Inline Electronics Limited

ABBREVIATED ACCOUNTS

for the year ended

31 December 2006

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COMPANIES HOUSE

Company Registration No 3191666

AUDITOR'S REPORT TO INLINE ELECTRONICS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Inline Electronics Limited for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985 Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of the directors and the 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 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 abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you

Basis of opinion
We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board In accordance with that Bulletin 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

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 have been properly prepared in accordance with those provisions

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
Brazennose House
Lincoln Square
Manchester M2 5BL

5th June 2007

Inline Electronics Limited

ABBREVIATED BALANCE SHEET

31 December 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	1	263,260	348,242
Investments		-	37,500
		263,260	385,742
CURRENT ASSETS			
Stocks		355,193	262,366
Debtors		623,141	199,535
Cash at bank and in hand		504,855	288,373
		1,483,189	750,274
CREDITORS amounts falling due within one year		1,012,492	673,166
NET CURRENT ASSETS		470,697	77,108
TOTAL ASSETS LESS CURRENT LIABILITIES		733,957	462,850
CREDITORS amounts falling due after more than one year		93,763	153,721
PROVISIONS FOR LIABILITIES AND CHARGES		-	15,000
		640,194	294,129
CAPITAL AND RESERVES			
Called up equity share capital	2	1,000	1,000
Profit and loss account		639,194	293,129
SHAREHOLDERS' FUNDS		640,194	294,129

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

These abbreviated accounts were approved by the directors on 5th June 2007 and are signed on their behalf by

Mr A Fowell
Director



Inline Electronics Limited
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 January 2005)

CONSOLIDATION

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

FIXED ASSETS

All fixed assets are initially recorded at cost

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

Plant & Machinery - 20% Straight line

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 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

1 FIXED ASSETS

	Tangible Assets £	Investments £	Total £
Cost			
At 1 January 2006	910,054	37,500	947,554
Additions	36,600	–	36,600
Disposals	(37,289)	(37,500)	(74,789)
At 31 December 2006	909,365	–	909,365
Depreciation			
At 1 January 2006	561,812	–	561,812
Charge for year	112,577	–	112,577
On disposals	(28,284)	–	(28,284)
At 31 December 2006	646,105	–	646,105
Net book value			
At 31 December 2006	263,260	–	263,260
At 31 December 2005	348,242	37,500	385,742

The company held 100% of the 'A' Ordinary shares and conditional fixed dividend preference shares of Alipes 63, an unlimited investment company

The assets of Alipes 63 have been distributed in the year and the company is to be struck off the Companies' Register

2 SHARE CAPITAL

	2006 £	2005 £
Authorised		
500 Ordinary shares of £1 each	500	500
500 'A' Ordinary shares of £1 each	500	500
	1,000	1,000

	2006 £	2005 £
Allotted, called up and fully paid		
500 Ordinary shares of £1 each	500	500
500 'A' Ordinary shares of £1 each	500	500
	1,000	1,000

3 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Ex-Or Holdings Limited The ultimate controlling party is Mr A Fowell by virtue of his majority shareholding in the parent company