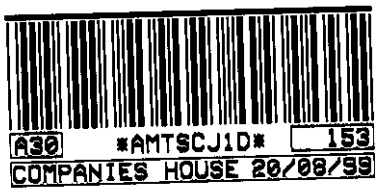
Grant Thornton

INLINE ELECTRONICS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 1998



Company no 3191666

INLINE ELECTRONICS LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 1998

Company registration number:	3191666
Registered office:	163 Grange Avenue Oldham Lancashire OL8 4EQ
Directors:	Mr A Fowell Mr D L Murgatroyd
Secretary:	Mrs A Fowell
Bankers:	Midland Bank Plc
Solicitors:	Addleshaw Booth & Co
Auditors:	Grant Thornton Registered auditors Chartered accountants

INLINE ELECTRONICS LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 1998

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REPORT OF THE AUDITORS TO INLINE ELECTRONICS LIMITED UNDER

SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of Inline Electronics Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with the provisions of section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver to the registrar of companies abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

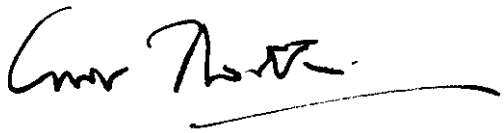
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.

On 10 August 1999 we reported, as auditors of Inline Electronics Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1998, and our report included the following paragraph:

"Going concern

In forming our opinion we draw attention to the going concern basis used in the preparation of these financial statements as referred to on page 4.

Although at 31 December 1998 the company's current liabilities exceeded its current assets by £5,545 the directors consider it is appropriate to prepare the financial statements on a going concern basis because of the evidence of profitability since the balance sheet date. Our opinion is not qualified in this respect."



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

MANCHESTER
10 August 1999

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

Although at 31 December 1998 the company's current liabilities exceeded its current assets by £5,545 the directors consider it is appropriate to prepare the financial statements on a going concern basis because of the evidence of profitability since the balance sheet date.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Building alterations	10%
Plant and machinery	20%
Office Equipment	20%

STOCKS

Stocks are stated at the lower of cost and net realisable value.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

INLINE ELECTRONICS LIMITED

ABBREVIATED BALANCE SHEET AT 31 DECEMBER 1998

	Note	1998 £	1998 £	1997 £	1997 £
Called up share capital not paid			**1,000**		1,000
Fixed assets					
Tangible assets	1		**258,335**		312,445
Current assets					
Stocks		**85,416**		31,370	
Debtors		**71,302**		76,267	
Cash at bank and in hand		**-**		15,181	
		156,718		122,818	
Creditors: amounts falling due within one year	2	**(162,263)**		(177,108)	
Net current liabilities			**(5,545)**		(54,290)
Total assets less current liabilities			**253,790**		259,155
Creditors: amounts falling due after more than one year	2		**(240,329)**		(273,572)
Provisions for liabilities and charges			**(10,049)**		-
			3,412		(14,417)
Capital and reserves					
Called up share capital	3		**1,000**		1,000
Profit and loss account			**2,412**		(15,417)
			3,412		(14,417)

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

The abbreviated accounts were approved by the Board of Directors on 10 August 1999.

Mr A Fowell **Director**

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

1 FIXED ASSETS

	Tangible fixed assets £	Total £
Cost or valuation		
At 1 January 1998	312,445	312,445
Additions	6,485	6,485
At 31 December 1998	318,930	318,930
Depreciation and amortisation		
At 1 January 1998	-	-
Charge for the year	60,595	60,595
At 31 December 1998	60,595	60,595
Net book amount at 31 December 1998	**258,335**	**258,335**
Net book amount at 31 December 1997	312,445	312,445

2 CREDITORS

Creditors include £42,049 (1997: £51,860) falling due for repayment after five years from the balance sheet date.

Creditors amounting to £293,554 (1997 £329,000) are secured.

3 SHARE CAPITAL

	1998 £	1997 £
Authorised		
Ordinary shares of £1 each	**500**	1,000
'A' Ordinary shares of £1 each	**500**	-
	1,000	1,000
Allotted and called up		
Ordinary shares of £1 each	**500**	1,000
'A' Ordinary shares of £1 each	**500**	-
	1,000	1,000

On 31 March 1998 a special resolution was passed to convert the company's share capital into 500 ordinary shares of £1 each and 500 'A' ordinary shares of £1 each all carrying similar rights and restrictions

4 TRANSACTIONS WITH RELATED PARTIES

During the year the company traded with the following companies in which Mr A Fowell had an interest as a director during the year:

	£
Ex-Or Limited	
Amounts due from Ex-or Limited - included in trade debtors (inclusive of VAT)	45,285
Amounts due to Ex-or Limited - included in accruals	5,270
Amounts invoiced by Inline Electronics Limited in respect of sales	791,261
Amounts invoiced to Inline Electronics Limited in respect of components purchased and expenses recharged	109,359
Ex-Or Installations Limited (in liquidation)	
Amounts due to Inline Electronics Limited written off in the year	23,187

All the above transactions were under normal commercial terms.