

STAT

2526028 (England and Wales)

**ENTA TECHNOLOGIES LIMITED**  
**Directors' Report and Financial Statements**  
**for the year ended 30 April 1996**



# **ENTA TECHNOLOGIES LIMITED**

## **Company Information**

<b>Directors</b>	Jason Tsai Yueh-Taou Chang Tsai
<b>Secretary</b>	Jason Tsai
<b>Company Number</b>	2526028 (England and Wales)
<b>Registered Office</b>	27 John Street London WC1N 2BL
<b>Auditors</b>	Simmons Gainsford 27 John Street London WC1N 2BL

# ENTA TECHNOLOGIES LIMITED

## Contents

	Page
Directors' Report	1 - 2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6 - 7
Notes to the Financial Statements	8 - 14

## **ENTA TECHNOLOGIES LIMITED**

### **Directors' Report for the year ended 30 April 1996**

The directors present their report and the financial statements for the year ended 30 April 1996.

#### **Principal Activities and Review of the Business**

The principal activities of the company have been that of the importation and sale of computers and related products.

The directors consider the trading and the achieved results thereof fair. The company benefits from having an organised management infrastructure and stable workforce.

The market remains highly competitive. Improvement in margin comes from a broader range of top-end hardware and software products. We continue to adopt a policy of sales and delivery services expected by our customers.

We are pleased with the current level of trading and expect further growth in the coming period.

#### **Results and Dividends**

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £312,778 is transferred to reserves.

#### **Fixed Assets**

The significant changes in fixed assets during the year are explained in note 6 to the financial statements.

#### **Market Value of Land and Buildings**

The market value of land and buildings is not lower than the book value.

#### **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 to 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.

## ENTA TECHNOLOGIES LIMITED

### Directors' Report for the year ended 30 April 1996 (continued)

#### Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1996	1995
Jason Tsai	Ordinary shares	259,700	259,700
Yueh-Taou Chang Tsai	Ordinary shares	270,300	270,300

#### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford (formerly called Simmons Cohen Fine) be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 28th Nov 1996

Jason Tsai  
Secretary



## ENTA TECHNOLOGIES LIMITED

### Auditors' Report to the shareholders of ENTA TECHNOLOGIES LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

#### Respective responsibilities of directors and auditors

As described on page 1 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.

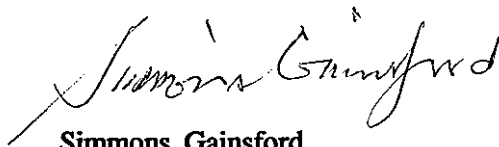
#### Basis of opinion

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 as at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Simmons Gainsford**

Chartered Accountants  
Registered Auditor



27 John Street  
London WC1N 2BL

# **ENTA TECHNOLOGIES LIMITED**

## **Profit and Loss Account for the year ended 30 April 1996**

	Notes	1996 £	1995 £
<b>Turnover</b>	2	35,186,380	27,284,826
Cost of sales		(31,737,329)	(25,356,218)
<b>Gross profit</b>		3,449,051	1,928,608
Distribution costs		(605,138)	(443,818)
Administrative expenses		(2,615,347)	(1,228,647)
Other operating income		69,127	18,333
<b>Operating profit</b>	3	297,693	274,476
Other interest receivable and similar income	4	71,336	31,996
<b>Profit on ordinary activities before taxation</b>		369,029	306,472
Tax on profit on ordinary activities	5	(56,251)	(21,200)
<b>Profit for the year</b>	14	<u>£ 312,778</u>	<u>£ 285,272</u>

There are no recognised gains and losses other than those passing through the profit and loss account.

# ENTA TECHNOLOGIES LIMITED

Balance Sheet as at 30 April 1996

	Notes	1996 £	1995 £
<b>Fixed Assets</b>			
Tangible assets	6	3,383,313	2,867,206
<b>Current Assets</b>			
Stocks	7	3,413,204	2,471,635
Debtors	8	4,130,060	2,748,323
Cash at bank and in hand		1,706,502	423,754
		<u>9,249,766</u>	<u>5,643,712</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(8,571,305)</u>	<u>(4,787,935)</u>
<b>Net Current Assets</b>		<u>678,461</u>	<u>855,777</u>
<b>Total Assets Less Current Liabilities</b>		<u>4,061,774</u>	<u>3,722,983</u>
<b>Creditors: amounts falling due after more than one year</b>	10	(2,904,667)	(2,860,667)
<b>Provision for Liabilities and Charges</b>	11	<u>17,987</u>	<u>-</u>
		<u>£1,175,094</u>	<u>£ 862,316</u>
<b>Capital and Reserves</b>			
Called up share capital	13	530,000	530,000
Profit and loss account	14	<u>645,094</u>	<u>332,316</u>
<b>Shareholders' Funds</b>	15	<u>£1,175,094</u>	<u>£ 862,316</u>

The financial statements were approved by the Board on 28<sup>th</sup> Nov 1996



Jason Tsai  
Director



# **ENTA TECHNOLOGIES LIMITED**

## **Cash Flow Statement for the year ended 30 April 1996**

	<b>1996</b>		<b>1995</b>	
	£	£	£	£
<b>Net cash in/outflow from operating activities</b>		1,004,527		1,770,343
<b>Returns on investments and servicing of finance</b>				
Interest received	71,336		31,996	
<b>Net cash in/outflow from returns on investments and servicing of finance</b>		71,336		31,996
<b>Taxation</b>				
Corporation tax paid (including advance corporation tax)	(21,287)		(12,522)	
<b>Tax paid</b>		(21,287)		(12,522)
<b>Investing activities</b>				
Payments to acquire tangible assets	(680,454)		(2,964,892)	
<b>Net cash in/outflow from investing activities</b>		(680,454)		(2,964,892)
<b>Net cash in/outflow before financing</b>		374,122		(1,175,075)
<b>Financing</b>				
Government grant received	110,000		91,667	
Other new short term loans	820,626		383,128	
<b>Net cash in/outflow from financing</b>		908,626		474,795
<b>In/Decrease in cash and cash equivalents</b>		£ 1,282,748		£ (700,280)

# **ENTA TECHNOLOGIES LIMITED**

## **Notes to the Cash Flow Statement for the year ended 30 April 1996**

1	Reconciliation of operating profit to net cash in/outflow from operating activities	1996 £	1995 £	
	Operating profit	297,693	274,476	
	Depreciation of tangible assets	164,348	221,190	
	Increase in stocks	(941,569)	(987,826)	
	Increase in debtors	(1,381,737)	(793,937)	
	Increase in creditors due within one year	2,909,792	3,056,440	
	Increase in deferred income	(44,000)	-	
	Net cash in/outflow from operating activities	£1,004,527	£1,770,343	
2	Analysis of changes in cash and cash equivalents during the year	1996 £	1995 £	
	Balance at 1 May 1995	423,754	1,124,034	
	Net cash in/outflow	1,282,748	(700,280)	
	Balance at 30 April 1996	£1,706,502	£ 423,754	
3	Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1996 £	1995 £	Change in year £
	Cash at bank and in hand	1,706,502	423,754	1,282,748
		£1,706,502	£ 423,754	£1,282,748
4	Analysis of changes in financing during the year	Share capital £	Loans £	
	Balance at 1 May 1995	530,000	3,152,128	
	Cash in/outflow from financing	-	820,626	
	Balance at 30 April 1996	£ 530,000	£3,972,755	

## ENTA TECHNOLOGIES LIMITED

### Notes to the Financial Statements for the year ended 30 April 1996

#### 1. Accounting Policies

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

##### 1.2 Turnover

Turnover represents sales to outside customers at invoiced amounts, less Value Added Tax

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Buildings	-	Straight line over forty years
Fixtures, fittings and equipment	-	20% Straight line
Motor vehicles	-	15% Straight line

##### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### 1.5 Stock

Stock is valued at the lower of cost and net realisable value.

##### 1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

##### 1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

##### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

##### 1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

# **ENTA TECHNOLOGIES LIMITED**

## **Notes to the Financial Statements for the year ended 30 April 1996**

### **2. Turnover and Profit on Ordinary Activities before Taxation**

The total turnover of the company for the year has been derived from its principal activity mainly undertaken in the U.K.

	Turnover		Profit	
	1996	1995	1996	1995
	£	£	£	£
<b>Class of business</b>				
Sale of computer products	35,186,380	27,284,826	369,029	306,472
	<u>£35,186,380</u>	<u>£27,284,826</u>	<u>£369,029</u>	<u>£306,472</u>

<b>3. Operating Profit</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	164,348	221,190
Operating lease rentals		
- Land and buildings	(4,408)	39,000
Auditors' remuneration	21,000	15,000
and after crediting:		
Government grants	<u>66,000</u>	<u>18,333</u>

<b>4. Other Interest Receivable and Similar Income</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Bank interest received	<u>71,336</u>	<u>31,996</u>

# **ENTA TECHNOLOGIES LIMITED**

## **Notes to the Financial Statements for the year ended 30 April 1996**

<b>5. Taxation</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
<b>U.K. Current year taxation</b>		
U.K. Corporation tax at 28% (1995 - 25%)	79,940	21,563
Transfer from deferred taxation	(17,987)	-
	<u>61,953</u>	<u>21,563</u>
<b>Prior years</b>		
U.K. Corporation tax	(5,702)	(363)
	<u>£ 56,251</u>	<u>£ 21,200</u>

<b>6. Tangible Assets</b>	<b>Land and Buildings Freehold</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 May 1995	2,516,269	473,000	123,429	3,112,698
Additions	275,134	356,518	48,802	680,454
	<u>2,791,403</u>	<u>829,518</u>	<u>172,231</u>	<u>3,793,152</u>
<b>Depreciation</b>				
At 1 May 1995	95,000	93,357	57,135	245,492
Charge for year	12,610	125,904	25,833	164,347
	<u>107,610</u>	<u>219,261</u>	<u>82,968</u>	<u>409,839</u>
<b>Net book values</b>				
At 30 April 1996	<u>£2,683,793</u>	<u>£ 610,257</u>	<u>£ 89,263</u>	<u>£3,383,313</u>
At 30 April 1995	<u>£2,421,269</u>	<u>£ 379,643</u>	<u>£ 66,294</u>	<u>£2,867,206</u>

<b>7. Stocks</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>3,413,204</u>	<u>2,414,068</u>

The replacement cost of the stocks held at 30 April 1996 is not materially different from the value stated in the accounts.

# **ENTA TECHNOLOGIES LIMITED**

## **Notes to the Financial Statements for the year ended 30 April 1996**

8. Debtors	1996 £	1995 £
Trade debtors	4,118,145	2,736,970
Other debtors	2,740	-
Prepayments and accrued income	9,175	11,353
	<u>£4,130,060</u>	<u>£2,748,323</u>

9. Creditors: amounts falling due within one year	1996 £	1995 £
Trade creditors	6,488,251	3,684,471
Corporation tax	79,940	26,989
Other taxes and social security costs	320,277	541,003
Directors' current accounts	25,199	27,844
Other creditors	1,203,755	442,336
Accruals and deferred income	453,883	65,292
	<u>£8,571,305</u>	<u>£4,787,935</u>

10. Creditors: amounts falling due after more than one year	1996 £	1995 £
Loans	2,769,000	2,769,000
Deferred income	135,667	91,667
	<u>£2,904,667</u>	<u>£2,860,667</u>

Not wholly repayable within five years:

Other Loans	2,769,000	2,769,000
Wholly repayable within five years	1,203,755	383,128
	<u>3,972,755</u>	<u>3,152,128</u>
Included in current liabilities	(1,203,755)	(383,128)
	<u>£2,769,000</u>	<u>£2,769,000</u>

Other loans are unsecured and interest free. The repayment of the loan is not fixed but not earlier of 1st September 2000.

# **ENTA TECHNOLOGIES LIMITED**

## **Notes to the Financial Statements for the year ended 30 April 1996**

### **11. Provisions for Liabilities and Charges**

Deferred tax is provided at 33% (1995 - 25%) analysed over the following timing differences:

	Not provided		Provided	
	1996	1995	1996	1995
	£	£	£	£
Accelerated capital allowances	81,334	30,373	21,066	-
Other timing differences	-	(22,917)	(39,053)	-
	<u>£ 81,334</u>	<u>£ 7,456</u>	<u>£ (17,987)</u>	<u>£ -</u>

Movements on the provision for deferred taxation are:

	£
At 1 May 1995	-
Transferred to profit and loss account	17,987
At 30 April 1996	<u>£ 17,987</u>

### **12. Pension Costs**

The company contributes to a money purchase scheme for its directors and a defined contribution scheme for other staff. The contributions paid in the year is £51,356 (1995:£51,004).

### **13. Share Capital**

	1996	1995
	£	£
<b>Authorised</b>		
1,000,000 Ordinary shares of £1 each	<u>£1,000,000</u>	<u>£1,000,000</u>
<b>Allotted, called up and fully paid</b>		
530,000 Ordinary shares of £1 each	<u>£ 530,000</u>	<u>£ 530,000</u>

# **ENTA TECHNOLOGIES LIMITED**

## **Notes to the Financial Statements for the year ended 30 April 1996**

<b>14. Profit And Loss Account</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Retained profits at 1 May 1995	332,316	47,044
Retained profit for the year	312,778	285,272
	<u>£ 645,094</u>	<u>£ 332,316</u>
 <b>15. Reconciliation of Movements in Shareholders' Funds</b>	 <b>1996</b>	 <b>1995</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	312,778	285,272
Opening shareholders' funds	862,316	577,044
	<u>£ 1,175,094</u>	<u>£ 862,316</u>
 <b>16. Contingent Liabilities</b>		
At the balance sheet date the company has contingent liabilities in respect of documentary credits amounting to £ 524,488 (1995: £ 236,325).		
 <b>17. Capital Commitments</b>	 <b>1996</b>	 <b>1995</b>
	<b>£</b>	<b>£</b>
Details of capital commitments at the accounting date are as follows:		
Authorised but not contracted for	-	300,000
	<u>-</u>	<u>300,000</u>



# **ENTA TECHNOLOGIES LIMITED**

## **Notes to the Financial Statements for the year ended 30 April 1996**

<b>18. Directors' Emoluments</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Remuneration	60,000	60,000
Pension scheme contributions	50,000	50,000
	<u>          </u>	<u>          </u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The highest-paid director	£ 32,000	£ 32,000
	<u>          </u>	<u>          </u>
Other directors' emoluments (excluding pension contributions) were in the following ranges:	<b>Number</b>	<b>Number</b>
£25,001 - £30,000	1	1
	<u>          </u>	<u>          </u>
 <b>19. Employees</b>		
<b>Number of employees</b>		
The average weekly number of employees (including directors) during the year was:		
	<b>1996</b>	<b>1995</b>
	<b>Number</b>	<b>Number</b>
Management and administration	22	18
Marketing and sales	72	40
	<u>          </u>	<u>          </u>
	94	58
	<u>          </u>	<u>          </u>
 <b>Employment costs</b>		
	<b>£</b>	<b>£</b>
Wages and salaries	940,850	650,584
Social security costs	82,255	62,344
Other pension costs	51,356	51,004
	<u>          </u>	<u>          </u>
	£1,074,461	£ 763,932
	<u>          </u>	<u>          </u>