

Chauvin Arnoux UK Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2001



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 2001.

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 year.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £50,695 (2000: £78,108).

The directors do not recommend the payment of a dividend (2000 : £Nil)

DIRECTORS

The following directors have held office since 1 January 2001:

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>	
	2001	2000
D Arnoux	1	1
A Arnoux	-	-

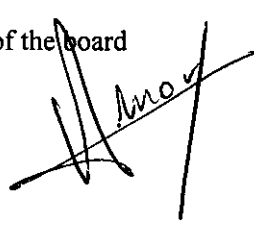
INTRODUCTION OF THE EURO

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

24 July 2002

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.

INDEPENDENT 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

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 with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

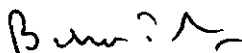
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 judgments 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

24 July 2002

Chauvin Arnoux UK Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2001

	<i>Notes</i>	2001 £	2000 £
TURNOVER	1	1,181,567	1,235,653
Cost of sales		655,620	672,218
Gross profit		<u>525,947</u>	<u>563,435</u>
Administration expenses		447,445	451,814
OPERATING PROFIT		<u>78,502</u>	<u>111,621</u>
Interest payable	2	(3,266)	(2,848)
Interest receivable	3	4,822	5,989
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>80,058</u>	<u>114,762</u>
Taxation	6	29,363	36,654
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>50,695</u>	<u>78,108</u>
Dividends	7	-	-
RETAINED PROFIT FOR THE YEAR	12	<u>50,695</u>	<u>78,108</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

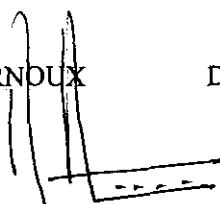
31 December 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	10,235	19,825
CURRENT ASSETS			
Stocks		245,579	194,256
Debtors	9	160,830	229,561
Cash at bank and in hand		205,755	389,842
		612,164	813,659
CREDITORS: Amounts falling due within one year	10	252,330	514,110
NET CURRENT ASSETS		359,834	299,549
TOTAL ASSETS LESS CURRENT LIABILITIES		370,069	319,374
CAPITAL AND RESERVES			
Called up share capital	11	45,000	45,000
Profit and loss account	12	325,069	274,374
	13	370,069	319,374

Approved by the board on 24 July 2002

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
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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 2001

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	2001	2000
	£	£
On bank loans and overdrafts	(2,908)	(2,848)
Other	(358)	-
	<u>3,266</u>	<u>2,848</u>

3 INTEREST RECEIVABLE	2001	2000
	£	£
Bank interest receivable	<u>4,822</u>	<u>5,989</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2001	2000
	£	£
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	10,165	10,028
Exchange losses/(profits)	15,216	(12,651)
Operating lease rentals:		
Plant and machinery	2,309	2,309
Land and buildings	8,875	8,875
Auditors' remuneration	<u>4,500</u>	<u>5,200</u>

5 EMPLOYEES	2001	2000
	No.	No.
The average weekly number of persons (including directors) employed by the company during the year was:		
Office and management	<u>10</u>	<u>11</u>
	2001	2000
	£	£
Staff costs for the above persons:		
Wages and salaries	232,056	210,735
Social security costs	21,303	19,254
	<u>253,359</u>	<u>229,989</u>

Chauvin Arnoux UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2001

6	TAXATION	2001 £	2000 £
	UK corporation tax at 30% (2000: 31%)	27,500	36,047
	(Over)/underprovision in respect of prior year	1,863	607
		<u>29,363</u>	<u>36,654</u>
7	DIVIDEND	2001 £	2000 £
	Proposed £Nil (2000: £Nil) per £1 ordinary share	-	-
8	TANGIBLE FIXED ASSETS		<i>Furniture and Equipment</i> £
	Cost		
	1 January 2001		73,872
	Additions		575
	31 December 2001		<u>74,447</u>
	Depreciation		
	1 January 2001		54,047
	Charged in the year		10,165
	31 December 2001		<u>64,212</u>
	Net book value		
	31 December 2001		<u>10,235</u>
	31 December 2000		<u>19,825</u>
9	DEBTORS	2001 £	2000 £
	Due within one year:		
	Trade debtors	145,700	214,450
	Prepayments	15,130	15,111
		<u>160,830</u>	<u>229,561</u>

Chauvin Arnoux UK Limited
NOTES TO THE FINANCIAL STATEMENTS
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10	CREDITORS: Amounts falling due within one year	2001 £	2000 £
	Trade creditors	18,917	33,857
	Accruals	7,882	8,248
	Other taxation and social security	40,137	47,873
	Amounts owed to ultimate holding company	157,894	395,501
	Corporation tax	27,500	28,631
		<u>252,330</u>	<u>514,110</u>
11	SHARE CAPITAL	2001 £	2000 £
	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	2001 £	2000 £
	1 January 2001	274,374	196,266
	Profit for the financial year	50,695	78,108
	31 December 2001	<u>325,069</u>	<u>274,374</u>
13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2001 £	2000 £
	Profit after taxation	50,695	78,108
	Dividend	-	-
		<u>50,695</u>	<u>78,108</u>
	Opening shareholders' funds	319,374	241,266
	Closing shareholders' funds	<u>370,069</u>	<u>319,374</u>

Chauvin Arnoux UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2001

14 COMMITMENTS UNDER OPERATING LEASES

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

	2001 £	2000 £
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

The company's ultimate parent company is Chauvin Arnoux Holdings Inc, a company incorporated in the United States.