Directors' Report and Accounts

THE SOLARTRON ELECTRONIC GROUP LIMITED
AND ITS SUBSIDIARIES

29 December 1974

Price Waterhouse & Co 3 Frederick's Place Old Jewry London EC2R 8DB

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THE SOLARTRON ELECTRONIC GROUP LIMITED
AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE FIFTY TWO WEEKS
ENDED 29 DECEMBER 1974

The Directors have pleasure in submitting their report together with the accounts of the group for the fifty two weeks ("the year") ended 29 December 1974.

STATE OF THE GROUP'S AFFAIRS

	Financial Year ended 29 December 1974	Financial Year ended 29 December 1973
Adverse Balance on Profit & Loss Account brought forward from previous year	(846,865)	(827,454)
Profit/(loss) for the year	274,960	(19,411)
Adverse Balance on Profit & Loss Account carried forward	(£571,905)	(£846,865)

DIRECTORS

As at 29 December 1974 your Directors were:-

RH Nicholson	Chairman and Managing
DW Burton	Personnel
DR Hall	UK Sales
ME Kelsey	Production

In accordance with the Company's Articles of Association, all of the above Directors remain in office.

R Delmas was appointed a Director on 11 March 1974 and resigned on 1 December 1974. MJ Meara and JP Magnin resigned on 31 December 1973 and 11 March 1974 respectively.

PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year has been to carry on the business of manufacture of electronics and associated equipments, to buy, sell, exchange or otherwise deal in such equipments and to engage in such engineering and finishing activities, research and development and inventive operations as have any relevance to this activity.

This description shall not be construed as an express or implied amendment or alteration to, or substitution for, or deletion of all or any part of Clause 3 of the Company's Memorandum of Association.

DIRECTORS' SHAREHOLDING IN THE PARENT COMPANY - SCHLUMBERGER LIMITED

NUMBER OF SHARES HELD:

Name	Class of Share	29 December 1974	30 December 1973
RH Nicholson	$ Ordinary	-	-
	$ Stock Option	750	2,250
DR Hall	$ Ordinary	-	-
	$ Stock Option	113	150

TURNOVER

The Group's turnover is derived from its principal activity, as defined above and is based on invoice values, excluding sales within the Group.

EMPLOYEES

	29 December 1974	30 December 1973
Average number of employees per week	1,270	1,210
Aggregate employee remuneration for the financial year	£2,565,527	£2,107,165

EXPORTS

	29 December 1974	30 December 1973
Net Export turnover for the financial year amounted to	£4,353,090	£4,009,046

POLITICAL & CHARITABLE CONTRIBUTIONS

	29 December 1974	30 December 1973
Contributions during the year were as follows:		
Political	NIL	NIL
Charities	£ 95	£110

CHANGES IN CAPITALISATION AND OWNERSHIP

The Group allotted 1,318,254 10% cumulative redeemable preference shares of £1 each, fully paid, to Schlumberger Technology Corporation at par on 18 December 1974. There were no other changes in the capitalisation and ownership of the company during 1974.

AUDITORS

Price Waterhouse & Co. are reappointed Auditors in accordance with the provisions of Section 159 (2) of The Companies Act 1948.

By Order of the Board

DCF Howell
Secretary

THE SOLARTRON ELECTRONIC GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ("THE YEAR") ENDED 29 DECEMBER 1974

	Note		1974		19
TURNOVER (Value of goods sold during the year to persons outside the group)			£10,723,431		£8,088,000
GROUP TRADING PROFIT AFTER TAKING ACCOUNT OF THE ITEMS BELOW:			748,956		351,329
Development expenditure written off		550,139		521,626	
Directors' remuneration:	9				
Emoluments as executives		34,383		39,366	
Depreciation		326,271		262,090	
Auditors' remuneration		10,908		10,010	
Hire of plant and machinery		41,120		41,451	
Loss/(gain) arising on revaluation of currency balances		(61,007)		137,209	
DEDUCT: INTEREST PAYABLE on bank loans and overdraft			461,102		351,454
			287,854		(125)
ADD: INTEREST RECEIVABLE in respect of credit facilities granted to customers			15,476		15,574
GROUP PROFIT FOR THE YEAR BEFORE TAXATION			303,330		15,449
TAXATION	10				
Based on the results of the year					
Deferred taxation		3,726		5,902	
Corporation tax		24,644		27,265	
Adjustment in respect of prior years		-		1,693	
			28,370		34,860
GROUP PROFIT/(LOSS) FOR THE YEAR AFTER TAX forward			274,960		(19,411)

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Price Waterhouse & Co

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AUDITORS' REPORT TO THE MEMBERS OF
OF THE SOLARTRON ELECTRONIC GROUP LIMITED

In our opinion the annexed accounts and notes give a true and fair view of the state of affairs at 29 December 1974 and of the profit for the fifty two weeks then ended of the company and of the group and comply with the Companies Acts 1948 and 1967.

PRICE WATERHOUSE & CO.

Chartered Accountants

26 February 1975

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THE SOLARTRON ELECTRONIC GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ("THE YEAR") ENDED 29 DECEMBER 1974 (CONTINUED)

		1974		1973
Forward		274,960		(19,411)
Adverse balance brought forward from previous year		(846,865)		(827,454)
Adverse balance carried forward				
Parent company	(713,150)		(961,660)	
Retained by subsidiaries	141,245		114,795	
		(£571,905)		(£846,865)
Profit/(Loss) for the year - Dealt with in the accounts of the parent company		248,510		(49,151)
Retained by subsidiaries		26,450		29,740
		£274,960		£(19,411)

THE SOLARTRON ELECTRONIC GROUP LIMITED
AND ITS SUBSIDIARIES

BALANCE SHEET - 29 DECEMBER 1974

	Note	1974 Company	1974 Group	1973 Company	1973 Group
CURRENT ASSETS	3	6,751,414	7,959,782	5,492,524	6,542,203
LESS: CURRENT LIABILITIES	4	4,472,442	5,433,000	3,976,348	4,679,574
NET CURRENT ASSETS		2,278,972	2,526,782	1,516,176	1,862,629
FIXED ASSETS	5	740,506	991,883	671,402	928,775
PATENTS AND TRADE MARKS					
At cost less amounts written off		1	1	1	1
INVESTMENT IN SUBSIDIARY COMPANIES	6	484,921	-	484,921	-
GOODWILL ON ACQUISITION OF SUBSIDIARY		-	44,845	-	44,845
		£3,504,400	£3,563,511	£2,672,500	£2,836,250
Represented by:					
SHARE CAPITAL	7	2,718,254	2,718,254	1,400,000	1,400,000
CAPITAL RESERVES	8	124,296	124,296	124,296	124,296
PROFIT AND LOSS ACCOUNT ADVERSE BALANCE		(713,150)	(571,905)	(961,660)	(846,865)
SHAREHOLDERS INTEREST		2,129,400	2,270,645	562,636	677,431
LOANS FROM FELLOW SUBSIDIARIES		250,000	83,901	609,864	619,319
BANK LOANS	13	1,125,000	1,125,000	1,500,000	1,500,000
DEFERRED TAXATION		-	83,965	-	39,500
DIRECTORS					
RH Nicholson DW Burton					
		£3,504,400	£3,563,511	£2,672,500	£2,836,250

THE SOLARTRON ELECTRONIC GROUP LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS

1 The ultimate holding company of The Solartron Electronic Group Limited is Schlumberger Limited, a company incorporated in the Netherlands Antilles.

2 ACCOUNTING POLICIES

STOCKS AND WORK IN PROGRESS are valued at the lower of cost or net realisable value. Cost includes all direct costs in bringing inventories to existing state including where appropriate a proportion of manufacturing overheads.

PROFITS ON LONG-TERM CONTRACTS, where not specifically governed by the terms of the contract, are recognised on a percentage completion basis, full allowance being given for all excess costs and known losses.

FIXED ASSETS are stated at cost and are depreciated on a straight line basis over the estimated lives of the assets as follows:-

Leasehold Premises	over 50 years or the periods of the leases if less
Engineering and Test Equipment	over 2-5 years
Manufacturing Machinery and Equipment	over 8-18 years
Office Machinery and other Equipment	over 6-10 years
Motor Vehicles	over 4-6 years
Tooling	over 2-3 years

RESEARCH AND DEVELOPMENT expenditure not chargeable to customers is written off in the year in which it is incurred.

3 CURRENT ASSETS

	1974		1973	
	Company	Group	Company	Group
Stocks and work in progress	3,656,266	4,397,780	2,979,242	3,548,748
Trade and sundry debtors	2,378,250	2,661,276	1,980,403	2,320,203
Amounts owing to fellow subsidiaries	696,803	812,331	382,947	518,896
Balances at banks and cash in hand	20,095	88,395	149,932	154,356
	£6,751,414	£7,959,782	£5,492,524	£6,542,203

THE SOLARTRON ELECTRONIC GROUP LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS (CONTINUED)

4 CURRENT LIABILITIES

	1974		1973	
	Company	Group	Company	Group
Bank overdraft	980,777	980,777	1,594,820	1,594,820
Bank loan repayable 30 June 1975	375,000	[illegible],000	-	-
Amounts owing to fellow subsidiaries	990,719	1,747,705	584,056	1,127,261
Receipts in advance on contracts	362,651	362,[illegible]	125,531	125,531
Trade and sundry creditors	1,682,239	1,8[illegible]	[illegible],585,474	1,718,230
Income Tax	81,056	[illegible]	86,467	86,467
Corporation Tax at 52%	-	11,170	-	27,265
	£4,472,442	£5,433,000	£3,976,348	£4,679,574

THE SOLARTRON ELECTRONIC GROUP LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS (CONTINUED)

5 FIXED ASSETS

Movements on fixed assets and depreciation for the year were as follows:

	Leasehold Long	Leasehold Short	Plant	Motor vehicles
Company				
Cost:				
Balance 30 December 1973	85,665	4,332	1,778,655	131,506
Additions	79,528	-	259,582	26,195
Reclassifications	8,740	(4,332)	(2,657)	(1,983)
Disposals	(1,142)	-	(48,216)	(46,918)
Balance 29 December 1974	172,791	-	1,987,364	108,800
Depreciation:				
Balance 30 December 1973	30,466	1,179	1,304,350	57,102
Charged to profit and loss account	3,235	-	235,223	26,263
Reclassifications	1,179	(1,179)	-	-
Disposals	(466)	-	(44,690)	(32,877)
Balance 29 December 1974	34,414	-	1,495,193	50,488
Net Book amount:				
Balance 29 December 1974	£138,377	-	£492,171	£58,312
Balance 30 December 1973	£58,352	-	£473,995	£74,404
Group				
Cost:				
Balance 30 December 1973	268,792	5,169	1,921,400	141,328
Additions	79,528	-	270,661	31,777
Reclassifications	8,740	(4,332)	(2,657)	(1,983)
Disposals	(1,144)	-	(49,854)	(50,005)
Balance 29 December 1974	355,916	837	2,139,550	121,117
Depreciation:				
Balance 30 December 1973	59,123	1,552	1,357,522	60,584
Reclassifications	1,179	(1,179)	-	-
Charged to profit and loss account	6,897	48	245,894	27,995
Disposals	(466)	-	(45,632)	(34,647)
Balance 29 December 1974	66,733	420	1,557,784	53,932
Net book amount:				
Balance 29 December 1974	£289,183	£417	£581,766	£67,185
Balance 30 December 1973	£212,822	£465	£563,878	£80,744

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Leasehold Long	Leasehold Short	Plant	Motor vehicles	Tooling	Total
85,665	4,332	1,778,655	131,506	203,013	2,203,171
79,528	-	259,582	26,195	26,950	392,255
8,740	(4,332)	(2,657)	(1,983)	232	-
(1,142)	-	(48,216)	(46,918)	(364)	(96,640)
72,791	-	1,987,364	108,800	229,831	2,498,786
30,466	1,179	1,304,660	57,102	138,362	1,531,769
3,235	-	235,223	26,263	40,065	304,786
1,179	(1,179)	-	-	-	-
(466)	-	(44,690)	(32,877)	(242)	(78,275)
34,414	-	1,495,193	50,488	178,185	1,758,280
£138,377	-	£492,171	£58,312	£51,646	£740,506
£58,352	-	£473,995	£74,404	£64,651	£671,402
268,792	5,169	1,921,400	141,328	216,224	2,552,913
79,528	-	270,661	31,777	27,793	409,759
8,740	(4,332)	(2,657)	(1,983)	232	-
(1,144)	-	(49,854)	(50,005)	(364)	(101,367)
355,916	837	2,139,550	121,117	243,885	2,861,305
59,123	1,551	1,357,522	60,584	145,358	1,624,138
1,179	(1,179)	-	-	-	-
6,897	48	245,894	27,995	45,437	326,271
(466)	-	(45,632)	(24,547)	(242)	(80,987)
66,733	420	1,557,784	53,932	190,553	1,869,422
£289,183	£417	£581,766	£67,185	£53,332	£991,883
£212,822	£465	£563,878	£60,744	£70,866	£928,775

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NOTES TO THE ACCOUNTS (CONTINUED)

6 INVESTMENT IN SUBSIDIARY COMPANIES

Dormant subsidiaries

Shares at cost less amount written off	92,836
Current accounts	(92,836)
Heath (Gloucester) Limited - wholly owned subsidiary incorporated in England	
Shares at cost	£484,921

7 SHARE CAPITAL

	Authorised	1974 Issued and fully paid	1973 Issued and fully paid
Ordinary shares of 50p each	1,400,000	1,400,000	1,400,000
10% Cumulative Redeemable Preference Shares of £1 each	1,600,000	1,318,254	-
	£3,000,000	£2,718,254	£1,400,000

8 CAPITAL RESERVES

	1974 Group and company	1973 Group and company
Share premium account	35,839	35,839
Other	88,457	88,457
	£124,296	£124,296

9 DIRECTORS' EMOLUMENTS

The emoluments of the Chairman amounted to £10,200 (1973 - £9,503).

The directors' emoluments, which were wholly for management services, for the year ended 30 December 1974 were within the following limits.

	1974	1973
£0 £2,500	3	2
£2,501 - £5,000	-	2
£5,001 - £7,500	2	3
£7,501 - £10,000	1	1
£10,001 - £12,500	1	-
	7	8

THE SOLARTRON ELECTRONIC GROUP LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS (CONTINUED)

10 TAXATION

The charge for corporation tax arises on the results for the year of a subsidiary. Deferred taxation of £3,726 has been charged in the profit and loss account, representing the excess of capital allowances over depreciation charged in the accounts of a subsidiary, expressed at the effective rate of corporation tax for the year.

An amount of £40,739 has been transferred from current taxation liabilities to deferred taxation for taxation deferred by stock appreciation relief in a subsidiary for the year ended 30 December 1973. No account has been taken for any stock appreciation relief which may relate to the corporation tax liability based on the profit of a subsidiary for the year ended 29 December 1974.

The estimated tax losses and capital allowances carried forward at 29 December 1974 by The Solartron Electronic Group Limited amount to approximately £2,400,000.

11 CAPITAL COMMITMENTS

Capital expenditure not provided for in these accounts was approximately:

	1974		1973	
	Company	Group	Company	Group
Expenditure contracted for	£48,000	£48,000	£121,000	£121,000
Expenditure authorised but not contracted for	£65,000	£65,000	£47,000	£47,000

12 FOREIGN CURRENCIES

Foreign currencies have generally been translated into sterling at the approximate parity rates ruling on 29 December 1974.

13 BANK LOANS - £1,125,000

Repayable in instalments as follows:

£375,000	30 June 1976
£750,000	30 June 1977

Minutes of the TWENTYFIRST ANNUAL GENERAL MEETING of The Solartron Electronic Group Limited, held at Farnborough on Monday, 28th June, 1976.

Present: Mr. A.J. Martin (Mangaging Director - in the Chair)
Mr. M.E. Kelsey
Mr. P.G. Varley

Apologies for absence received from:

Mr. T.C. Roberts
Mr. D.W. Burton.

In attendance: Mr. D.C.P. Howell (Secretary)

100/76
Directors' and Auditors Reports and Accounts

The Chairman proposed that the Accounts for the fifty-two weeks ended 28th December, 1975 together with the Reports of the Directors and Auditors be received and adopted.

The Resolution was seconded by Mr. Varley and carried unanimously

101/76
Directors Remuneration

The Chairman proposed that the payment of the Directors' Remuneration provided for in the Profit and Loss Account for the fifty-two weeks ended 28th December, 1975 be confirmed.

This Resolution was seconded by Mr. Kelsey and carried unanimously.

102/76
Remuneration of Auditors

The Chairman proposed that the remuneration of the Auditors, Messrs. Price Waterhouse and Company, for the fifty-two weeks ended 28th December, 1975 be confirmed.

This Resolution was seconded by Mr. Varley and carried unanimously.