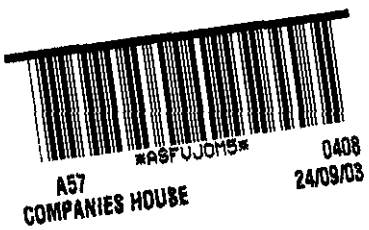
Grant Thornton

Inline Electronics Limited

Abbreviated financial statements

For the year ended 31 December 2002



Company no.3191666

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Independent auditors' report to the company pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the balance sheet and the related notes, together with the financial statements of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with 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 abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion toyou.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Independent auditors' report to the company pursuant to Section 247B of the Companies Act 1985

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 5 to 9 are properly prepared in accordance with those provisions.

Grant Thornton

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

8 September 2003

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of VAT.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	10%
Plant & Machinery	-	20%
Fixtures & Fittings	-	20%
Motor Vehicles	-	25%
Building Alteration	-	10%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of Work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

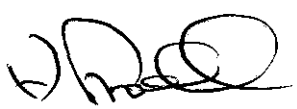
Balance sheet

	Note	2002 £	2001 £
Fixed assets	1		
Tangible assets		**160,717**	262,873
Current assets			
Stocks		**227,828**	196,075
Debtors		**635,933**	412,787
Cash at bank and in hand		**41,305**	62,161
		905,066	671,023
Creditors: amounts falling due within one year		**551,344**	388,635
Net current assets		**353,722**	282,388
Total assets less current liabilities		**514,439**	545,261
Creditors: amounts falling due after more than one year		**78,773**	122,994
Provisions for liabilities and charges		**-**	12,000
		435,666	410,267
Capital and reserves			
Called-up equity share capital	2	**1,000**	1,000
Profit and Loss Account		**434,666**	409,267
Shareholders' funds		**435,666**	410,267

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

These financial statements were approved by the directors on the 8 September 2003 and are signed on their behalf by:

Mr A Fowell



The accompanying notes form part of these financial statements.

Notes to the abbreviated financial statements

1 Fixed assets

	Tangible Assets £
Cost	
At 1 January 2002	**542,623**
Additions	**5,621**
At 31 December 2002	**548,244**
Depreciation	
At 1 January 2002	**279,750**
Charge for year	**107,777**
At 31 December 2002	**387,527**
Net book value	
At 31 December 2002	**160,717**
At 31 December 2001	262,873

2 Share capital

Authorised share capital:

	2002 £	2001 £
500 Ordinary shares of £1 each	**500**	500
500 'A' Ordinary shares of £1 each	**500**	500
	1,000	1,000

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares	**500**	**500**	500	500
'A' Ordinary shares	**500**	**500**	500	500
	1,000	**1,000**	1,000	1,000

3 Ultimate parent company

The directors consider that the ultimate parent undertaking of this parent company Ex-Or Holdings Limited.
The ultimate controlling related party is Ex-Or Holdings Limited as a result of its 100% controlling interest in the shares of In-Line Electronics Limited.