |

Remuneration includes pension contributions of £20,000 (1999: £20,000) and the monetary value of benefits in kind such as the use of company cars and health insurance. Three of the directors have retirement benefits accruing to them under a defined contribution pension scheme.

The directors' interest to subscribe for share options in the ultimate parent company are disclosed in the directors' report.

The emoluments of the highest paid director, was £141,000 (1999: £146,000), which included pension contributions of £8,000 (1999: £7,000).

6. Staff number and costs

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

| | Number of employees | |
|--------------------------|----------------------------|--------------------|
| | <u>2000</u> | <u>1999</u> |
| Research and development | 97 | 88 |
| Production | 10 | 10 |
| Administration | 14 | 13 |
| Marketing | <u>15</u> | <u>15</u> |
| | <u>136</u> | <u>126</u> |

The aggregate payroll costs of these persons were:

| | 2000 | 1999 |
|-----------------------|---------------------|---------------------|
| | <u>£'000</u> | <u>£'000</u> |
| Wages and salaries | 4,610 | 3,949 |
| Social security costs | 509 | 395 |
| Other pension costs | <u>191</u> | <u>147</u> |
| | <u>5,310</u> | <u>4,491</u> |

Notes (continued)

7. Net interest receivable

| | 2000 | 1999 |
|--|---------------------|---------------------|
| | <u>£'000</u> | <u>£'000</u> |
| Interest receivable and similar income | 19 | 11 |
| Less interest payable: | | |
| Amounts payable on bank loans and overdrafts | <u>(1)</u> | <u>(3)</u> |
| | <u>18</u> | <u>8</u> |

8. Amounts written off investments

An amount of £3,000 has been released during the year from the provision against amounts owed by subsidiary undertakings (1999: £136,000 charge).

9. Taxation

The taxation charge for the financial period represents tax deducted at source on overseas earnings not recoverable in the period (1999 : £nil).

No corporation tax charge has arisen due to accumulated tax losses being in excess of the profit earned during the year.

10. Intangible fixed assets

| | Patents & Trademarks | |
|------------------------------|---------------------------------|---------------------|
| | 2000 | 1999 |
| | <u>£'000</u> | <u>£'000</u> |
| <i>Cost</i> | | |
| At 1 April | 534 | 449 |
| Additions | 75 | 85 |
| Disposals | - | - |
| At 31 March | <u>609</u> | <u>534</u> |
| <i>Amortisation</i> | | |
| At 1 April | 381 | 332 |
| Charged in year | 58 | 49 |
| Disposals | - | - |
| At 31 March | <u>439</u> | <u>381</u> |
| <i>Net Book Value</i> | | |
| At 31 March | <u>170</u> | <u>153</u> |

Notes (continued)

11. Tangible fixed assets

| | Freehold Land and Buildings | Leasehold improvements | Plant and equipment | Motor Vehicles | Total |
|---------------------------|-----------------------------------|---------------------------|------------------------|-------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 April 1999 | - | 501 | 5,205 | 9 | 5,715 |
| Additions | - | 18 | 1,267 | - | 1,285 |
| Additions on acquisitions | 248 | - | 65 | - | 313 |
| Disposals | <u>-</u> | <u>-</u> | <u>(278)</u> | <u>(9)</u> | <u>(287)</u> |
| At 31 March 2000 | <u>248</u> | <u>519</u> | <u>6,259</u> | <u>-</u> | <u>7,026</u> |
| Depreciation | | | | | |
| At 1 April 1999 | - | 123 | 2,728 | 9 | 2,860 |
| Charge for year | - | 41 | 980 | - | 1,021 |
| On disposals | <u>-</u> | <u>-</u> | <u>(275)</u> | <u>(9)</u> | <u>(284)</u> |
| At 31 March 2000 | <u>-</u> | <u>164</u> | <u>3,433</u> | <u>-</u> | <u>3,597</u> |
| Net book value | | | | | |
| At 31 March 2000 | <u>248</u> | <u>355</u> | <u>2,826</u> | <u>-</u> | <u>3,429</u> |
| At 31 March 1999 | <u>-</u> | <u>378</u> | <u>2,477</u> | <u>-</u> | <u>2,855</u> |

12. Investments

| Shares in subsidiary undertakings | 2000 £'000 | 1999 £'000 |
|--|----------------|----------------|
| Cost | | |
| At 1 April 1999 and 31 March 2000 | 1,778 | 1,778 |
| Provision for diminution in value | | |
| At 1 April 1999 and 31 March 2000 | <u>(1,658)</u> | <u>(1,658)</u> |
| Net book value | <u>120</u> | <u>120</u> |

The company owns 100% of the ordinary share capital of the following subsidiary undertakings:

| Subsidiary undertakings | Country of registration | Principal activity |
|---|-------------------------|--|
| VideoLogic Inc | USA | Supply of multimedia enabling products |
| VideoLogic GmbH | Germany | Supply of multimedia enabling products |
| Metagence Technologies Limited (formerly Imagination Research Limited) | England and Wales | Dormant |

Notes (continued)

13. Stock and work in progress

| | 2000 | 1999 |
|------------------------------|--------------|--------------|
| | <u>£'000</u> | <u>£'000</u> |
| Raw materials and components | 308 | 44 |
| Work in progress | 96 | - |
| Finished goods | <u>561</u> | <u>291</u> |
| | <u>965</u> | <u>335</u> |

14. Debtors

| | 2000 | 1999 |
|--|--------------|--------------|
| | <u>£'000</u> | <u>£'000</u> |
| <i>Amounts falling due within one year</i> | | |
| Trade debtors | 899 | 352 |
| Amounts owed by subsidiary undertakings | 172 | 61 |
| Other debtors | 66 | 124 |
| Prepayments and accrued income | <u>2,639</u> | <u>2,042</u> |
| | <u>3,776</u> | <u>2,579</u> |

15. Creditors: amounts falling due within one year

| | 2000 | 1999 |
|---|---------------|---------------|
| | <u>£'000</u> | <u>£'000</u> |
| Trade creditors | 561 | 743 |
| Amounts owed to parent company | 17,508 | 19,436 |
| Amounts owed to subsidiary undertakings | 100 | 100 |
| Amounts owed to fellow subsidiary undertaking | 805 | - |
| Taxation and social security | 199 | 131 |
| Other creditors | 1 | 2 |
| Accruals and deferred income | <u>562</u> | <u>345</u> |
| | <u>19,736</u> | <u>20,757</u> |

16. Called up share capital

| | 2000 | 1999 |
|--|----------------|----------------|
| | <u>£'000</u> | <u>£'000</u> |
| <i>Authorised</i> | | |
| 15,000,000 ordinary shares of £1 each | <u>£15,000</u> | <u>£15,000</u> |
| <i>Allotted, called up and fully paid</i> | | |
| 14,161,291 ordinary shares of £1 each – equity | <u>£14,161</u> | <u>£14,014</u> |
| <i>Movements in the year</i> | | |
| As at 1 April 1999 | 14,014 | |
| Issued during the year | <u>147</u> | |
| As at 31 March 2000 | <u>14,161</u> | |

Notes (continued)

17. Profit and loss account

| | 2000 <u>£'000</u> | 1999 <u>£'000</u> |
|-------------------------------------|----------------------|----------------------|
| At 1 April | (28,017) | (29,554) |
| Profit for the financial year | 4,006 | 1,541 |
| Gain/(Loss) on currency translation | <u>72</u> | <u>(4)</u> |
| At 31 March | <u>(23,939)</u> | <u>(28,017)</u> |

18. Reconciliation of movements in shareholders' funds

| | 2000 <u>£'000</u> | 1999 <u>£'000</u> |
|--|----------------------|----------------------|
| Profit for the financial year | 4,006 | 1,541 |
| Other recognised profits/(losses) relating to the year | 72 | (4) |
| New share capital subscribed | <u>147</u> | <u>-</u> |
| Net addition to shareholders' funds | 4,225 | 1,537 |
| Opening shareholders' funds | (14,003) | (15,540) |
| Closing shareholders' funds | <u>(9,778)</u> | <u>(14,003)</u> |

19. Commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made are as follows:-

| | 2000 <u>£'000</u> | 1999 <u>£'000</u> |
|---------------------------|----------------------|----------------------|
| Authorised and contracted | <u>670</u> | <u>51</u> |

(ii) Annual commitments under non-cancellable operating leases are as follows:

| | 2000 | | 1999 | |
|--------------------------------|------------------|-----------|------------------|-----------|
| | Land & buildings | Other | Land & Buildings | Other |
| | £'000 | £'000 | £'000 | £'000 |
| Operating leases which expire: | | | | |
| • Within one year | - | 26 | - | 12 |
| • In two to five years | - | 5 | - | 39 |
| • Over five years | <u>200</u> | <u>-</u> | <u>200</u> | <u>-</u> |
| | <u>200</u> | <u>31</u> | <u>200</u> | <u>51</u> |

20. Acquisition

On 31st March 2000, the company agreed to acquire the trading assets and liabilities of Enigma Limited, a fellow subsidiary of Imagination Technologies Group plc.

The assets and liabilities acquired are as follows:

| | <u>£'000</u> |
|-----------------------------------|--------------|
| Fixed Assets | |
| Freehold land and buildings | 248 |
| Computers and fixtures | <u>65</u> |
| | 313 |
| Stock and work in progress | 101 |
| Debtors | |
| Trade | 115 |
| Prepayments | <u>14</u> |
| | 129 |
| Cash at bank and in hand | <u>330</u> |
| Total Assets | <u>873</u> |
| Creditors | |
| Trade | 16 |
| Accruals | 17 |
| Tax and Social Security | <u>35</u> |
| Total Liabilities | <u>68</u> |
| Net Assets | <u>805</u> |

In the opinion of the Directors there was no difference between the book value and the fair value of the net assets acquired.

21. Pension scheme

Imagination Technologies Limited is a member of the Imagination Technologies Group plc defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost of £191,000 (1999: £147,000) represents contributions paid by the company to the fund. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

22. Related party transactions

As the company is a wholly owned subsidiary of Imagination Technologies Group plc, the company has taken advantage of the exemption in Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Imagination Technologies Group plc can be obtained from the address given in Note 24.

23. Deferred taxation

The amounts recognised and unrecognised for deferred taxation are:

| | 31 March 2000 | | 31 March 1999 | |
|--------------------------------|---------------|--------------|---------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| | Amount | Amount | Amount | Amount |
| | Recognised | Unrecognised | Recognised | Unrecognised |
| Accelerated capital allowances | - | 19 | - | 33 |
| Losses | <u>-</u> | <u>3,596</u> | <u>-</u> | <u>4,900</u> |
| | <u>-</u> | <u>3,615</u> | <u>-</u> | <u>4,933</u> |

As at 31 March 2000 and 31 March 1999, there is an unrecognised deferred tax asset due to the trading losses available.

24. Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Imagination Technologies Group plc, which is the ultimate parent company, in whose financial statements the results of Imagination Technologies Limited are consolidated. Imagination Technologies Group plc is incorporated and registered in England and Wales. Copies of its financial statements may be obtained from Home Park Estate, Kings Langley, Hertfordshire WD4 8LZ.