Company Registration No. 1994847 (England and Wales)

MPE ELECTRONICS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

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MPE ELECTRONICS LIMITED

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MPE ELECTRONICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report and financial statements for the year ended 31 March 2007

Principal activities and review of the business
The principal activity of the company continued to be the provision of a sub-contract assembly service of circuit boards to the electronics industry

The directors are satisfied with the results for the year and are confident that the company's turnover and profitability will increase during the forthcoming year

Results and dividends
The results for the year are set out on page 4

Directors
The following directors have held office since 1 April 2006

E W Castle
K R Chamberlain
F R George
M L Tate

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

	Ordinary shares of £1 each	
	31 March 2007	**1 April 2006**
E W Castle	25,000	25,000
K R Chamberlain	25,000	25,000
F R George	25,000	25,000
M L Tate	25,000	25,000

Charitable donations	**2007**	**2006**
	£	**£**
During the year the company made the following payments		
Charitable donations	1,224	300

Auditors
The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985 Therefore, the auditors, Carter Backer Winter, will be deemed to be reappointed for each succeeding financial year

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board

M L Tate

Director

27/9/07

MPE ELECTRONICS LIMITED

INDEPENDENT AUDITORS' REPORT TO MPE ELECTRONICS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of MPE Electronics Limited for the year ended 31 March 2007 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 audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A 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 section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you

Basis of audit 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 section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision

Carter Backer Winter

Chartered Accountants
Registered Auditor

1 November 2007

Enterprise House
21 Buckle Street
London
E1 8NN

MPE ELECTRONICS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 £
Gross profit		1,255,622	2,014,539
Administrative expenses		(1,007,790)	(1,625,101)
Operating profit	**2**	247,832	389,438
Other interest receivable and similar income		2,182	2,577
Interest payable and similar charges	**4**	(6,691)	(4,497)
Profit on ordinary activities before taxation		243,323	387,518
Tax on profit on ordinary activities	**5**	(53,210)	(55,877)
Profit for the year	**14**	190,113	331,641

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

MPE ELECTRONICS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 MARCH 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	7		358,225		479,665
Current assets					
Stocks	8	706,676		751,602	
Debtors	9	926,784		1,232,229	
Cash at bank and in hand		18,669		38,036	
		1,652,129		2,021,867	
Creditors: amounts falling due within one year	10	(960,699)		(1,338,627)	
Net current assets			691,430		683,240
Total assets less current liabilities			1,049,655		1,162,905
Creditors: amounts falling due after more than one year	11		-		(63,363)
			1,049,655		1,099,542
Capital and reserves					
Called up share capital	13		100,000		100,000
Profit and loss account	14		949,655		999,542
Shareholders' funds	15		1,049,655		1,099,542

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

Approved by the Board and authorised for issue on 27/9/07

M L Tate
Director

E W Castle
Director

MPE ELECTRONICS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	£	2007 £	£	2006 £
Net cash inflow from operating activities		376,920		618,945
Returns on investments and servicing of finance				
Interest received	2,182		2,577	
Interest paid	(6,691)		(4,497)	
Net cash outflow for returns on investments and servicing of finance		(4,509)		(1,920)
Taxation		(55,877)		(55,541)
Capital expenditure				
Payments to acquire tangible assets	(11,500)		(319,121)	
Net cash outflow for capital expenditure		(11,500)		(319,121)
Equity dividends paid		(240,000)		(240,000)
Net cash inflow before management of liquid resources and financing		65,034		2,363
Financing				
Repayment of long term bank loan	-		(52,515)	
Capital element of hire purchase contracts	(84,401)		85,453	
Net cash (outflow)/inflow from financing		(84,401)		32,938
(Decrease)/increase in cash in the year		(19,367)		35,301

MPE ELECTRONICS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

1 Reconciliation of operating profit to net cash inflow from operating activities

	2007	2006
	£	£
Operating profit	247,832	389,438
Depreciation of tangible assets	132,940	93,209
Loss on disposal of tangible assets	-	1,487
Decrease in stocks	44,926	361,808
Decrease in debtors	305,445	262,135
Decrease in creditors within one year	(354,223)	(489,132)
Net cash inflow from operating activities	376,920	618,945

2 Analysis of net debt

	1 April 2006	Cash flow	Other non-cash changes	31 March 2007
	£	£	£	£
Net cash				
Cash at bank and in hand	38,036	(19,367)	-	18,669
Bank deposits	-	-	-	-
Debt				
Finance leases	(148,012)	84,401	-	(63,611)
Net debt	(109,976)	65,034	-	(44,942)

3 Reconciliation of net cash flow to movement in net debt

	2007	2006
	£	£
(Decrease)/increase in cash in the year	(19,367)	35,301
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	84,401	(32,705)
Movement in net debt in the year	65,034	2,596
Opening net debt	(109,976)	(112,572)
Closing net debt	(44,942)	(109,976)

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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

Plant and machinery	20% Straight line
Fixtures, fittings & equipment	20% Straight line
Motor vehicles	25% Straight line

1 4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

1 5 Stock and work in progress

Stock is valued at the lower of cost and net realisable value

1 6 Pensions

The company operates a defined contribution scheme for the benefit of its employees Contributions payable are charged to the profit and loss account in the year they are payable

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

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

2 Operating profit	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	132,940	93,209
Loss on disposal of tangible assets	-	1,487
Loss on foreign exchange transactions	-	490
Operating lease rentals	74,031	74,508
Auditors' remuneration	15,883	21,218
and after crediting		
Profit on foreign exchange transactions	(135)	-

3 Investment income	2007	2006
	£	£
Bank interest	2,182	2,577

4 Interest payable	2007	2006
	£	£
On bank loans and overdrafts	-	1,525
Hire purchase interest	6,691	2,972
	6,691	4,497

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

5 Taxation	2007	2006
	£	£
Domestic current year tax		
U K corporation tax	53,210	55,877
Current tax charge	53,210	55,877
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	243,323	387,518
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19 00% (2006 - 19 00%)	46,231	73,628
Effects of		
Non deductible expenses	35	57
Depreciation add back	25,259	17,993
Capital allowances	(18,315)	(35,801)
	6,979	(17,751)
Current tax charge	53,210	55,877

6 Dividends	2007	2006
	£	£
Ordinary interim paid	240,000	240,000

7 **Tangible fixed assets**

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2006	683,670	104,809	21,004	809,483
Additions	-	-	11,500	11,500
Disposals	(114,670)	(6,668)	(9,295)	(130,633)
At 31 March 2007	569,000	98,141	23,209	690,350
Depreciation				
At 1 April 2006	264,633	48,016	17,169	329,818
On disposals	(114,670)	(6,668)	(9,295)	(130,633)
Charge for the year	109,748	19,088	4,104	132,940
At 31 March 2007	259,711	60,436	11,978	332,125
Net book value				
At 31 March 2007	309,289	37,705	11,231	358,225
At 31 March 2006	419,036	56,793	3,836	479,665

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery
	£
Net book values	
At 31 March 2007	145,830
At 31 March 2006	191,999
Depreciation charge for the year	
At 31 March 2007	46,169
At 31 March 2006	23,097

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

8 Stocks and work in progress	2007 £	2006 £
Raw materials and consumables	706,676	656,442
Work in progress	-	95,160
	706,676	751,602

Stock and work in progress are valued at the lower of cost and net realisable value

9 Debtors	2007 £	2006 £
Trade debtors	916,526	1,219,671
Other debtors	225	-
Prepayments and accrued income	10,033	12,558
	926,784	1,232,229

10 Creditors. amounts falling due within one year	2007 £	2006 £
Net obligations under hire purchase contracts	63,611	84,649
Trade creditors	438,115	825,907
Corporation tax	53,210	55,877
Other taxes and social security costs	174,464	94,464
Other creditors	139,447	253,668
Accruals and deferred income	91,852	24,062
	960,699	1,338,627

Included in other creditors is non-recourse loan of £139,447 (2006 £253,668) due to the company's bankers which is secured by a fixed charge over the present and future book debts of the company

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

11 Creditors amounts falling due after more than one year	2007 £	2006 £
Net obligations under hire purchase contracts	-	63,363
Net obligations under hire purchase contracts		
Repayable within one year	68,074	84,649
Repayable between one and five years	-	74,764
	68,074	159,413
Finance charges and interest allocated to future accounting periods	(4,463)	(11,401)
	63,611	148,012
Included in liabilities falling due within one year	(63,611)	(84,649)
	-	63,363

12 Pension costs

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	43,286	878,625

13 Share capital	2007 £	2006 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2006	999,542
Profit for the year	190,113
Dividends paid	(240,000)
Balance at 31 March 2007	949,655

15 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	190,113	331,641
Dividends	(240,000)	(240,000)
Net (depletion in)/addition to shareholders' funds	(49,887)	91,641
Opening shareholders' funds	1,099,542	1,007,901
Closing shareholders' funds	1,049,655	1,099,542

16 Financial commitments

At 31 March 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2008

	Land and buildings 2007 £	2006 £
Operating leases which expire		
Between two and five years	-	13,500
In over five years	60,000	60,000
	60,000	73,500

17 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services	429,200	292,618
Company pension contributions to money purchase schemes	43,286	878,625
	472,486	1,171,243

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2006 - 4)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	131,100	111,218
Company pension contributions to money purchase schemes	9,359	25,000

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Production	42	41
Administration	4	4
	46	45

Employment costs	2007 £	2006 £
Wages and salaries	1,276,247	1,046,208
Social security costs	114,986	104,418
Other pension costs	43,286	878,625
	1,434,519	2,029,251