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Company Registration No 2526028 (England and Wales)

ENTA TECHNOLOGIES LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2011

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ENTA TECHNOLOGIES LIMITED

COMPANY INFORMATION

Director	Jason Tsai
Secretary	John Tsai
Company number	2526028
Registered office	Stafford Park 6 Telford TF3 3AT
Auditors	Simmons Gainsford LLP 5th Floor 7/10 Chandos Street London W1G 9DQ
Business address	Stafford Park 6 Telford TF3 3AT

ENTA TECHNOLOGIES LIMITED

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ENTA TECHNOLOGIES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 OCTOBER 2011

The director presents his report and financial statements for the year ended 31 October 2011

Principal activities and review of the business

The principal activity of the company continued to be that of distribution of computer hardware, software and CCTV

Review of business

The company has been steadily increasing its turnover since financial year 2008 to this financial year of £112,814,935 compared to the previous year of £99,388,125 growth of over 13.5%. Gross margin is marginally up to 5.34% (2010 4.79%). Once again a challenging year's trading with the overall UK market sluggish, credit availability for clients challenging and business confidence low. We continue to be Microsoft's No1 distributor in OEM, and growth in the Microsoft Retail products franchise continues to be strong. Our focus on 'exclusive franchise' suppliers continues to be a key driver for the company with many new suppliers now on board not just in our historical IT channel but reaching into new customer channels like Audio and Licensing.

During this financial year we are once again proud to receive awards from the readers of PC Retail magazine. In 2011 we received one award for Best Sales Team which was our fourth in a row. In true recognition of our growth and penetration within the IT sector we picked up an amazing three awards, Best Gaming Distributor, Best PR & Marketing and finally Best Distributor of the year. The director and management team once again would like to thank all our business partners, customers and loyal staff in recognition of these awards.

The company insures against delinquent debts to minimise the likelihood of undesirable impact to the business. The company has various processes in place to manage and control effectively the stock, credit and financial management functions.

The key risks to the business are mainly credit level extended to the channel as previous challenges such as price fluctuations have been minimised due to negotiations with new and existing suppliers to ensure the company is not financially penalised.

The director remains optimistic about the future and will continue to increase market share in Europe and higher margin products through established specialised teams. The combination of our core infrastructure of personnel, continued enthusiasm, extensive product portfolio and focus on margin means the company is ideally positioned to satisfy all our customers' requirements.

Results and dividends

The results for the year are set out on page 5.

Director

The following director has held office since 1 November 2010.

Jason Tsai

Auditors

The auditors, Simmons Gainsford LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ENTA TECHNOLOGIES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Jason Tsai

Director

27 July 2012

ENTA TECHNOLOGIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENTA TECHNOLOGIES LIMITED

We have audited the financial statements of Enta Technologies Limited for the year ended 31 October 2011 set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

the information given in the director's report is consistent with the financial statements

ENTA TECHNOLOGIES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ENTA TECHNOLOGIES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



H Ming Sze FCA (Senior Statutory Auditor)
for and on behalf of Simmons Gainsford LLP

27 July 2012

Chartered Accountants
Statutory Auditor

5th Floor
7/10 Chandos Street
London
W1G 9DQ

ENTA TECHNOLOGIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2011

	Notes	2011 £	2010 £
Turnover	2	112,814,935	99,388,125
Cost of sales		(106,795,007)	(94,627,698)
Gross profit		6,019,928	4,760,427
Distribution costs		(930,145)	(761,368)
Administrative expenses		(4,695,329)	(3,842,751)
Other operating income		285,153	339,328
Operating profit	3	679,607	495,636
Other interest receivable and similar income	4	4	1,245
Interest payable and similar charges	5	(170,474)	(88,503)
Profit on ordinary activities before taxation		509,137	408,378
Tax on profit on ordinary activities	6	(171,117)	(135,244)
Profit for the year	16	338,020	273,134

The profit and loss account has been prepared on the basis that all operations are continuing operations

ENTA TECHNOLOGIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 OCTOBER 2011

	Notes	2011 £	2010 £
Profit for the financial year		338,020	273,134
Unrealised deficit on revaluation of properties		(257,879)	-
Total recognised gains and losses relating to the year		80,141	273,134

Note of historical cost profits and losses

	2011 £	2010 £
Reported profit on ordinary activities before taxation	509,137	408,378
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	-	26,685
Historical cost profit on ordinary activities before taxation	509,137	435,063
Historical cost profit for the year retained after taxation, extraordinary items and dividends	338,020	299,819

ENTA TECHNOLOGIES LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2011

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	7	2,416,056		2,809,646	
Investments	8		124		124
		<u>2,416,180</u>		<u>2,809,770</u>	
Current assets					
Stocks	9	7,294,932	7,024,804		
Debtors	10	13,912,565	9,430,525		
Cash at bank and in hand		<u>275,715</u>	<u>511,995</u>		
		21,483,212	16,967,324		
Creditors amounts falling due within one year	11	<u>(18,681,280)</u>	<u>(14,429,404)</u>		
Net current assets		<u>2,801,932</u>		<u>2,537,920</u>	
Total assets less current liabilities		<u>5,218,112</u>		<u>5,347,690</u>	
Creditors amounts falling due after more than one year	12	<u>(1,335,500)</u>		<u>(1,545,219)</u>	
		<u>3,882,612</u>		<u>3,802,471</u>	
Capital and reserves					
Called up share capital	15	530,000	530,000		
Revaluation reserve	16	71,255	329,134		
Profit and loss account	16	<u>3,281,357</u>	<u>2,943,337</u>		
Shareholders' funds	17	<u>3,882,612</u>		<u>3,802,471</u>	

Approved by the Board and authorised for issue on 27 July 2012

Jason Tsai
Director



Company Registration No 2526028

ENTA TECHNOLOGIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2011

	£	2011 £	£	2010 £
Net cash inflow/(outflow) from operating activities		1,733,374		(2,761,821)
Returns on investments and servicing of finance				
Interest received	4		1,245	
Interest paid	(44,245)		(52,062)	
Interest element of finance lease rentals	(64,723)		(36,320)	
Net cash outflow for returns on investments and servicing of finance		(108,964)		(87,137)
Taxation		(148,963)		(129,928)
Capital expenditure				
Payments to acquire tangible assets	(69,764)		(42,796)	
Net cash outflow for capital expenditure		(69,764)		(42,796)
Net cash inflow/(outflow) before management of liquid resources and financing		1,405,683		(3,021,682)
Financing				
Repayment of other long term loans	(128,062)		(862,567)	
Capital element of finance lease contracts	(230,749)		(397,141)	
Net cash outflow from financing		(358,811)		(1,259,708)
Increase/(decrease) in cash in the year		<u>1,046,872</u>		<u>(4,281,390)</u>

ENTA TECHNOLOGIES LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2011

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2011	2010	
			£	£	
	Operating profit		679,607	495,636	
	Depreciation of tangible assets		205,475	220,178	
	Increase in stocks		(270,128)	(773,454)	
	Increase in debtors		(4,479,002)	(2,849,352)	
	Increase in creditors within one year		5,597,422	145,171	
	Net cash inflow/(outflow) from operating activities		1,733,374	(2,761,821)	
2	Analysis of net debt	1 November 2010	Cash flow	Other non-cash changes	31 October 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	511,995	(236,280)	-	275,715
	Bank overdrafts	(2,831,470)	1,283,152	-	(1,548,318)
		(2,319,475)	1,046,872	-	(1,272,603)
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(324,526)	230,749	-	(93,777)
	Debts falling due after one year	(1,440,481)	128,062	-	(1,312,419)
		(1,765,007)	358,811	-	(1,406,196)
	Net debt	(4,084,482)	1,405,683	-	(2,678,799)
3	Reconciliation of net cash flow to movement in net debt		2011	2010	
			£	£	
	Increase/(decrease) in cash in the year		1,046,872	(4,281,390)	
	Cash outflow from decrease in debt and lease financing		358,811	1,259,709	
	Movement in net debt in the year		1,405,683	(3,021,681)	
	Opening net debt		(4,084,482)	(1,062,801)	
	Closing net debt		(2,678,799)	(4,084,482)	

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The director has prepared these accounts on a going concern basis. The company manages its liquidity through shared cash resources under a commercial loan arrangement with related undertaking, Entanet International Limited

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they have adopted the going concern basis in preparing the annual report and accounts

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit

1.4 Tangible fixed assets and depreciation

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

Land and buildings Freehold	Straight line over forty years
Fixtures, fittings & equipment	20% straight line
Motor vehicles	15% straight line

The freehold property is carried at current market value at the balance sheet date. A full valuation is obtained from a qualified valuer for the property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the profit and loss account to the revaluation reserve as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

1.5 Leasing

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

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

1 Accounting policies (continued)

1.6 Fixed assets investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Stock

Stock is valued at the lower of cost and net realisable value, after making allowance for slow moving and obsolete stock

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17

1.9 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates 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 profit and loss account.

2 Turnover

Geographical market

	Turnover	
	2011	2010
	£	£
United Kingdom	77,420,633	60,175,315
EC	35,394,302	39,212,810
	<u>112,814,935</u>	<u>99,388,125</u>

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

3	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	205,475	220,178
	Operating lease rentals		
	- Plant and machinery	8,541	5,407
	Fees payable to the company's auditor for the audit of the company's annual accounts	17,730	16,347
	and after crediting		
	Profit on foreign exchange transactions	<u>(380,608)</u>	<u>(464,337)</u>
4	Investment income	2011	2010
		£	£
	Bank interest	4	857
	Other interest	-	388
		<u>4</u>	<u>1,245</u>
5	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	44,245	52,062
	Lease finance charges	64,723	36,320
	Other interest	61,506	121
		<u>170,474</u>	<u>88,503</u>

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

6 Taxation	2011 £	2010 £
Domestic current year tax		
U K corporation tax	174,155	148,964
Total current tax	174,155	148,964
Deferred tax		
Deferred tax charge/credit current year	(3,038)	(13,720)
	171,117	135,244
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	509,137	408,378
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26 00% (2010 - 28 00%)	132,376	114,346
Effects of		
Non deductible expenses	15,590	17,435
Depreciation add back	53,424	61,649
Capital allowances	(32,367)	(28,523)
Other	5,132	(15,943)
	41,779	34,618
Current tax charge for the year	174,155	148,964

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

7 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 November 2010	3,618,566	989,474	80,098	4,688,138
Additions	-	47,626	22,138	69,764
Revaluation	(257,879)	-	-	(257,879)
At 31 October 2011	<u>3,360,687</u>	<u>1,037,100</u>	<u>102,236</u>	<u>4,500,023</u>
Depreciation				
At 1 November 2010	1,051,380	747,014	80,098	1,878,492
Charge for the year	69,307	135,799	369	205,475
At 31 October 2011	<u>1,120,687</u>	<u>882,813</u>	<u>80,467</u>	<u>2,083,967</u>
Net book value				
At 31 October 2011	<u>2,240,000</u>	<u>154,287</u>	<u>21,769</u>	<u>2,416,056</u>
At 31 October 2010	<u>2,567,186</u>	<u>242,460</u>	<u>-</u>	<u>2,809,646</u>

On 4 July 2011, a valuation review of freehold land and building was carried out by David M Perrin FRICS of Nock Deighton. The historic cost of the land and building amounted to £2,262,746. The valuation using open market basis has been incorporated into the financial statements and the resulting revaluation deficit £257,879 has been taken to revaluation reserves.

Deferred tax is not provided on timing difference arising from revaluation unless a binding commitment to sell freehold land and building has been entered into and it is unlikely that any gain will not be rolled over.

Included above are assets held under finance leases or hire purchase contracts as follows

	Fixtures, fittings & equipment £
Net book values	
At 31 October 2011	<u>15,961</u>
At 31 October 2010	<u>22,140</u>
Depreciation charge for the year	
At 31 October 2011	<u>6,178</u>
At 31 October 2010	<u>6,178</u>

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

8 Fixed asset investments

	Listed investments £
Cost	
At 1 November 2010 & at 31 October 2011	124
Net book value	
At 31 October 2011	124
At 31 October 2010	124

9 Stocks

	2011 £	2010 £
Finished goods and goods for resale	7,294,932	7,024,804

10 Debtors

	2011 £	2010 £
Trade debtors	12,852,203	8,100,417
Other debtors	722,690	581,749
Prepayments and accrued income	288,431	702,156
Deferred tax asset (see note 13)	49,241	46,203
	<u>13,912,565</u>	<u>9,430,525</u>

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

11 Creditors amounts falling due within one year	2011	2010
	£	£
Bank loans and overdrafts	1,548,318	2,831,470
Net obligations under finance leases	70,696	219,788
Trade creditors	10,976,146	9,241,058
Corporation tax	173,917	148,725
Other taxes and social security costs	328,602	74,132
Director's current accounts	-	4,600
Other creditors	3,352,568	789,225
Accruals and deferred income	2,231,033	1,120,406
	<u>18,681,280</u>	<u>14,429,404</u>

Bank loans represent borrowings under RBS Invoice Discounting agreement of 3 February 2010 which allows prepayment facility of £4,000,000 (2010 £4,000,000) The borrowings carry a margin of 2.00% per transaction This loan facility is secured by way of fixed and floating charges on all company assets and also cross company guarantee by ultimate parent company, Enta UK Limited and Entanet International Limited

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

12 Creditors' amounts falling due after more than one year	2011 £	2010 £
Other loans	1,312,419	1,440,481
Net obligations under finance leases	23,081	104,738
	<u>1,335,500</u>	<u>1,545,219</u>
Analysis of loans		
Wholly repayable within five years	1,312,419	1,440,481
	<u>1,312,419</u>	<u>1,440,481</u>
Loan maturity analysis		
In more than two years but not more than five years	1,312,419	1,440,481
	<u>1,312,419</u>	<u>1,440,481</u>
Net obligations under finance leases		
Repayable between one and five years	93,777	324,526
	<u>93,777</u>	<u>324,526</u>
Included in liabilities falling due within one year	(70,696)	(219,788)
	<u>23,081</u>	<u>104,738</u>

Other loans amounting to £1,312,419 (2010 £1,440,481) are interest free. The loans are not secured and have no fixed date of repayment.

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2011

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows.

	2011 £
Balance at 1 November 2010	(46,203)
Profit and loss account	(3,038)
Balance at 31 October 2011	<u>(49,241)</u>

	2011 £	2010 £
Decelerated capital allowances	<u>(49,241)</u>	<u>(46,203)</u>

14 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>21,483</u>	<u>24,754</u>

15 Share capital

	2011 £	2010 £
Allotted, called up and fully paid 530,000 Ordinary shares of £1 each	<u>530,000</u>	<u>530,000</u>

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

16 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 November 2010	329,134	2,943,337
Profit for the year	-	338,020
Revaluation during the year	(257,879)	-
Balance at 31 October 2011	<u>71,255</u>	<u>3,281,357</u>

17 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the financial year	338,020	273,134
Other recognised gains and losses	(257,879)	(26,685)
Net addition to shareholders' funds	80,141	246,449
Opening shareholders' funds	<u>3,802,471</u>	<u>3,556,022</u>
Closing shareholders' funds	<u>3,882,612</u>	<u>3,802,471</u>

18 Contingent liabilities

At the balance sheet date the company has contingent liabilities in respect of forward currency contract amounting to £2,201,000 (2010 £3,354,000)

During the year ended 31 October 2011, the company has been assisting HM Revenue and Customs in their examination of VAT claims

Having received and considered opinions of our legal and tax advisers, the director does not anticipate further tax liabilities and accordingly no provision is included in the financial statements

19 Director's emoluments

	2011	2010
	£	£
Emoluments for qualifying services	<u>44,348</u>	<u>65,325</u>

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2011

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Management and administration	34	34
Marketing and sales	46	40
Warehouse and production	33	28
	<u>113</u>	<u>102</u>

Employment costs

	2011 £	2010 £
Wages and salaries	2,669,505	2,341,117
Social security costs	253,670	220,780
Other pension costs	21,483	24,754
	<u>2,944,658</u>	<u>2,586,651</u>

21 Control

In both the current and prior period, the ultimate parent company is Enta UK Limited, a company registered in UK. The ultimate controlling party is Ruth Tsai who is a shareholder of Enta UK Limited.

ENTA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

22 Related party transactions

During the current and prior year, the company shared resources on a commercial basis with Entanet International Limited, Entamedia Limited, Entatech UK Limited, Blue Chip Inc Limited and Tsai Lau Chi Charitable Foundation. These companies and charity are considered to be related parties.

	Sales to related parties	Purchases from related parties	Management, interest and rental charges	Amounts owed by / to related parties
	£	£	£	£
2011				
Entanet International Limited	32,722	42,204	255,006	Cr 3,192,774
Entamedia Limited	16	93,281	306,392	Dr 550,113
Entatech UK Limited	-	266,524	200,000	Cr 155,451
Blue Chip Inc Limited	-	-	90,000	Cr 3,000
Tsai Lau Chi Charitable Foundation	-	-	1,840	Dr 172,575
2010				
Entanet International Limited	20,739	58,516	592,880	Cr 535,802
Entamedia Limited	-	27,776	-	Dr 22,091
Entatech UK Limited	-	-	-	Cr 114,524
Blue Chip Inc Limited	-	-	-	Cr 3,000
Tsai Lau Chi Charitable Foundation	-	-	430	Dr 118,673