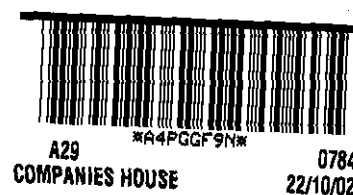


Tamura Hinchley Limited
Annual report
for the year ended 31 December 2001

Registered no: 463530



Tamura Hinchley Limited

Annual report

for the year ended 31 December 2001

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Directors and advisors

Executive directors

P J Cleary

S Fukuda

Non-executive directors

M Hayashi

T Yokoyama

A Totemotsu

M Hidaka

Secretary and registered office

A M Khan

Hopton Park Industrial Estate

London Road

Devizes

Wiltshire

SN10 2EY

Auditors

PricewaterhouseCoopers

31 Great George Street

Bristol

BS1 5QD

Solicitors

Morris Goddard & Ward

28 St John's Street

Devizes

Wiltshire

Clifford Chance

200 Aldergate St

London

EC1A 4JJ

Principal bankers

Bank of Tokyo

12 - 15 Finsbury Circus

London

EC2M 7BT

Report of the directors for the year ended 31 December 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001

Principal activities

The consolidated profit and loss account for the year is set out on page 5.

The principal activity of the group is the manufacture and sale of transformers and power. The group has a wholly owned subsidiary in Sweden and information offices in France and Germany.

Review of business and future developments

The level of business during the year was reduced, mainly due to a drop in orders from the Telecoms sector. The directors are in the process of restructuring the company to take account of the current business situation by transferring the majority of its production from the UK to the Czech Republic.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend in respect of the year. (2000: £567,500). The retained loss / profit for the year of £3,033,012 (2000 : £390,000) has been taken to reserves.

Directors

The directors of the company during the year to 31 December 2001, were:

P J Cleary
H Tanino (Resigned 31st July 2001)
M Hayashi
A Totemotsu
T Yokoyama
M Hidaka
S Fukuda (appointed 2nd January 2002)

Directors' interests in shares of the company

The directors of the company had no interest in the shares of the company at any time during the year ended 31 December 2001.

Changes in fixed assets

The movements in fixed assets during the year are set out in notes 10 to 12 to the financial statements.

Employee involvement

During 2001, the company continued the established pattern of communication and consultation with employees and their representatives. At appropriate times, the directors of the company hold joint meetings with managers, supervisors, and staff to review the overall state of the business.

Disabled persons

It is the company's policy that disabled persons (whether registered or not) shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and group as at the end of the financial year and of the profit or loss of the group for that period.

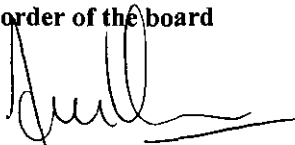
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2001. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'A M Khan', written over a horizontal line.

A M Khan
Company Secretary
15 July 2002

Independent auditor's report to the members of Tamura Hinchley Limited

We have audited the financial statements which, comprise the profit and loss account, the statement of total recognized gains and losses, the balance sheet, the cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 1985. 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

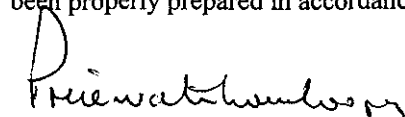
Basis of audit opinion

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 and group at 31 December 2001 and of the loss and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Bristol, 15 July 2002.

**Consolidated profit and loss account
for the year ended 31 December 2001**

	Notes	2001 £'000	2000 £'000
Turnover - continuing operations	2	26,274	52,030
Cost of sales - continuing operations		(26,819)	(47,044)
Gross (loss) / profit		(545)	4,986
Net operating expenses - continuing operations	3	(2,993)	(3,394)
Operating (loss) / profit - continuing operations	4	(3,538)	1,592
Interest payable and similar charges	7	(69)	(50)
(Loss) / Profit on ordinary activities before taxation		(3,607)	1,542
Taxation	8	574	(584)
(Loss) / Profit on ordinary activities after taxation	27	(3,033)	958
Dividends	9	-	(568)
Retained (loss) / profit for the year	20	(3,033)	390

Statement of total recognised gains and losses

	2001 £'000	2000 £'000
(Loss) / Profit for the financial year	(3,033)	390
Currency translation differences on foreign currency net investments	(34)	(30)
Total gains and losses recognised since last annual report	(3,067)	360

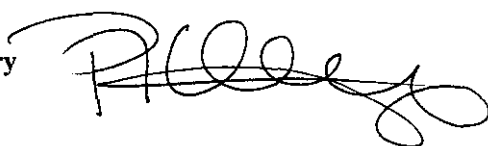
There is no difference between the (loss) / profit on ordinary activities before taxation and the retained (loss) / profit for the year stated above, and their historical cost equivalents.

Balance sheets at 31 December 2001

	Notes	Group		Company	
		2001	2000	2001	2000
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	-	91	-	91
Tangible assets	11	3,902	4,803	3,455	4,235
Investments	12	-	-	49	970
		3,902	4,894	3,504	5,296
Current assets					
Stocks	13	4,864	3,371	4,440	2,885
Debtors	14	6,654	10,588	6,530	10,338
Cash at bank and in hand		47	2,490	47	2,172
		11,565	16,449	11,017	15,395
Creditors: amounts falling due within					
one year	15	(11,064)	(13,837)	(10,105)	(12,876)
Net current assets		501	2,612	912	2,519
Total assets less current liabilities		4,403	7,506	4,416	7,815
Creditors: amounts falling due after					
more than one year	16	-	(36)	-	(36)
Net assets		4,403	7,470	4,416	7,779
Capital and reserves					
Called up share capital	19	7,094	7,094	7,094	7,094
Profit and loss account	20	(2,691)	376	(2,678)	685
Equity shareholders' funds	27	4,403	7,470	4,416	7,779

The financial statements on pages 5 to 22 were approved by the board of directors on 12 July 2002 and were signed on its behalf by:

P J Cleary
Director



**Consolidated cash flow statement
for the year ended 31 December 2001**

	Notes	2001 £'000	2000 £'000
Net cash (outflow) / inflow from operating activities	24	(1,707)	913
Returns on investments and servicing of finance			
Interest paid		(141)	(210)
Interest received		72	160
Interest paid on finance leases		-	-
Net cash outflow from returns on investments and servicing of finance		(69)	(50)
Taxation			
UK corporation tax paid		(365)	(581)
Overseas tax paid		-	-
		(365)	(581)
Capital expenditure			
Purchase of tangible fixed assets		(211)	(360)
Proceeds of disposals of fixed assets		2	-
		(209)	(360)
Equity Dividends			
Equity dividends paid		(568)	(567)
		(568)	(567)
Net cash (outflow) before management of liquid resources and financing		(2,918)	(645)
Financing			
Movement in net debt	26	(541)	(1,293)
Net cash (outflow) from financing	26	(541)	(1,293)
(Decrease) in cash in the year	26	(3,459)	(1,938)

Notes to the financial statements for the year ended 31 December 2001

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 31 December 2001. Intragroup sales and profits are eliminated fully on consolidation.

Foreign currencies

Assets, liabilities and the results of subsidiaries in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies are taken to reserves and are reported in the statement of total recognised gains and losses. All other foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight line basis over the expected fixed useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Other plant (including furniture and fittings)	10% - 20%
Computers	20% - 33%
Tooling	10%
Freehold Buildings	4%

Freehold land is not depreciated.

Goodwill

Goodwill arising on the acquisition of the trade of a Swedish company is being written off over its estimated useful economic life of 5 years.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes material, direct labour and all overheads appropriate to the relevant stage of production. Net realisable value represents the estimated amount at which stocks and work in progress will be realised after taking into account all relevant marketing, selling and distribution costs.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension contributions

The company operates a defined benefit pension scheme which is contracted out of the state scheme. Until 1 January 1992 when the new scheme started, the company participated in a group structure scheme operated by Graseby Plc. Pension costs are accounted for on the basis of charging in each accounting period the regular cost, ie. the consistent ongoing cost of providing pensions over the period during which the company benefits from the employees' services, adjusted for any variations in cost arising from the experience of the scheme. The effects of variations from the regular cost are spread over the expected remaining working lifetime of members of the scheme.

Adoption of new accounting standards

The transitional rules of Financial Reporting Standard 17 – Retirement Benefits ("FRS 17") require certain disclosures to be made in these financial statements. The full requirements of FRS 17, which will change the basis for accounting for retirement benefits, will be implemented by the company in the year ending 31 December 2003.

2 Turnover

The geographical analysis of turnover is as follows:

	2001	2000
	£'000	£'000
United Kingdom	5,822	12,380
EEC	15,085	31,918
USA	831	1,952
Rest of the world	4,536	5,780
	26,274	52,030

3 Net operating expenses

Operating expenses are made up as follows:

	2001	2000
	£'000	£'000
Distribution and selling costs	1,522	1,654
Administration expenses	1,471	1,740
	2,993	3,394

4 Operating (Loss) / Profit

Operating (Loss) / Profit is stated after charging the following:

	2001	2000
	£'000	£'000
Amortisation of Intangible Fixed Assets	91	180
Depreciation charge for the year		
Tangible fixed assets		
- owned	1,090	1,282
- under hire purchase agreements	-	-
Auditors' remuneration for:		
- Audit (company £27,000; 2000 : £28,050)	29	33
- Other services to the group	20	19
Operating lease rentals		
- Land and buildings	156	122
- Plant and machinery	133	195
Loss on disposal of fixed assets	19	9

5 Directors' emoluments

The remuneration paid to the directors of Tamura Hinchley Limited was as follows:

	2001	2000
	£	£
Aggregate emoluments	164,626	234,645
Amounts paid to Money Purchase Pension Scheme	5,010	4,870

Retirement benefits are accruing to one director (2000 : one) under the group's defined benefit scheme.

Emoluments payable to the highest paid director:

	2001	2000
	£	£
Emoluments	79,812	136,464

6 Employee information

The average weekly number of persons (including executive directors) employed during the year was:

	2001	2000
	Number	Number
Production	183	211
Distribution and selling	28	23
Administration	34	31
	245	265

	2001	2000
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	4,541	4,595
Social security costs	544	542
Other pension costs	515	202
	5,600	5,339

7 Interest payable and similar charges

	2001	2000
	£'000	£'000
Net interest:		
Interest payable on hire purchase agreements	-	-
Interest payable on bank loans and overdrafts	141	210
Bank interest receivable	(72)	(160)
Other interest receivable	-	-
	69	50

8 Taxation

	2001	2000
	£'000	£'000
United Kingdom corporation tax @ 30% (2000: 30%) - current	(574)	584

The tax credit of £574,000 arises in 2001 as losses in respect of 2001 will be carried back against profits of prior years.

9 Dividends

	2001	2000
	£'000	£'000
Proposed final dividend of 0p per share (2000: 8p)	-	568

10 Intangible fixed assets

Group and company	Goodwill
	£'000
Cost	
At 1 January 2001 and at 31 December 2001	899
Amortisation	
At 1 January 2000	808
Charge for year	91
At 31 December 2001	899
Net book value	
At 31 December 2001	0
Net book value	
At 31 December 2000	91

11 Tangible fixed assets

Group	Freehold Land and Buildings £'000	Plant and machinery £'000	Furniture, Fixtures, tools and equipment £'000	Total £'000
Cost				
At 1 January 2000	2,177	8,629	2,889	13,695
Additions	1	102	108	211
Disposals	-	-	(67)	(67)
At 31 December 2001	2,178	8,731	2,930	13,839
Depreciation				
At 1 January 2000	365	6,866	1,661	8,892
Charge for year	114	615	361	1,090
Disposals	-	-	(45)	(45)
At 31 December 2001	479	7,481	1,977	9,937
Net book value				
At 31 December 2001	1,699	1,250	953	3,902
Net book value				
At 31 December 2000	1,812	1,763	1,228	4,803

Company	Freehold Land and Buildings £'000	Plant And Machinery £'000	Furniture, Fixtures, tools and equipment £'000	Total £'000
Cost				
At 1 January 2001	2,177	7,385	2,227	11,789
Additions	1	73	35	109
Disposals	-	-	(67)	(67)
At 31 December 2001	2,178	7,458	2,195	11,831
Depreciation				
At 1 January 2001	365	5,936	1,253	7,554
Charge for year	114	515	232	861
Disposals	-	-	(39)	(39)
At 31 December 2001	479	6,451	1,446	8,376
Net book value				
At 31 December 2001	1,699	1,007	749	3,455
At 31 December 2000	1,812	1,449	974	4,235

12 Fixed asset investments

Interests in group undertakings

The financial statements include the results and financial position of Tamura Sweden AB a wholly owned company incorporated in Sweden. The principal activity of the company is the manufacture and sale of ferrites and transformers.

The cost and net book value of the investment in the subsidiary in the company's accounts at 31 December 2001 is £48,580 (2000 : £970,000), an impairment write-down of £921,420 having been made in 2001.

13 Stocks

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Raw materials and consumables	2,923	1,573	2,676	1,232
Work in progress	312	626	209	537
Finished goods and goods for resale	1,629	1,172	1,555	1,116
	4,864	3,371	4,440	2,885

14 Debtors

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	4,297	7,825	4,272	7,705
Amounts due by group undertakings	1,156	1,709	1,175	1,709
Other debtors	1,056	867	1,036	841
Prepayments and accrued income	145	187	47	83
	6,654	10,588	6,530	10,338

15 Creditors: amounts falling due within one year

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	2,957	2,446	2,213	1,386
Amounts due to group undertakings	5,031	6,284	5,029	6,212
Trade creditors	732	2,948	719	2,763
Proposed dividends	-	568	-	568
Corporation Tax	-	380	-	380
Other taxation and social security	129	144	81	115
Accruals and deferred income	2,215	1,067	2,063	1,452
	11,064	13,837	10,105	12,876

The bank loans and overdrafts are unsecured.

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Bank Loan	-	36	-	36
	-	36	-	36

Bank loans and overdrafts

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Repayable as follows:				
In one year or less	2,957	2,446	2,213	1,386
Between one and two years	-	36	-	36
Between two and five years	-	-	-	-
	2,957	2,482	2,213	1,422

17 Deferred taxation

Deferred tax, provided in the financial statements, and the amount unprovided of the potential liabilities are as follows:

	Amount provided		Amount unprovided	
	2001	2000	2001	2000
Group and Company	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	-	80	148
Other	-	-	(153)	(12)
Losses	-	-	(105)	-
	-	-	(178)	136

18 Pensions

The company's principal pension arrangements are provided through the Tamura Hinchley Pension scheme, which is a defined benefit scheme to which eligible employees contribute, and whose assets are held in separate trustee administered funds. The contributions are determined by a professionally qualified independent actuary on the basis of triennial valuations using the projected unit method. The last actuarial assessment of the Scheme was on 1 January 2001.

The total pension cost for the company was £420,062 (2000 : £122,540). The most recent actuarial valuation showed that the market value of the scheme's assets was £3,930,537 and that the actuarial value of those assets represented 98.8% of the benefits that had accrued to members after allowing for expected future increases in earnings. The assumptions that have the most significant effect on the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 7.0% per annum and that salary growth would be 4.75% and that present and future pensions would increase at the rate of 3% per annum. The contribution of the company and employees are 7.7% and 5% of pensionable earnings respectively.

FRS 17 Disclosure

FRS 17 – Retirement Benefits – is a new accounting standard which requires recognition of the value of the assets and liabilities arising from an employer's retirement benefit obligations. It specifies how operating costs are to be calculated and defines the disclosures that are required. FRS 17 will be fully implemented in the year ending 31 December 2003.

The disclosures below are provided in accordance with the transitional requirements of FRS 17.

The company participates in a defined benefit plan: the Tamura Hinchley Limited Pension Scheme.

The last full independent actuarial valuation of each Plan was undertaken as at 1 January 2001. The results of the valuations have been updated to reflect current conditions at 31 December 2001 in accordance with FRS 17.

Tamura Hinchley Limited's contributions to both Plans for the year ended 31 December 2001 totalled £170,755 with £216,000 of additional contributions included within accruals. In addition other pension payments and life insurance premiums totalling £33,307 have been made in the period. In accordance with the agreed Schedule of Contributions, Tamura Hinchley Limited is now required to contribute to the scheme at the rate of 7.7% of Pensionable Salaries a year until March 2007 plus:

£18,200 each month from January 2002 to March 2003 inclusive and

£12,800 each month from April 2003 to March 2007 inclusive.

This is subject to review at the formal actuarial valuations due as at 1 January 2004.

Tamura Hinchley Limited employees paid a total of £67,768, including £954 million of AVCs into the Plan over the year. They are required to contribute at the rate of 5% of Pensionable Salaries.

Financial assumptions	At 31 December 2001 % pa
Inflation	2.7%
Rate of increase in salaries	3.5%
Rate of increase of pensions in payment	2.7%
Rate of increase for deferred pensioners	2.7%
Discount rate	6.0%

Plan assets and expected rate of return	At 31 December 2001	
	Fair value	Expected rate of return
	£000	%pa
Equities	2,793	7.0%
Bonds	353	4.5%
Others	386	7.0%
Total	3,532	6.75%

Balance sheet	At 31 December 2001
	£m
Fair value of plan assets	3,532
Actuarial value of plan liabilities	(4,848)
Deficit in the plan	(1,316)
Related deferred tax asset	395
Net deficit in the plan	(921)

If the above amounts had been recognised in the financial statements, the group's net assets and profit and loss reserve at 31 December 2001 would be as follows:

	£'000
Net assets excluding pension liability	4,403
Pension liability	(921)
Net assets including pension liability	<u>3,428</u>
Profit and loss reserve excluding pension liability	(2,691)
Pension liability	(921)
Profit and loss reserve	<u>(3,612)</u>

Tamura Sweden operates a defined contribution scheme with contributions of £95,242 made in the period.

19 Called-up share capital

	2001	2000
	£'000	£'000
Authorised		
10,000,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
7,093,750 ordinary shares of £1 each	7,094	7,094

All shares have equal voting rights, equal priority on winding up and equal rights to dividends.

20 Profit and loss account

	Group	Company
	£'000	£'000
At 1 January 2001	376	685
Exchange differences	(34)	-
Retained (loss) for the year	(3,033)	(3,363)
At 31 December 2001	(2,691)	(2,678)

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements and its loss for its financial year amounted to £3,363,195 (2000 : £877,000).

21 Outstanding commitments for capital expenditure

Group and Company	2001	2000
	£'000	£'000
Capital expenditure contracted for but not yet incurred	-	-

22 Contingent liabilities

Guarantees and performance bonds given by banks to third parties on behalf of the company amount to £ Nil (2000 : £Nil).

23 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

Group	2001		2000	
	Land and Buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiring within one year	131	98	152	103
Expiring between two and five years inclusive	159	86	287	75
	290	184	439	178

Company	2001		2000	
	Land and Buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry within one year	16	76	27	65
Expiring between two and five years inclusive	-	78	13	54
	16	154	40	119

24 Reconciliation of operating (loss) / profit to net cash (outflow) / inflow from operating activities

	2001 £'000	2000 £'000
Operating (loss) / profit	(3,538)	1,592
Depreciation on tangible fixed assets	1,090	1,282
Goodwill amortised	91	180
Loss on disposal of fixed assets	18	9
(Increase) in stocks	(1,493)	(26)
Decrease in debtors	4,493	1,394
(Decrease) in creditors	(2,368)	(3,518)
Net cash (outflow) / inflow from operating activities	(1,707)	913

25 Reconciliation of net cash flow to movement in net debt

	2001		2000	
	£'000	£'000	£'000	£'000
(Decrease) in cash in the year	(3,459)		(1,938)	
Cash outflow from decrease in debt and lease financing	541		1,293	
Change in net debt resulting from cash flows		(2,918)	(645)	
Other non-cash items:				
New finance leases		-		-
Movement in net debt in the period		(2,918)		(645)
Net debt at 1 January 2001		8		653
Net debt at 31 December 2001		(2,910)		8

26 Analysis of net debt

	At 1 Jan 2001	Cash Flow	At 31 December 2001
	£'000	£'000	£'000
Cash in hand, at bank	2,490	(2,443)	47
Bank overdraft	-	(1,016)	(1,016)
	2,490	(3,459)	(969)
Debt due after 1 year	(36)	36	-
Debt due within 1 year	(2,446)	505	(1,941)
	(2,482)	541	(1,941)
Total	8	(2,918)	(2,910)

27 Reconciliation of movements in shareholders' funds

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
(Loss) / Profit for the financial year	(3,033)	958	(3,363)	877
Dividends paid and proposed	-	(568)	-	(568)
Exchange difference	(34)	(30)	-	-
Opening shareholders' funds	7,470	7,110	7,779	7,470
Closing shareholders' funds	4,403	7,470	4,416	7,779

28 Related party transactions

The company has taken advantage of the exemptions available to it in paragraph 17 of Financial Reporting Standard 8 'Related party disclosures', not to disclose any transactions or balances with entities that are part of the Group or investees of the Group qualifying as related parties.

29 Ultimate parent company

The directors regard Tamura Corporation, a company incorporated in Japan, as the ultimate parent company. According to the register kept by the company, Tamura Corporation had a 100% interest in the equity capital of Tamura Hinchley Limited at 31 December 2001.

Copies of the parent's consolidated financial statements may be obtained from the secretary.

30 Post Balance Sheet Events

Since the year end the company has transferred the majority of its production from its head office in Devizes, UK to a facility in the Czech Republic.

**Profit and loss account
for the year ended 31 December 2001**

	2001	2000
	£'000	£'000
Turnover	25,949	51,442
Cost of sales	(26,133)	(46,831)
Gross profit	(184)	4,611
Net operating expenses	(2,805)	(3,171)
Operating (loss) / profit	(2,989)	1,440
Interest payable and similar charge	(27)	21
(Loss) / Profit on ordinary activities before taxation	(3,016)	1,461
Writedown for impairment of Investment	(921)	-
(Loss) / Profit before tax	(3,937)	1,461
Taxation	574	(584)
(Loss) / Profit on ordinary activities after taxation	(3,363)	877
Dividends	-	(568)
Retained (loss) / profit for the year	(3,363)	309

This page does not form part of the audited financial statements.