

TKR INTERNATIONAL LIMITED

**Directors' report and financial statements
For the 12 months ended 31 May 2000**

Registered number: 341757



TKR INTERNATIONAL LIMITED

Directors' report and financial statements

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TKR INTERNATIONAL LIMITED

Directors' report

The Directors submit their report with the financial statements of the company for the 12 months ended 31 May 2000.

Principal activities and business review

The company did not trade during the current or preceding financial period.

Directors

The directors who served during the period were as follows:-

D A Wright
N A Gerde

Directors' interests

None of the Directors have any interest in the share capital of the company. The interest of the directors in the ultimate parent company are disclosed in the accounts of that company.

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 the 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

TKR INTERNATIONAL LIMITED

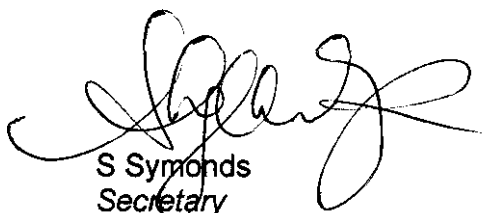
Directors' report

(continued)

- prepare 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board.



S Symonds
Secretary

10 Norwich Street
London
EC4A 1BD


TKR INTERNATIONAL LIMITED

Balance sheet
as at 31 May 2000

	<i>Note</i>	31 May 2000 £000	31 May 1999 £000
Current Assets			
Debtors	4	881	990
Creditors: Amounts falling due after more than one year.	5	(-)	(109)
Net current assets		<u>881</u>	<u>881</u>
Total assets less current liabilities		<u>881</u>	<u>881</u>
		<u>881</u>	<u>881</u>
Capital and reserves			
Called up share capital	6	2,384	2,384
Profit and loss account		<u>(1,503)</u>	<u>(1,503)</u>
Shareholders' funds			
Equity		815	815
Non-equity		66	66
	7	<u>881</u>	<u>881</u>

The Company was dormant within the meaning of Section 250 of the Companies Act 1985, throughout the period covered by these accounts.

These financial statements were approved by the board of directors on 2nd February 2001.



D A Wright
Director

TKR INTERNATIONAL LIMITED
Notes to the Accounts
at 31 May 2000

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

The company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a company incorporated in Great Britain.

Related party transactions

Under the Financial Reporting Standard 8 the company is exempt from the disclosure of transactions with other group undertakings on the grounds that it is a wholly owned subsidiary of Pacific A&E Limited, and its results are included in the consolidated financial statements of Pacific A&E Limited

2. Profit and loss account

During the year the company received no income and incurred no expenditure. Consequently, during the year the company made neither a profit or loss.

3. Directors and employees

No directors received any remuneration from the company during the period ended 31 May 2000. (*Year ended 31 May 1999: nil*).

	31 May	31 May
4. Debtors	2000	1999
	£000	£000
Amounts owed by group undertakings	<u>881</u>	<u>990</u>

5.	Creditors	31 May 2000	31 May 1999
	Amounts falling due after one year		
		£000	£000
	Amounts due to group undertakings	<u>£---</u>	<u>£109</u>

6.	Share Capital	31 May 2000	31 May 1999
		£000	£000

Authorised

Deferred ordinary shares of 25p each	2,318	2,318
Ordinary shares of 1p each	<u>66</u>	<u>66</u>
	<u>2,384</u>	<u>2,384</u>

2000	1999	2000	1999
No 000	No 000	£ 000	£ 000

Allotted, called up and fully paid

Deferred ordinary shares of 25p	9,272	9,272	2,318	2,318
Ordinary shares of 1p	<u>6,600</u>	<u>6,600</u>	<u>66</u>	<u>66</u>
	15,872	15,872	2,384	2,384

7. **Reconciliation of movements in shareholders' funds**

	31 May 2000	31 May 1999
	£000	£000
Shareholders' funds at the beginning and end of period	<u>881</u>	<u>881</u>

8. **Ultimate parent company**

The ultimate UK parent undertaking Pacific A&E Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent undertaking is Pacific Aerospace & Electronics, Inc, a public corporation listed on the NASDAQ National Markets System. The consolidated financial statements of these companies are available to the public and may be obtained from Eurolink Way, Sittingbourne, Kent ME10 3RN. No other group financial statements include the results of the company.

9. **Country of incorporation**

The company is incorporated in Great Britain and registered in England and Wales.