

Company Registration No. 2001521 (England and Wales)

CHAUVIN ARNOUX UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



CHAUVIN ARNOUX UK LIMITED

COMPANY INFORMATION

Directors	D Arnoux A Arnoux
Secretary	A Arnoux
Company number	2001521
Registered office	Grenville Court, Britwell Road Burnham Buckinghamshire SL1 8DF
Auditors	Eacott Worrall Grenville Court, Britwell Road Burnham Buckinghamshire SL1 8DF
Business address	Waldeck House, Waldeck Road Maidenhead Berkshire SL6 8BR

CHAUVIN ARNOUX UK LIMITED

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CHAUVIN ARNOUX UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and financial statements for the year ended 31 December 2002.

Principal activities

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

Directors

The following directors have held office since 1 January 2002:

D Arnoux
A Arnoux

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2002	1 January 2002
D Arnoux	-	1
A Arnoux	-	-

Auditors

Eacott Worrall were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Directors' responsibilities

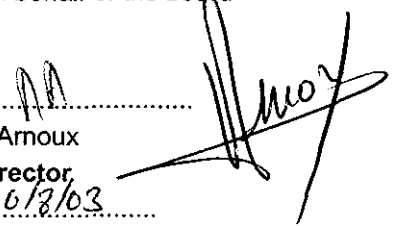
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


.....
A Arnoux

Director

26/2/03
.....

CHAUVIN ARNOUX UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHAUVIN ARNOUX UK LIMITED

We have audited the financial statements of Chauvin Arnoux UK Limited on pages 3 to 8 for the year ended 31 December 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

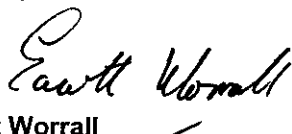
Basis of audit opinion

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 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Eacott Worrall

26/8/03

Chartered Accountants
Registered Auditor

Grenville Court, Britwell Road
Burnham
Buckinghamshire
SL1 8DF

CHAUVIN ARNOUX UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Turnover		1,018,414	1,181,567
Cost of sales		(547,228)	(655,620)
Gross profit		471,186	525,947
Administrative expenses		(450,226)	(447,445)
Operating profit	2	20,960	78,502
Other interest receivable and similar income		2,286	4,822
Interest payable and similar charges		(2,948)	(3,266)
Profit on ordinary activities before taxation		20,298	80,058
Tax on profit on ordinary activities	3	(718)	(29,363)
Profit on ordinary activities after taxation	8	19,580	50,695

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

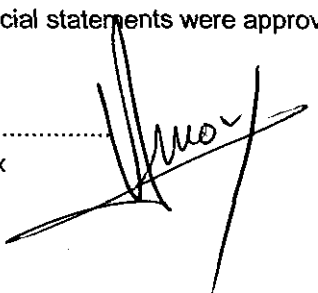
CHAUVIN ARNOUX UK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4		51		10,235
Current assets					
Stocks		230,293		245,579	
Debtors	5	165,168		160,830	
Cash at bank and in hand		301,715		205,755	
		<u>697,176</u>		<u>612,164</u>	
Creditors: amounts falling due within one year	6	<u>(307,578)</u>		<u>(252,330)</u>	
Net current assets			389,598		359,834
Total assets less current liabilities			<u>389,649</u>		<u>370,069</u>
Capital and reserves					
Called up share capital	7	45,000		45,000	
Profit and loss account	8	344,649		325,069	
Shareholders' funds - equity interests	9	<u>389,649</u>		<u>370,069</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 26/2/03


 A. Arnoux
 Director

CHAUVIN ARNOUX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% straight line
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1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

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

1.6 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit

	2002 £	2001 £
Operating profit is stated after charging:		
Depreciation of tangible assets	10,184	10,165
Loss on foreign exchange transactions	2,639	15,216
Operating lease rentals	21,496	14,181
Auditors' remuneration	3,950	4,500

CHAUVIN ARNOUX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

3	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	4,468	27,500
	Adjustment for prior years	(3,750)	1,863
	Current tax charge	<u>718</u>	<u>29,363</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>20,298</u>	<u>80,058</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 15.95% (2001 : 30.00%)	<u>3,238</u>	<u>24,017</u>
	Effects of:		
	Non deductible expenses	224	-
	Depreciation add back	1,624	3,050
	Capital allowances	(605)	-
	Adjustments to previous periods	(3,750)	1,863
	Other tax adjustments	(13)	433
	Current tax charge	<u>718</u>	<u>29,363</u>

4	Tangible fixed assets	Plant and machinery etc £
	Cost	
	At 1 January 2002 & at 31 December 2002	<u>74,447</u>
	Depreciation	
	At 1 January 2002	64,212
	Charge for the year	<u>10,184</u>
	At 31 December 2002	<u>74,396</u>
	Net book value	
	At 31 December 2002	<u>51</u>
	At 31 December 2001	<u>10,235</u>

CHAUVIN ARNOUX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

5	Debtors	2002 £	2001 £
	Trade debtors	148,893	145,700
	Other debtors	16,275	15,130
		<u>165,168</u>	<u>160,830</u>
6	Creditors: amounts falling due within one year	2002 £	2001 £
	Trade creditors	26,187	18,917
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	218,263	157,894
	Taxation and social security	34,371	67,637
	Other creditors	28,757	7,882
		<u>307,578</u>	<u>252,330</u>
7	Share capital	2002 £	2001 £
	Authorised		
	100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	45,000 Ordinary shares of £ 1 each	<u>45,000</u>	<u>45,000</u>
8	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 January 2002		325,069
	Retained profit for the year		19,580
	Balance at 31 December 2002		<u>344,649</u>

CHAUVIN ARNOUX UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

9	Reconciliation of movements in shareholders' funds	2002 £	2001 £
	Profit for the financial year	19,580	50,695
	Opening shareholders' funds	370,069	319,374
	Closing shareholders' funds	<u>389,649</u>	<u>370,069</u>

10 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Expiry date:				
Between two and five years	<u>15,435</u>	<u>8,875</u>	<u>2,309</u>	<u>2,309</u>

11 Control

The ultimate controlling party is Chauvin Arnoux Holdings Inc., a company incorporated in the United States of America. Consolidated financial statements are prepared by the parent incorporating the accounts of the reporting company. For details, contact Chauvin Arnoux Holdings Inc., 76 Main Street, Post Office Box 31, Littleton, New Hampshire, USA.

12 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.