

Registered No
01844077 (England & Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001
FOR
MULTIPULSE ELECTRONICS LIMITED**



MULTIPULSE ELECTRONICS LIMITED

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for the Year Ended 30 September 2001**

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MULTIPULSE ELECTRONICS LIMITED

COMPANY INFORMATION
for the Year Ended 30 September 2001

DIRECTORS: J Fitzsimons
M C Wilson

SECRETARY: P Scott

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

REGISTERED NUMBER: 01844077 (England and Wales)

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

MULTIPULSE ELECTRONICS LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 September 2001

The directors present their report with the financial statements of the company for the year ended 30 September 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design manufacture, integration and test of communication systems and ancillary equipment.

REVIEW OF BUSINESS

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

The directors are pleased to report that the company's turnover has increased by 18% to £5,357,402 and gross profit has similarly increased. Unfortunately, the telecoms industry sustained a severe down-turn during the year which has claimed the demise of a number of substantial companies. Included in which were customers of Multipulse Electronics Limited which has resulted in considerable uncollectible debts owed to the company. This is reflected in the profit for the year, however, since the company has substantial reserves it has managed to contain the impact this would otherwise have had on the business. Had it not been for these bad debts the company would have made a profit on ordinary activities before taxation of £567,047. In the opinion of the directors the future prospects of the company are extremely favourable.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2001.

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 2001 in the issued share capital of the company were as follows:

	30.9.01	1.10.00
Ordinary £1 shares		
J Fitzsimons	35,000	35,000
M C Wilson	15,000	15,000

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 2001**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J Fitzsimons', is written over the printed name.

J Fitzsimons - DIRECTOR

Dated: 18 October 2002

MULTIPULSE ELECTRONICS LIMITED

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

We have audited the financial statements of Multipulse Electronics Limited for the year ended 30 September 2001 on pages five to fifteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hamlyns
Chartered Accountants
& Registered Auditors
Sundial House
High Street, Horsell
Woking, Surrey
GU21 4SU

Dated: 18 October 2002

MULTIPULSE ELECTRONICS LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 2001

		<u>2001</u>	<u>2000</u>
	Notes	£	£
TURNOVER	2	5,357,402	4,198,067
Cost of sales		<u>3,876,888</u>	<u>2,947,249</u>
GROSS PROFIT		1,480,514	1,250,818
Administrative expenses		<u>1,460,178</u>	<u>1,015,492</u>
OPERATING PROFIT	4	20,336	235,326
Interest receivable and similar income		<u>34,059</u>	<u>51,983</u>
		54,395	287,309
Interest payable and similar charges	5	<u>-</u>	<u>1,463</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		54,395	285,846
Tax on profit on ordinary activities	6	<u>18,992</u>	<u>96,087</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		35,403	189,759
Dividends	7	<u>-</u>	<u>275,000</u>
		35,403	(85,241)
Retained profit brought forward		<u>1,334,159</u>	<u>1,419,400</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£1,369,562</u></u>	<u><u>£1,334,159</u></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.

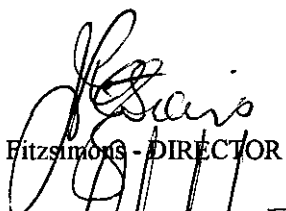
The notes form part of these financial statements

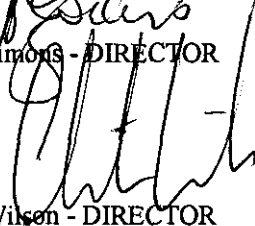
MULTIPULSE ELECTRONICS LIMITED

BALANCE SHEET
30 September 2001

		<u>2001</u>		<u>2000</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		229,673		298,576
CURRENT ASSETS:					
Stocks	9	256,003		196,534	
Debtors	10	1,802,905		2,091,701	
Cash at bank and in hand		257,472		1,023,219	
		<u>2,316,380</u>		<u>3,311,454</u>	
CREDITORS: Amounts falling due within one year	11	<u>768,782</u>		<u>1,918,712</u>	
NET CURRENT ASSETS:			<u>1,547,598</u>		<u>1,392,742</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,777,271		1,691,318
PROVISIONS FOR LIABILITIES AND CHARGES:	14		357,709		307,159
			<u>£1,419,562</u>		<u>£1,384,159</u>
CAPITAL AND RESERVES:					
Called up share capital	15		50,000		50,000
Profit and loss account			1,369,562		1,334,159
SHAREHOLDERS' FUNDS:	19		<u>£1,419,562</u>		<u>£1,384,159</u>

ON BEHALF OF THE BOARD:


J Fitzsimons - DIRECTOR


M C Wilson - DIRECTOR

Approved by the Board on 18 October 2002

The notes form part of these financial statements

MULTIPULSE ELECTRONICS LIMITED

CASH FLOW STATEMENT
for the Year Ended 30 September 2001

	Notes	2001		2000	
		£	£	£	£
Net cash outflow from operating activities	1		(110,131)		(621,103)
Returns on investments and servicing of finance	2		34,059		50,520
Taxation			(118,931)		344
Capital expenditure	2		10,114		(84,596)
Equity dividends paid			-		(275,000)
			<u>(184,889)</u>		<u>(929,835)</u>
Financing	2		-		(22,815)
Decrease in cash in the period			<u>£(184,889)</u>		<u>£(952,650)</u>
Reconciliation of net cash flow to movement in net funds	3				
Decrease in cash in the period		(184,889)		(952,650)	
Cash outflow from decrease in debt and lease financing		-		22,815	
		<u>-</u>		<u>22,815</u>	
Change in net funds resulting from cash flows			<u>(184,889)</u>		<u>(929,835)</u>
Movement in net funds in the period			<u>(184,889)</u>		<u>(929,835)</u>
Net funds at 1 October			<u>442,361</u>		<u>1,372,196</u>
Net funds at 30 September			<u>£257,472</u>		<u>£442,361</u>

The notes form part of these financial statements

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 September 2001

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

	2001 £	2000 £
Operating profit	20,336	235,326
Depreciation charges	59,276	62,053
Loss on sale of fixed assets	-	3,290
Profit on sale of fixed assets	(486)	-
Increase in warranty provisions	50,549	(382)
Increase in stocks	(59,469)	(65,083)
Decrease/(Increase) in debtors	288,796	(995,105)
(Decrease)/Increase in creditors	(469,133)	138,798
Net cash outflow from operating activities	(110,131)	(621,103)

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

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	34,059	51,983
Interest element of hire purchase or finance lease rentals payments	-	(1,463)
Net cash inflow for returns on investments and servicing of finance	34,059	50,520
Capital expenditure		
Purchase of tangible fixed assets	(13,606)	(102,813)
Sale of tangible fixed assets	23,720	18,217
Net cash inflow/(outflow) for capital expenditure	10,114	(84,596)
Financing		
Hire purchase repaid	-	(22,815)
Net cash outflow from financing	-	(22,815)

The notes form part of these financial statements

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 September 2001

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.00 £	Cash flow £	At 30.9.01 £
Net cash:			
Cash at bank and in hand	1,023,219	(765,747)	257,472
Bank overdraft	(580,858)	580,858	-
	<u>442,361</u>	<u>(184,889)</u>	<u>257,472</u>
 Total	 <u>442,361</u>	 <u>(184,889)</u>	 <u>257,472</u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 1,023,219		257,472
Bank overdraft	(580,858)		-
	<u>442,361</u>		<u>257,472</u>

The notes form part of these financial statements

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

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	- in accordance with the property
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

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:

	2001 £	2000 £
Sales inside UK	3,035,325	2,774,750
Sales inside EU	210,803	1,423,317
Sales outside EU	2,111,274	-
	<u>5,357,402</u>	<u>4,198,067</u>

MULTIPULSE ELECTRONICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2001**

3. STAFF COSTS

	2001	2000
	£	£
Wages and salaries	372,487	363,564
Social security costs	45,684	48,096
Other pension costs	51,974	49,295
	<u>470,145</u>	<u>460,955</u>

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

	2001	2000
Directors	2	2
Employees	42	41
	<u>44</u>	<u>43</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2001	2000
	£	£
Hire of plant and machinery	-	5,357
Rent - operating leases	102,870	104,664
Depreciation - owned assets	59,276	62,053
(Profit)/Loss on disposal of fixed assets	(486)	3,290
Auditors' remuneration	7,750	7,750
	<u>100,000</u>	<u>100,000</u>

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

	2001	2000
Money purchase schemes	<u>2</u>	<u>2</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
Hire purchase	<u>-</u>	<u>1,463</u>

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2001

6. TAXATION

Analysis of the tax charge

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

	2001	2000
	£	£
Current tax:		
UK corporation tax	17,980	96,087
Interest on late payment	1,012	-
	<u>18,992</u>	<u>96,087</u>
Total current tax	<u>18,992</u>	<u>96,087</u>
 Tax on profit on ordinary activities	 <u>18,992</u>	 <u>96,087</u>

UK corporation tax has been charged at 27% (2000 - 27%).

7. DIVIDENDS

	2001	2000
	£	£
Equity shares:		
Interim - ordinary £1 shares	<u>-</u>	<u>275,000</u>

8. TANGIBLE FIXED ASSETS

	Improvements to property	Manufacturing tools	Office equipment
	£	£	£
COST:			
At 1 October 2000	173,133	192,665	42,796
Additions	-	9,171	-
Disposals	-	(3,220)	-
	<u>173,133</u>	<u>198,616</u>	<u>42,796</u>
At 30 September 2001	<u>173,133</u>	<u>198,616</u>	<u>42,796</u>
 DEPRECIATION:			
At 1 October 2000	126,563	58,710	24,273
Charge for year	14,302	20,432	2,780
Eliminated on disposals	-	(121)	-
	<u>140,865</u>	<u>79,021</u>	<u>27,053</u>
At 30 September 2001	<u>140,865</u>	<u>79,021</u>	<u>27,053</u>
 NET BOOK VALUE:			
At 30 September 2001	<u>32,268</u>	<u>119,595</u>	<u>15,743</u>
At 30 September 2000	<u>46,570</u>	<u>133,955</u>	<u>18,522</u>

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2001

8. TANGIBLE FIXED ASSETS - continued

	Fixtures and Fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 October 2000	122,804	72,681	124,513	728,592
Additions	-	-	4,435	13,606
Disposals	-	(59,485)	-	(62,705)
At 30 September 2001	122,804	13,196	128,948	679,493
DEPRECIATION:				
At 1 October 2000	65,542	45,834	109,093	430,015
Charge for year	8,679	6,712	6,371	59,276
Eliminated on disposals	-	(39,350)	-	(39,471)
At 30 September 2001	74,221	13,196	115,464	449,820
NET BOOK VALUE:				
At 30 September 2001	48,583	-	13,484	229,673
At 30 September 2000	57,263	26,846	15,420	298,576

9. STOCKS

	2001	2000
	£	£
Stock	204,353	119,644
Work in progress	51,650	76,890
	256,003	196,534

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

	2001	2000
	£	£
Trade debtors	1,192,202	1,643,270
Other debtors	570,903	399,091
Prepayments	39,800	49,340
	1,802,905	2,091,701

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank loans and overdrafts (see note 12)	-	580,858
Trade creditors	364,385	545,771
Other creditors & accruals	229,100	457,018
Social security & other taxes	65,044	124,873
Taxation	110,253	210,192
	<u>768,782</u>	<u>1,918,712</u>

12. LOANS AND OVERDRAFTS

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

	2001 £	2000 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>580,858</u>

13. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	2001 £	Land and buildings operating leases 2000 £
Expiring:		
Between one and five years	<u>110,000</u>	<u>102,500</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2001 £	2000 £
Provision for warranty costs	<u>357,709</u>	<u>307,159</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.

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001 £	2000 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

MULTIPULSE ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2001

16. CONTINGENT LIABILITIES

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

17. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 30 September 2001:

	£
J Fitzsimons	
Balance outstanding at start of year	(6,762)
Balance outstanding at end of year	39,089
Maximum balance outstanding during year	<u>39,089</u>
 M C Wilson	
Balance outstanding at start of year	(20,394)
Balance outstanding at end of year	201,848
Maximum balance outstanding during year	<u>201,848</u>

The amounts owed by Mr Fitzsimons and Mr Wilson to the company were repaid in full in the following year.

18. 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 2001 the amount owed to the company by Finnpulse OY was £234,432 (2000: £390,720). Finnpulse OY, a company incorporated in Finland, is a company in which Mr. Fitzsimons and Mr Wilson have an interest.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	35,403	189,759
Dividends	-	(275,000)
Net addition/(reduction) to shareholders' funds	35,403	(85,241)
Opening shareholders' funds	<u>1,384,159</u>	<u>1,469,400</u>
Closing shareholders' funds	<u>1,419,562</u>	<u>1,384,159</u>
 Equity interests	 <u>1,419,562</u>	 <u>1,384,159</u>