

Integrated Electronics Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2000



Company Registration No. 00695321

Integrated Electronics Limited

DIRECTORS AND OFFICERS

DIRECTORS

B G Phillips
J E Phillips

SECRETARY

B G Phillips

COMPANY NUMBER

00695321 (England and Wales)

REGISTERED OFFICE

20 Ferry Lane
Wraysbury
Staines
Middlesex
TW19 6HG

AUDITORS

Baker Tilly
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

BANKERS

HSBC
61 High Street
Staines
Middlesex
TW18 4QW

Integrated Electronics Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Integrated Electronics Limited for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of manufacture of electronic equipment.

REVIEW OF THE BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £60,473.

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The following directors have held office since 1 January 2000:-

B G Phillips

J E Phillips

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £ 1 each</i>	
	31.12.00	1.1.00
B G Phillips	2,999	2,999
J E Phillips	1	1
	<i>Redeemable preference shares of £ 1 each</i>	
	31.12.00	1.1.00
B G Phillips	72,886	72,886
J E Phillips	-	-

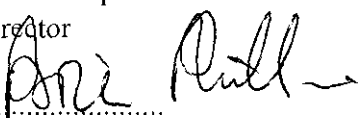
Integrated Electronics Limited
DIRECTORS' REPORT (CONTINUED)

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

On behalf of the board

B G Phillips
Director


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3 October 2001

Integrated Electronics Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF INTEGRATED ELECTRONICS LIMITED

We have audited the financial statements on pages 6 to 14.

Respective responsibilities of directors and auditors

As described on page 4 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.

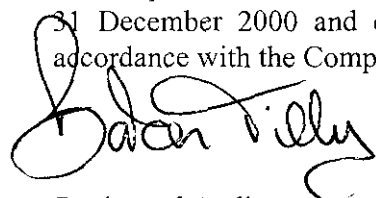
Basis of opinion

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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

30 October 2001

Integrated Electronics Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

	<i>Notes</i>	2000 £	1999 £
TURNOVER	1	852,264	859,239
Cost of sales		<u>592,006</u>	<u>607,513</u>
Gross profit		260,258	251,726
Other operating expenses	2	<u>180,218</u>	<u>188,377</u>
OPERATING PROFIT		80,040	63,349
Investment income	3	<u>2,172</u>	<u>-</u>
		82,212	63,349
Interest payable	4	<u>10,419</u>	<u>11,499</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	71,793	51,850
Taxation	7	<u>11,320</u>	<u>10,326</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		60,473	41,524
Dividends	8	<u>-</u>	<u>30,000</u>
RETAINED PROFIT FOR THE YEAR	16	<u><u>60,473</u></u>	<u><u>11,524</u></u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Integrated Electronics Limited

BALANCE SHEET

31 December 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	9	199,101	204,386
CURRENT ASSETS			
Stocks	10	30,538	41,370
Debtors	11	225,243	182,474
Cash at bank and in hand		87,787	57,148
		<u>343,568</u>	<u>280,992</u>
CREDITORS: Amounts falling due within one year	12	244,579	229,836
		<u>98,989</u>	<u>51,156</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		298,090	255,542
CREDITORS: Amounts falling due after more than one year	13	(99,326)	(114,933)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(4,000)	(6,318)
		<u>194,764</u>	<u>134,291</u>
CAPITAL AND RESERVES			
Called up share capital	15	75,886	75,886
Profit and loss account	16	118,878	58,405
		<u>194,764</u>	<u>134,291</u>
SHAREHOLDERS' FUNDS			
Equity interests	17	121,878	61,405
Non-equity interests		72,886	72,886
		<u>194,764</u>	<u>134,291</u>

Approved by the board on

B G Phillips

Director

J E Phillips

Director

Integrated Electronics Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:-

Freehold buildings	Straight line over fifty years
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	33% reducing balance
Motor vehicles	25% reducing balance

STOCK AND WORK IN PROGRESS

Work in progress is valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

LEASED ASSETS

The annual rentals on 'operating leases' are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

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

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Integrated Electronics Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES	2000 £	1999 £
Distribution costs	11,656	10,581
Administrative expenses	168,562	177,796
	<u>180,218</u>	<u>188,377</u>

3. INVESTMENT INCOME	2000 £	1999 £
Bank interest	<u>2,172</u>	<u>-</u>

4. INTEREST PAYABLE	2000 £	1999 £
On bank loans and overdrafts	61	842
On other loans	10,358	10,657
	<u>10,419</u>	<u>11,499</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2000 £	1999 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	7,566	8,685
Profit on disposals	-	(219)
Operating lease rentals:		
Plant and machinery	4,321	4,216
Equipment	4,321	4,216
Auditors' remuneration	<u>3,800</u>	<u>3,650</u>

Integrated Electronics Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2000

6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2000 No.	1999 No.
Production and sales	23	22
Administration	5	4
	<u>28</u>	<u>26</u>
	£	£
Staff costs for the above persons:		
Wages and salaries	317,775	299,470
Social security costs	23,930	23,221
Other pension costs	5,657	4,583
	<u>347,362</u>	<u>327,274</u>

DIRECTORS' REMUNERATION

	2000 £	1999 £
Emoluments for qualifying services	<u>30,600</u>	<u>44,300</u>

7. TAXATION

	2000 £	1999 £
Based on the profit for the year:		
U.K. Corporation tax at 20% (1999 - 20%)	13,636	8,939
Deferred taxation	(2,318)	1,387
	<u>11,318</u>	<u>10,326</u>
Under/(over) provided in earlier years	2	-
	<u>11,320</u>	<u>10,326</u>

8. DIVIDENDS

	2000 £	1999 £
Ordinary:		
Final proposed - Nil (1999 - £10.00)	-	30,000

Integrated Electronics Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2000

9. TANGIBLE FIXED ASSETS

	<i>Land and buildings Freehold</i>	<i>Plant and machinery</i>	<i>Fixtures, fittings & equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost					
1 January 2000	201,674	51,221	14,129	8,895	275,919
Additions	-	374	1,907	-	2,281
	<u>201,674</u>	<u>51,595</u>	<u>16,036</u>	<u>8,895</u>	<u>278,200</u>
31 December 2000	201,674	51,595	16,036	8,895	278,200
Depreciation					
1 January 2000	17,717	33,804	13,227	6,785	71,533
Charge in the year	2,553	3,558	927	528	7,566
	<u>20,270</u>	<u>37,362</u>	<u>14,154</u>	<u>7,313</u>	<u>79,099</u>
31 December 2000	20,270	37,362	14,154	7,313	79,099
Net book value					
31 December 2000	<u>181,404</u>	<u>14,233</u>	<u>1,882</u>	<u>1,582</u>	<u>199,101</u>
31 December 1999	<u>183,957</u>	<u>17,417</u>	<u>902</u>	<u>2,110</u>	<u>204,386</u>

10. WORK IN PROGRESS

	2000	1999
	£	£
Work in progress	<u>30,538</u>	<u>41,370</u>

11. DEBTORS

	2000	1999
	£	£
Due within one year		
Trade debtors	220,250	177,822
Prepayments and accrued income	4,993	4,652
	<u>225,243</u>	<u>182,474</u>

Integrated Electronics Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

12. CREDITORS: Amounts falling due within one year	2000	1999
	£	£
Bank loans and overdrafts	22,466	18,869
Trade creditors	130,263	124,882
Corporation tax	13,636	8,939
Other taxes and social security costs	41,459	30,507
Directors' current accounts	26,873	31,105
Other creditors	4,200	6,271
Accruals and deferred income	5,682	9,263
	<u>244,579</u>	<u>229,836</u>

The bank loans and overdraft are secured by way of a charge dated 31 March 1993 over the company's freehold property at 20 Ferry Lane, Wraysbury and also fixed and floating charges over all other company assets.

13. CREDITORS: Amounts falling due in more than one year	2000	1999
	£	£
Bank loans	<u>99,326</u>	<u>114,933</u>
Loans		
Wholly repayable within five years	121,792	133,802
Included in current liabilities	<u>(22,466)</u>	<u>(18,869)</u>
	<u>99,326</u>	<u>114,933</u>
Loan maturity analysis:		
In more than one year but not more than two years	15,499	20,372
In more than two years but not more than five years	54,045	51,420
In more than five years	<u>29,782</u>	<u>43,141</u>

The loan is payable in equal monthly instalments for a term of 10 years and is charged interest at 2% above the bank base rate.

The bank loans are secured by way of a charge dated 31 March 1993 over the company's freehold property at 20 Ferry Lane, Wraysbury and also fixed and floating charges over all other company assets.

Integrated Electronics Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2000

14. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
Balance at 1 January 2000	6,318
Transfer to profit and loss account	(2,318)
	<u>4,000</u>
Balance at 31 December 2000	<u>4,000</u>

Deferred taxation provided in the financial statements is as follows:

	Fully provided 2000 £	1999 £
Excess of tax allowances over depreciation	<u>4,000</u>	<u>6,318</u>

15. SHARE CAPITAL

	2000 £	1999 £
Authorised		
3,000 Ordinary shares of £ 1 each	3,000	3,000
72,886 Redeemable preference shares of £ 1 each	<u>72,886</u>	<u>72,886</u>
	<u>75,886</u>	<u>75,886</u>
Allotted, issued and fully paid		
3,000 Ordinary shares of £ 1 each	3,000	3,000
72,886 Redeemable preference shares of £ 1 each	<u>72,886</u>	<u>72,886</u>
	<u>75,886</u>	<u>75,886</u>

The redeemable preference shares may be redeemed at the company's option on or after 31 December 2000 without payment of a premium.

16. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account £</i>
1 January 2000	58,405
Retained profit for the year	<u>60,473</u>
31 December 2000	<u>118,878</u>

Integrated Electronics Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2000

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2000	1999
	£	£
Profit for the financial year	60,473	41,524
Dividends	-	(30,000)
Net addition to shareholders' funds	60,473	11,524
Opening shareholders' funds	134,291	122,767
Closing shareholders' funds	<u>194,764</u>	<u>134,291</u>

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
	£	£
Plant and machinery expiring in the second to fifth year	<u>3,918</u>	<u>4,216</u>

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,657 (1999 - £4,583).