

Chauvin Arnoux UK Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2000



Chauvin Arnoux UK Limited

DIRECTORS AND OFFICERS

DIRECTORS

D Arnoux
A Arnoux

SECRETARY

Ms A Arnoux

COMPANY NUMBER

2001521 (England and Wales)

REGISTERED OFFICE

2 Bloomsbury Street
London WC1B 3ST

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Chauvin Arnoux UK Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Chauvin Arnoux UK Limited for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the marketing of electronic testing equipment.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company has had a satisfactory year and the directors expect this to continue in the current period.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £78,108 (1999: loss £2,590).

The directors do not recommend the payment of a dividend of £Nil (1999 : £Nil)

DIRECTORS

The following directors have held office since 1 January 2000:

D Arnoux
A Arnoux

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	<i>Ordinary shares of £1 each</i>	
	2000	1999
D Arnoux	1	1
A Arnoux	-	-

INTRODUCTION OF THE EURO

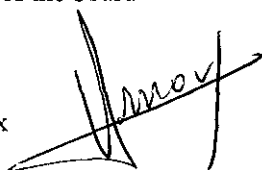
All relevant parts of the company are able to handle euro transactions as required.

AUDITORS

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

By order of the board

A Arnoux
Secretary



13 December 2001

Chauvin Arnoux UK 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, 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 requirements of 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 MEMBERS OF CHAUVIN ARNOUX UK LIMITED

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 3 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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

13 December 2001

Chauvin Arnoux UK Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2000

	<i>Notes</i>	2000 £	1999 £
TURNOVER	1	1,235,653	973,056
Cost of sales		672,218	536,052
Gross profit		<u>563,435</u>	<u>437,004</u>
Administration expenses		451,814	431,622
OPERATING PROFIT		<u>111,621</u>	<u>5,382</u>
Interest payable	2	(2,848)	(1,183)
Interest receivable	3	5,989	3,690
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>114,762</u>	<u>7,889</u>
Taxation	6	36,654	10,479
RETAINED PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>78,108</u>	<u>(2,590)</u>
Dividends	7	-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR	12	<u>78,108</u>	<u>(2,590)</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.

Chauvin Arnoux UK Limited

BALANCE SHEET

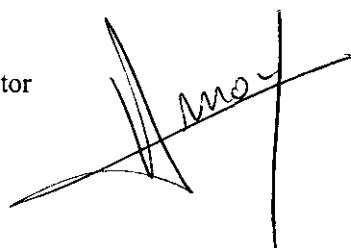
31 December 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	8	19,825	29,161
CURRENT ASSETS			
Stocks		194,256	216,569
Debtors	9	229,561	134,605
Cash at bank and in hand		389,842	165,586
		813,659	516,760
CREDITORS: Amounts falling due within one year	10	514,110	304,655
NET CURRENT ASSETS		299,549	212,105
TOTAL ASSETS LESS CURRENT LIABILITIES		319,374	241,266
CAPITAL AND RESERVES			
Called up share capital	11	45,000	45,000
Profit and loss account	12	274,374	196,266
	13	319,374	241,266

Approved by the board on 13 December 2001

D ARNOUX

Director



Chauvin Arnoux UK Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

The accounts have been prepared on a going concern basis because the directors have obtained assurances from the parent company that the parent company will continue to provide funds to enable the company to operate as a going concern.

TANGIBLE FIXED ASSETS

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

Furniture and equipment

20% straight line

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct costs.

FOREIGN CURRENCY

Foreign currencies are converted at the rate ruling at the date of invoice. All assets and liabilities are converted at the rate of exchange ruling at the year end. All exchange differences are included in the profit and loss account for the year.

TURNOVER

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

Chauvin Arnoux UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

1 TURNOVER

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

2 INTEREST PAYABLE 2000 1999
£ £

On bank loans and overdrafts (2,848) (1,183)

3 INTEREST RECEIVABLE 2000 1999
£ £

Bank interest receivable 5,989 3,690

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION 2000 1999
£ £

Profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation and amounts written off tangible fixed assets

Charge for the year:

owned assets 10,028 9,254

Exchange losses/(profits) (12,651) (20,117)

Operating lease rentals:

Plant and machinery 2,309 2,309

Land and buildings 8,875 8,875

Auditors' remuneration 5,200 5,150

5 EMPLOYEES 2000 1999
No. No.

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

Office and management 11 8

2000 1999
£ £

Staff costs for the above persons:

Wages and salaries 210,735 174,490

Social security costs 19,254 16,096

229,989 190,586

Chauvin Arnoux UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

6	TAXATION	2000 £	1999 £
	UK corporation tax at 30% (1999: 31%)	36,047	1,517
	Underprovision in respect of prior year	607	8,962
		<u>36,654</u>	<u>10,479</u>
7	DIVIDEND	2000 £	1999 £
	Proposed (1999: £ .) per £1 ordinary share	-	-
8	TANGIBLE FIXED ASSETS		<i>Furniture and Equipment £</i>
	Cost		
	1 January 2000		73,180
	Additions		692
	31 December 2000		<u>73,872</u>
	Depreciation		
	1 January 2000		44,019
	Charged in the year		10,028
	31 December 2000		<u>54,047</u>
	Net book value		
	31 December 2000		<u>19,825</u>
	31 December 1999		<u>29,161</u>
9	DEBTORS	2000 £	1999 £
	Due within one year:		
	Trade debtors	214,450	121,011
	Prepayments	15,111	13,451
	Other debtors	-	143
		<u>229,561</u>	<u>134,605</u>

Chauvin Arnoux UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

10	CREDITORS: Amounts falling due within one year	2000 £	1999 £
	Trade creditors	33,857	24,997
	Accruals	8,248	3,931
	Other taxation and social security	47,873	19,463
	Amounts owed to ultimate holding company	395,501	264,286
	Corporation tax	28,631	(8,022)
		<u>514,110</u>	<u>304,655</u>
11	SHARE CAPITAL	2000 £	1999 £
	Authorised: 100,000 ordinary shares of £1 each	100,000	100,000
	Allotted, issued and fully paid: 45,000 ordinary shares of £1 each	<u>45,000</u>	<u>45,000</u>
12	PROFIT AND LOSS ACCOUNT	2000 £	1999 £
	1 January 2000	196,266	198,856
	Profit/(loss) for the financial year	78,108	(2,590)
	31 December 2000	<u>274,374</u>	<u>196,266</u>
13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2000 £	1999 £
	Profit/(loss) after taxation	78,108	(2,590)
	Dividend	-	-
		<u>78,108</u>	<u>(2,590)</u>
	Opening shareholders' funds	241,266	243,856
	Closing shareholders' funds	<u>319,374</u>	<u>241,266</u>

Chauvin Arnoux UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

14 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 years	2,309	2,309
Land and buildings expiring in the second to fifth years	8,875	8,875
	<u>11,184</u>	<u>11,184</u>

15 HOLDING COMPANY

During the year the company's ultimate parent company changed from Chauvin Arnoux SCA, a company incorporated in France to Chauvin Arnoux Holdings Inc, a company incorporated in the United States. This was effected on 16 January 2000 when Chauvin Arnoux SCA transferred 22,950 ordinary shares to Chauvin Arnoux Holdings Inc, representing 51% of the issued share capital of the company. A further 16,650 ordinary shares were transferred from Chauvin Arnoux SCA to Chauvin Arnoux Holdings Inc on 5 May 2000.