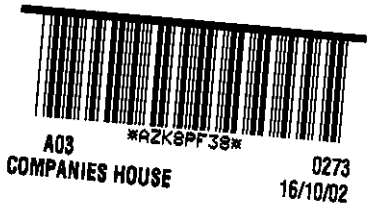
REGISTERED NUMBER: 3019029 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

FOR

TELECTRONICS SYSTEMS LIMITED



TELECTRONICS SYSTEMS LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2001

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TELECTRONICS SYSTEMS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2001

DIRECTOR:	Mr G A Dove
SECRETARY:	Karen Lorraine Singleton
REGISTERED OFFICE:	Lysons Avenue Ash Vale Hampshire GU12 5QF
REGISTERED NUMBER:	3019029 (England and Wales)
AUDITORS:	B. P. Baxter & Co. Chartered Accountants Registered Auditors 20-22, High Street Pinner Middlesex HA5 5PW
BANKERS:	Barclays Bank plc 54 High Street Ruislip Middlesex HA4 7AT

TELECTRONICS SYSTEMS LIMITED

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2001

The director presents his report with the financial statements of the company for the year ended 31st December 2001.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of installing, maintaining and training in the use of electronic till systems for the retail and leisure industry.

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

DIVIDENDS
No interim dividend was paid during the year. The director recommends a final dividend of £2.7528 per share.

The total distribution of dividends for the year ended 31st December 2001 will be £124,152.

Dividends are net and have been paid.

DIRECTOR
Mr G A Dove was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.01	1.1.01
Ordinary £1 shares	27,060	27,060

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

AUDITORS
The auditors, B. P. Baxter & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

By: Karen Lorraine Singleton - SECRETARY

Dated: 25th September 2002

TELECTRONICS SYSTEMS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO TELECTRONICS SYSTEMS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to fifteen, together with the full financial statements of the company for the year ended 31st December 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit 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 financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to fifteen are properly prepared in accordance with that provision.

B. P. Baxter & Co.
Chartered Accountants
Registered Auditors
20-22, High Street
Pinner
Middlesex
HA5 5PW

Dated: 9th October 2002

TELECTRONICS SYSTEMS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	2001	2000
		£	£
GROSS PROFIT		**1,678,377**	1,593,265
Administrative expenses		**1,077,462**	842,575
OPERATING PROFIT	3	**600,915**	750,690
Interest receivable and similar income		**13,754**	1,552
		614,669	752,242
Interest payable and similar charges	4	**2,162**	21,162
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**612,507**	731,080
Tax on profit on ordinary activities	5	**180,883**	234,751
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		**431,624**	496,329
Dividends	6	**124,152**	-
RETAINED PROFIT FOR THE YEAR		**£307,472**	£496,329

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

TELECTRONICS SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET
31ST DECEMBER 2001

	Notes	2001 £	2001 £	2000 £	2000 £
FIXED ASSETS:					
Intangible assets	7		**54,908**		109,815
Tangible assets	8		**398,753**		211,366
			453,661		321,181
CURRENT ASSETS:					
Stocks	9	**51,605**		57,268	
Debtors	10	**976,024**		1,059,844	
Cash at bank and in hand		**472,931**		459,054	
		1,500,560		1,576,166	
CREDITORS:					
Amounts falling due within one year	11	**572,746**		845,084	
NET CURRENT ASSETS:			**927,814**		731,082
TOTAL ASSETS LESS CURRENT LIABILITIES:			**1,381,475**		1,052,263
CREDITORS:					
Amounts falling due after more than one year	12		**(18,077)**		-
PROVISIONS FOR LIABILITIES AND CHARGES:	15		**(3,663)**		-
			£1,359,735		£1,052,263
CAPITAL AND RESERVES:					
Called up share capital	16		**45,100**		45,100
Profit and loss account	17		**1,314,635**		1,007,163
SHAREHOLDERS' FUNDS:	20		**£1,359,735**		£1,052,263

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

ON BEHALF OF THE BOARD:

Mr G A Dove - DIRECTOR

Approved by the Board on 25th September 2002

The notes form part of these financial statements

TELECTRONICS SYSTEMS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Net cash inflow from operating activities	1		**931,500**		632,268
Returns on investments and servicing of finance	2		**11,592**		(19,610)
Taxation			**(234,751)**		(42,110)
Capital expenditure	2		**(328,645)**		106,664
Equity dividends paid			**(124,152)**		-
			255,544		677,212
Financing	2		**(241,667)**		(255,917)
Increase in cash in the period			**£13,877**		£421,295
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		**13,877**		421,295	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		**(87,150)**		185,608	
Change in net funds resulting from cash flows			**(73,273)**		606,903
Movement in net funds in the period			**(73,273)**		606,903
Net funds/(debt) at 1st January			**459,054**		(147,849)
Net funds at 31st December			**£385,781**		£459,054

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2001

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

	2001 £	2000 £
Operating profit	**600,915**	750,690
Depreciation charges	**186,452**	150,446
Loss on disposal of fixed assets	**9,714**	36,782
(Decrease)/Increase in stocks	**5,663**	(14,091)
Decrease/(Increase) in debtors	**238,694**	(516,390)
(Decrease)/Increase in creditors	**(109,938)**	224,831
Net cash inflow from operating activities	**931,500**	632,268

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

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	**13,754**	1,552
Interest paid	**(329)**	(14,787)
Interest element of hire purchase payments	**(1,833)**	(6,375)
Net cash inflow/(outflow) for returns on investments and servicing of finance	**11,592**	(19,610)
Capital expenditure		
Purchase of tangible fixed assets	**(380,001)**	(119,110)
Sale of tangible fixed assets	**51,356**	225,774
Net cash (outflow)/inflow for capital expenditure	**(328,645)**	106,664
Financing		
Loan repayments in year	**-**	(107,233)
Capital repayments in year	**87,150**	(78,375)
Amount withdrawn by directors	**(328,817)**	(70,309)
Net cash outflow from financing	**(241,667)**	(255,917)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2001

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.01 £	Cash flow £	At 31.12.01 £
Net cash:			
Cash at bank and in hand	459,054	13,877	472,931
	459,054	13,877	472,931
Debt:			
Hire purchase	-	(87,150)	(87,150)
	-	(87,150)	(87,150)
Total	459,054	(73,273)	385,781

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 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 and services excluding value added tax.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 1997, is being written off evenly over its estimated useful life of five years.

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

Short leasehold	- Straight line over 3 years
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

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

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Operating leases
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

2. STAFF COSTS

	2001	2000
	£	£
Wages and salaries	**1,566,011**	1,275,993
Social security costs	**137,293**	115,965
Other pension costs	**32,952**	46,000
	1,736,256	1,437,958

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

	2001	2000
Direct cost Labour	**85**	84
Administration Labour	**8**	10
	93	94

3. OPERATING PROFIT

The operating profit is stated after charging:

	2001	2000
	£	£
Depreciation - owned assets	**131,544**	75,138
Loss on disposal of fixed assets	**9,714**	36,782
Goodwill written off	**54,908**	75,308
Auditors remuneration	**6,500**	6,500
Rent and services	**140,179**	45,794
Director's emoluments	**23,000**	23,000

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

Money purchase schemes	**1**	1

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
Bank interest	**79**	5,851
Interest & penalties	**250**	100
Mortgage	**-**	8,836
Hire purchase	**1,833**	6,375
	2,162	21,162

5. 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	**177,220**	229,504
Under provision of corporation tax re: last years accounts	**-**	5,247
Total current tax	**177,220**	234,751
Deferred tax:		
Deferred taxation	**3,663**	-
Tax on profit on ordinary activities	**180,883**	234,751

UK corporation tax has been charged at 27.09% (2000 - 28.72%).

6. DIVIDENDS

	2001 £	2000 £
Equity shares:		
Final	**124,152**	-

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST:	
At 1st January 2001 and 31st December 2001	**376,539**
AMORTISATION:	
At 1st January 2001	**266,723**
Charge for year	**54,908**
At 31st December 2001	**321,631**
NET BOOK VALUE:	
At 31st December 2001	**54,908**
At 31st December 2000	109,816

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST:					
At 1st January 2001	**898**	**22,952**	**250,407**	**136,107**	**410,364**
Additions	**1,471**	**100,805**	**242,015**	**35,710**	**380,001**
Disposals	-	-	**(138,297)**	-	**(138,297)**
At 31st December 2001	**2,369**	**123,757**	**354,125**	**171,817**	**652,068**
DEPRECIATION:					
At 1st January 2001	**596**	**6,564**	**127,432**	**64,406**	**198,998**
Charge for year	**596**	**17,579**	**75,980**	**37,389**	**131,544**
Eliminated on disposal	-	-	**(77,227)**	-	**(77,227)**
At 31st December 2001	**1,192**	**24,143**	**126,185**	**101,795**	**253,315**
NET BOOK VALUE:					
At 31st December 2001	**1,177**	**99,614**	**227,940**	**70,022**	**398,753**
At 31st December 2000	302	16,388	122,975	71,701	211,366

9. STOCKS

	2001 £	2000 £
Stocks	**51,605**	57,268

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Trade debtors	749,856	1,009,010
Other Debtors	900	900
Directors' current accounts	154,875	-
VAT	17,848	-
Accrued income	-	25,963
Prepayments	52,545	23,971
	976,024	1,059,844

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Hire purchase contracts (see note 13)	69,073	-
Trade creditors	230,056	288,705
Taxation	177,220	234,751
Social security and other taxes	32,728	38,564
VAT	-	44,972
Directors' current accounts	-	173,942
Accrued expenses	63,669	64,150
	572,746	845,084

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001	2000
	£	£
Hire purchase contracts (see note 13)	18,077	-

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2001	2000
	£	£
Net obligations repayable:		
Within one year	69,073	-
Between one and five years	18,077	-
	87,150	-

13. **OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued**

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

	Land and buildings operating leases	
	2001	2000
	£	£
Expiring:		
Within one year	**143,947**	21,717
Between one and five years	**523,341**	21,717
In more than five years	**438,000**	-
	1,105,288	43,434

14. **SECURED DEBTS**

The following secured debts are included within creditors:

	2001	2000
	£	£
Hire purchase contracts	**87,150**	-

The bank have a fixed and floating charge over all the company's assets in the bank's standard form of a debenture registered 24th December 1997.

The hire purchase is secured on the assets concerned.

15. **PROVISION FOR LIABILITIES AND CHARGES**

	2001	*2000*
	£	£
Deferred tax	**3,663**	-

	Deferred tax
	£
Deferred Taxation	**3,663**
Balance at 31st December 2001	**3,663**

Deferred tax provision

	2001	2000
	£	£
Deferred taxation	**3,663**	-
	3,663	-

16. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	**2001 £**	2000 £
100,000	Ordinary	£1	**100,000**	100,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2001 £**	2000 £
45,100	Ordinary	£1	**45,100**	45,100

17. RESERVES

	Profit and loss account £
At 1st January 2001	**1,007,163**
Retained profit for the year	**307,472**
At 31st December 2001	**1,314,635**

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme, Telectronics Systems Limited Scheme, for the director. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounts to £21,450 (2000 £46,000). At the balance sheet date, all contributions due had been paid.

19. TRANSACTIONS WITH DIRECTOR

The following loan to a director subsisted during the year ended 31st December 2001:

	£
Mr G A Dove	
Balance outstanding at start of year	**(173,942)**
Balance outstanding at end of year	**154,875**
Maximum balance outstanding during year	**154,875**

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	**431,624**	496,329
Dividends	**(124,152)**	-
Net addition to shareholders' funds	**307,472**	496,329
Opening shareholders' funds	**1,052,263**	555,934
Closing shareholders' funds	**1,359,735**	1,052,263
Equity interests	**1,359,735**	1,052,263

21. ULTIMATE CONTROLLING PARTY

Mr G A Dove, is the ultimate controlling party of Telectronics Systems Limited, as his share holding of 27,060 shares, together with his wife's share holding of 18,010 shares totals 99.93% of the company's total shareholding.