

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2000
FOR
MULTIPULSE ELECTRONICS LIMITED**



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MULTIPULSE ELECTRONICS LIMITED

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for the Year Ended 30 September 2000**

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MULTIPULSE ELECTRONICS LIMITED

COMPANY INFORMATION
for the Year Ended 30 September 2000

DIRECTORS: J Fitzsimons
M C Wilson

SECRETARY: P Scott

REGISTERED OFFICE: Unit 8
Robin Hood Works
Knaphill
Woking
Surrey
GU21 2LX

REGISTERED NUMBER: 01844077

AUDITORS: Hamlyns
Registered Auditors and
Chartered Accountants
Sundial House High Street
Horsell Woking
Surrey GU21 4SU

MULTIPULSE ELECTRONICS LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 September 2000

The directors present their report with the financial statements of the company for the year ended 30 September 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture, sale and distribution of electronic components.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

An interim dividend of £5.5p per share was paid on 30 June 2000. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 September 2000 will be £275,000.

FUTURE DEVELOPMENTS

The directors are pleased to report that the company's profitability has been enhanced during this year. The company continues to broaden its customer base which it is hoped will strengthen the company's growth potential.

DIRECTORS

The directors during the year under review were:

J Fitzsimons
M C Wilson

The beneficial interests of the directors holding office on 30 September 2000 in the issued share capital of the company were as follows:

	30.9.00	1.10.99
Ordinary £1 shares		
J Fitzsimons	35,000	35,000
M C Wilson	15,000	15,000

YEAR 2000 COMPLIANCE

The directors have conducted a further review of the potential impact and extent of year 2000 compliance and the introduction of the euro on the business. The review process is continuing but, at this stage, the directors do not foresee any significant risks or costs to the business from either topic.

CREDITOR PAYMENT POLICY

While the company does not follow any specific code or standard on a payment practice, the company endeavours to ensure that all payments are made within mutually agreed credit terms. Where disputes do arise, the company attempts to settle these promptly and amicably to ensure that delays are kept to a minimum. The number of days purchases outstanding at the end of the year was 72 days.

STATEMENT OF 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.

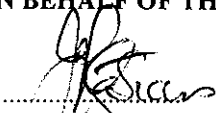
MULTIPULSE ELECTRONICS LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 30 September 2000

AUDITORS

The auditors, Hamlyn's, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

ON BEHALF OF THE BOARD:



J Fitzsimons - DIRECTOR

Dated: 17-9-2001

MULTIPULSE ELECTRONICS LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
MULTIPULSE ELECTRONICS LIMITED**

We have audited the financial statements on pages five to seventeen which have been prepared under the historical cost convention and the accounting policies set out on page eleven.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hamlyn's
Registered Auditors and
Chartered Accountants
Sundial House High Street
Horsell Woking
Surrey GU21 4SU

Dated: 17-9-2001

MULTIPULSE ELECTRONICS LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 2000

		30.9.00	30.9.99
	Notes	£	£
TURNOVER	2	4,198,067	3,992,844
Cost of sales		(2,947,249)	(2,852,530)
GROSS PROFIT		1,250,818	1,140,314
Administrative expenses		(1,015,492)	(1,053,098)
OPERATING PROFIT	4	235,326	87,216
Income from investments		-	560
Interest receivable and similar income		51,983	70,421
		287,309	158,197
Interest payable and similar charges	5	(1,463)	(2,902)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		285,846	155,295
Tax on profit on ordinary activities	6	(96,087)	(113,761)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		189,759	41,534
Dividends	7	(275,000)	-
		(85,241)	41,534
Retained profit brought forward		1,419,400	1,377,866
RETAINED PROFIT CARRIED FORWARD		<u>£1,334,159</u>	<u>£1,419,400</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

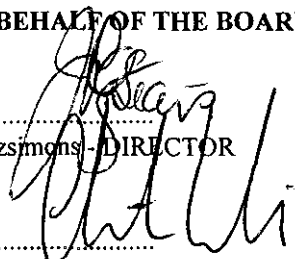
MULTIPULSE ELECTRONICS LIMITED

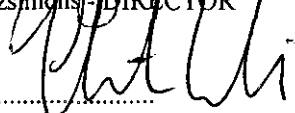
BALANCE SHEET

30 September 2000

		30.9.00	30.9.99
	Notes	£	£
FIXED ASSETS:			
Tangible assets	8	298,576	279,323
Investments	9	1	1
		<u>298,577</u>	<u>279,324</u>
CURRENT ASSETS:			
Stocks	10	196,534	131,451
Debtors	11	2,091,701	1,096,596
Cash at bank and in hand		1,023,219	1,395,011
		<u>3,311,454</u>	<u>2,623,058</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,918,713)</u>	<u>(1,125,440)</u>
NET CURRENT ASSETS:		<u>1,392,741</u>	<u>1,497,618</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		1,691,318	1,776,942
PROVISIONS FOR LIABILITIES AND CHARGES:	16	<u>(307,159)</u>	<u>(307,542)</u>
		<u>£1,384,159</u>	<u>£1,469,400</u>
CAPITAL AND RESERVES:			
Called up share capital	17	50,000	50,000
Profit and loss account		1,334,159	1,419,400
Shareholders' funds	21	<u>£1,384,159</u>	<u>£1,469,400</u>

ON BEHALF OF THE BOARD:


J Fitzsimons - DIRECTOR


M C Wilson - DIRECTOR

Approved by the Board on 17-9-2001

The notes form part of these financial statements

MULTIPULSE ELECTRONICS LIMITED

CASH FLOW STATEMENT
for the Year Ended 30 September 2000

		30.9.00	30.9.99
	Notes	£	£
Net cash inflow from operating activities	1	235,586	164,865
Returns on investments and servicing of finance	2	50,520	68,079
Taxation		344	(30,018)
Capital expenditure	2	(84,596)	(51,106)
Equity dividends paid		(275,000)	-
(Decrease)/Increase in cash in the period		<u>£(73,146)</u>	<u>£151,820</u>
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		(952,651)	121,607
Cash outflow from decrease in debt and lease financing		<u>22,815</u>	<u>4,262</u>
Change in net funds resulting from cash flows		<u>(929,836)</u>	<u>125,869</u>
Movement in net funds in the period		<u>(929,836)</u>	<u>125,869</u>
Net funds at 1 October 1999		<u>1,372,196</u>	<u>1,246,327</u>
Net funds at 30 September 2000		<u>£442,360</u>	<u>£1,372,196</u>

The notes form part of these financial statements

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 September 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.9.00 £	30.9.99 £
Operating profit	235,326	87,216
Depreciation charges	62,053	93,865
Loss on sale of fixed assets	3,290	-
Increase in stocks	(65,083)	(16,216)
Net cash inflow from operating activities	<u>235,586</u>	<u>164,865</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.9.00 £	30.9.99 £
Returns on investments and servicing of finance		
Interest received	51,983	70,421
Interest element of hire purchase payments	(1,463)	(2,902)
Dividends received	-	560
Net cash inflow for returns on investments and servicing of finance	<u>50,520</u>	<u>68,079</u>
Capital expenditure		
Purchase of tangible fixed assets	(102,813)	(51,851)
Sale of tangible fixed assets	18,217	745
Net cash outflow for capital expenditure	<u>(84,596)</u>	<u>(51,106)</u>

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 September 2000

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.99 £	Cash flow £	At 30.9.00 £
Net cash:			
Cash at bank and in hand	1,395,011	(371,792)	1,023,219
Bank overdraft	-	(580,859)	(580,859)
	<u>1,395,011</u>	<u>(952,651)</u>	<u>442,360</u>
Debt:			
Hire purchase	(22,815)	22,815	-
	<u>(22,815)</u>	<u>22,815</u>	<u>-</u>
Total	<u>1,372,196</u>	<u>(929,836)</u>	<u>442,360</u>
Analysed in Balance Sheet			
Cash at bank and in hand	1,395,011		1,023,219
Bank overdraft	-		(580,859)
Hire purchase within one year	(22,815)		-
	<u>1,372,196</u>		<u>442,360</u>

The notes form part of these financial statements

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2000

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- over remaining term of lease
Manufacturing tools	- 15% on reducing balance
Office equipment	- 15% on reducing balance
Fixtures and Fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	30.9.00	30.9.99
	£	£
Sales inside UK	2,774,750	3,861,481
Sales inside EU	1,423,317	131,363
	<u>4,198,067</u>	<u>3,992,844</u>

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2000

3. STAFF COSTS

	30.9.00	30.9.99
	£	£
Wages and salaries	374,705	377,640
Social security costs	36,954	40,251
Other pension costs	49,295	46,475
	<u>460,954</u>	<u>464,366</u>

The average monthly number of employees during the year was as follows:

	30.9.00	30.9.99
Directors	2	2
Employees	41	30
	<u>43</u>	<u>32</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	30.9.00	30.9.99
	£	£
Hire of plant and machinery	5,357	3,156
Rent - operating leases	104,664	71,745
Depreciation - owned assets	62,053	87,865
Depreciation - assets on hire purchase contracts	-	6,000
Loss on disposal of fixed assets	3,290	-
Auditors' remuneration	7,750	7,000
	<u>100,000</u>	<u>89,941</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	30.9.00	30.9.99
	£	£
Hire purchase	<u>1,463</u>	<u>2,902</u>

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.00	30.9.99
	£	£
UK corporation tax	<u>96,087</u>	<u>113,761</u>

UK corporation tax has been charged at 27% (1999 - 30%).

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2000

7. DIVIDENDS

	30.9.00 £	30.9.99 £
Equity shares:		
Interim - ordinary £1 shares	<u>275,000</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Manufacturing tools £	Office equipment £
COST:			
At 1 October 1999	171,700	106,111	42,395
Additions	<u>1,433</u>	<u>86,554</u>	<u>400</u>
At 30 September 2000	<u>173,133</u>	<u>192,665</u>	<u>42,795</u>
DEPRECIATION:			
At 1 October 1999	112,620	47,239	21,087
Charge for year	<u>13,943</u>	<u>11,471</u>	<u>3,186</u>
At 30 September 2000	<u>126,563</u>	<u>58,710</u>	<u>24,273</u>
NET BOOK VALUE:			
At 30 September 2000	<u>46,570</u>	<u>133,955</u>	<u>18,522</u>
At 30 September 1999	<u>59,080</u>	<u>58,872</u>	<u>21,308</u>

	Fixtures and Fittings £	Motor vehicles £	Computer equipment £	Totals £
COST:				
At 1 October 1999	118,858	139,663	114,033	692,760
Additions	3,946	-	10,480	102,813
Disposals	<u>-</u>	<u>(66,982)</u>	<u>-</u>	<u>(66,982)</u>
At 30 September 2000	<u>122,804</u>	<u>72,681</u>	<u>124,513</u>	<u>728,591</u>
DEPRECIATION:				
At 1 October 1999	55,605	75,192	101,694	413,437
Charge for year	9,936	16,118	7,399	62,053
Eliminated on disposals	<u>-</u>	<u>(45,475)</u>	<u>-</u>	<u>(45,475)</u>
At 30 September 2000	<u>65,541</u>	<u>45,835</u>	<u>109,093</u>	<u>430,015</u>
NET BOOK VALUE:				
At 30 September 2000	<u>57,263</u>	<u>26,846</u>	<u>15,420</u>	<u>298,576</u>
At 30 September 1999	<u>63,253</u>	<u>64,471</u>	<u>12,339</u>	<u>279,323</u>

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2000

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
At 1 October 1999	32,000
Transferred to ownership	<u>(32,000)</u>
At 30 September 2000	<u>-</u>
DEPRECIATION:	
At 1 October 1999	14,000
Transferred to ownership	<u>(14,000)</u>
At 30 September 2000	<u>-</u>
NET BOOK VALUE:	
At 30 September 2000	<u>-</u>
At 30 September 1999	<u>18,000</u>

9. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 October 1999 and 30 September 2000	<u>1</u>
NET BOOK VALUE:	
At 30 September 2000	<u>1</u>
At 30 September 1999	<u>1</u>
	30.9.00 30.9.99
	£ £
Unlisted investments	<u>1</u> <u>1</u>

10. STOCKS

	30.9.00	30.9.99
	£	£
Stock	119,644	100,085
Work in progress	<u>76,890</u>	<u>31,366</u>
	<u>196,534</u>	<u>131,451</u>

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2000

**11. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.9.00 £	30.9.99 £
Trade debtors	1,643,270	521,175
Other debtors	399,091	514,581
Prepayments	49,340	60,840
	<u>2,091,701</u>	<u>1,096,596</u>

**12. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.9.00 £	30.9.99 £
Bank loans and overdrafts (see note 13)	580,859	-
Hire purchase contracts (see note 14)	-	22,815
Trade creditors	545,771	692,399
Other creditors & accruals	457,018	87,729
Social security & other taxes	124,873	208,736
Taxation	210,192	113,761
	<u>1,918,713</u>	<u>1,125,440</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	30.9.00 £	30.9.99 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>580,859</u>	<u>-</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	30.9.00 £	Hire purchase contracts 30.9.99 £
Gross obligations repayable:		
Within one year	<u>-</u>	<u>23,727</u>
Finance charges repayable:		
Within one year	<u>-</u>	<u>912</u>
Net obligations repayable:		
Within one year	<u>-</u>	<u>22,815</u>

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2000

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following payments are committed to be paid within one year:

	30.9.00 £	Land and buildings operating leases 30.9.99 £
Expiring: Between one and five years	<u>102,500</u>	<u>90,000</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.00 £	30.9.99 £
Hire purchase contracts	<u>-</u>	<u>22,815</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

	30.9.00 £	30.9.99 £
Provision for warranty costs	<u>307,159</u>	<u>307,542</u>

The company gives a two year warranty in respect of goods sold, and makes provision for the liability by reviewing past history and current claims.

17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.00 £	30.9.99 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

18. CONTINGENT LIABILITIES

The company has given a terminable indemnity for £8,000 to its bankers in respect of a guarantee to Customs and Excise.

19. TRANSACTIONS WITH DIRECTORS

The amounts owed to Mr Fitzsimons' and Mr Wilson's from their loan accounts were £6,762 and £20,394 at 30th September 2000 respectively.

20. RELATED PARTY DISCLOSURES

Throughout the year the company was under the control of Mr. J. Fitzsimons, a director and shareholder of the company. At 30th September 2000 the amount owed to the company by Finnpulse OY was £390,720 (1999: £390,720). Finnpulse OY, a company incorporated in Finland, is a company in which Mr. Fitzsimons and Mr Wilson have an interest.

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2000

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.9.00	30.9.99
	£	£
Profit for the financial year	189,759	41,534
Dividends	(275,000)	-
NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS	(85,241)	41,534
Opening shareholders' funds	1,469,400	1,427,866
CLOSING SHAREHOLDERS' FUNDS	1,384,159	1,469,400
Equity interests	1,384,159	1,469,400