

**REGISTERED NUMBER: 823931 (England & Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MAY 2004  
FOR  
HOWLAND-WEST LTD T/A H W INTERNATIONAL**



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**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

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FOR THE YEAR ENDED 31ST MAY 2004**

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**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MAY 2004**

<b>DIRECTORS:</b>	D W Hartburn M Winkler
<b>SECRETARY:</b>	C Reilly
<b>REGISTERED OFFICE:</b>	167-171 Willoughby Lane London N17 0SB
<b>REGISTERED NUMBER:</b>	823931
<b>AUDITORS:</b>	Goldwyns Registered Auditor Chartered Accountants Rutland House 90-92 Baxter Avenue Southend on Sea Essex SS2 6HZ
<b>BANKERS:</b>	Barclays Bank plc Barclays House 6 East Parade Leeds LS1 2UX

**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MAY 2004**

The directors present their report with the financial statements of the company for the year ended 31st May 2004.

**REVIEW OF BUSINESS**

The company was dormant throughout the period.

**DIRECTORS**

The directors during the year under review were:

D W Hartburn

M Winkler

The directors holding office at 31st May 2004 did not hold any beneficial interest in the issued share capital of the company at 1st June 2003 or 31st May 2004.

**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

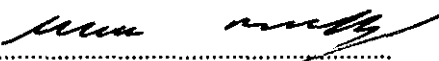
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

  
.....  
C Reilly - Secretary

Date: 12th SEPTEMBER 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
HOWLAND-WEST LTD T/A H W INTERNATIONAL**

We have audited the financial statements of Howland-West Ltd T/a H W International for the year ended 31st May 2004 on pages four to eleven. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**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**

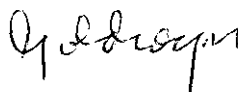
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 31st May 2004 and have been properly prepared in accordance with the Companies Act 1985.

Goldwyns  
Registered Auditor  
Chartered Accountants  
Rutland House  
90-92 Baxter Avenue  
Southend on Sea  
Essex  
SS2 6HZ



Date: 17/9/2004

# HOWLAND-WEST LTD T/A H W INTERNATIONAL

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAY 2004

	Notes	YEAR ENDED 31.5.04		PERIOD 1.3.02 TO 31.5.03	
		£	£	£	£
<b>TURNOVER</b>	2	-	-	9,075,417	
Cost of sales		-	-	<u>5,931,157</u>	
<b>GROSS PROFIT</b>		-	-	3,144,260	
Distribution costs		-	-	1,025,199	
Administrative expenses		<u>-</u>	<u>-</u>	<u>1,035,261</u>	
		-	-	<u>2,060,460</u>	
<b>OPERATING PROFIT</b>	4	-	-	1,083,800	
Interest receivable and similar income		-	-	<u>3,292</u>	
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-	1,087,092	
Tax on profit on ordinary activities	5	-	-	<u>320,012</u>	
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		-	-	767,080	
Dividends	6	-	-	<u>522,484</u>	
<b>RETAINED PROFIT FOR THE YEAR</b>		<u>-</u>	<u>-</u>	<u>244,596</u>	

### DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the previous period.

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the previous period.

**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

**BALANCE SHEET  
31ST MAY 2004**

	Notes	2004 £	2003 £
<b>CURRENT ASSETS</b>			
Debtors	7	<u>2,262,153</u>	<u>2,262,153</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,262,153</u>	<u>2,262,153</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	15,500	15,500
Profit and loss account	9	<u>2,246,653</u>	<u>2,246,653</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>2,262,153</u>	<u>2,262,153</u>

**ON BEHALF OF THE BOARD:**

.....  
D W Hartburn - Director

.....  
M Winkler - Director

Approved by the Board on 1<sup>st</sup> SEPTEMBER 2004

**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MAY 2004**

		YEAR ENDED 31.5.04 £	PERIOD 1.3.02 TO 31.5.03 £
	Notes		
Net cash inflow from operating activities	1	-	103,811
Returns on investments and servicing of finance	2	-	3,292
Taxation		-	(320,012)
Capital expenditure	2	-	559,969
Equity dividends paid		<u>-</u>	<u>(522,484)</u>
Decrease in cash in the period		<u>-</u>	<u>(175,424)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		<u>-</u>	<u>(175,424)</u>
Change in net debt resulting from cash flows		<u>-</u>	<u>(175,424)</u>
Movement in net debt in the period		-	(175,424)
Net funds at 1st June		<u>-</u>	<u>175,424</u>
Net debt at 31st May		<u>-</u>	<u>-</u>

The notes form part of these financial statements



**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MAY 2004**

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

	YEAR ENDED 31.5.04 £	PERIOD 1.3.02 TO 31.5.03 £
Operating profit	-	1,083,800
Depreciation charges	-	91,871
Profit on disposal of fixed assets	-	(478)
Decrease in stocks	-	1,109,243
Increase in debtors	-	(1,090,773)
Decrease in creditors	-	(1,089,852)
<b>Net cash inflow from operating activities</b>	<u>-</u>	<u>103,811</u>

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

	YEAR ENDED 31.5.04 £	PERIOD 1.3.02 TO 31.5.03 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	3,292
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u>-</u>	<u>3,292</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	-	(61,200)
Sale of tangible fixed assets	-	621,169
<b>Net cash inflow for capital expenditure</b>	<u>-</u>	<u>559,969</u>

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

	At 1.6.03 £	Cash flow £	At 31.5.04 £
Net cash:			
Cash at bank	<u>-</u>	<u>-</u>	<u>-</u>

# HOWLAND-WEST LTD T/A H W INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2004

### 1. ACCOUNTING POLICIES

#### Accounting convention

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

The company was dormant throughout the year ended 31st May 2004. However, reference to information relating to the period ended 31st May 2003 has been made where appropriate.

#### Turnover

Turnover represents net invoiced sales of services, 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.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### 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 in 2003 were attributable to the one principal activity of the company.

An analysis of turnover by geographical market for the period ended 31st May 2003 is given below:

	£
United Kingdom	8,788,233
Rest of the World	<u>287,184</u>
	<u>9,075,417</u>

This analysis is not considered to be applicable to the year ended 31st May 2004.

### 3. STAFF COSTS

	YEAR ENDED 31.5.04 £	PERIOD 1.3.02 TO 31.5.03 £
Wages and salaries	-	957,972
Social security costs	-	87,601
Other pension costs	-	<u>22,611</u>
	<u>-</u>	<u>1,068,184</u>

**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2004**

**3. STAFF COSTS - continued**

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

	YEAR ENDED 31.5.04	PERIOD 1.3.02 TO 31.5.03
Selling and distribution	-	19
Administration	-	7
Service and repair	<u>-</u>	<u>2</u>
	<u>-</u>	<u>28</u>

**4. OPERATING PROFIT**

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

	YEAR ENDED 31.5.04 £	PERIOD 1.3.02 TO 31.5.03 £
Depreciation - owned assets	-	91,871
Profit on disposal of fixed assets	<u>-</u>	<u>(478)</u>
Directors' emoluments	-	80,877
Directors' pension contributions to money purchase schemes	<u>-</u>	<u>7,073</u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period ended 31st May 2003 was as follows:

Current tax:	
UK corporation tax	<u>320,012</u>
Tax on profit on ordinary activities	<u>320,012</u>

**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2004**

**TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the previous period was lower than the standard rate of corporation tax in the UK. The difference is explained below:

	YEAR ENDED 31.5.04 £	PERIOD 1.3.02 TO 31.5.03 £
Profit on ordinary activities before tax	<u>-</u>	<u>1,087,092</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0% (2003 - 30%)	-	326,128
Effects of:		
Expenses not deductible for tax purposes	-	5,801
Capital allowances for the period in excess of depreciation	-	6,029
Other timing differences	-	(16,474)
Adjustment to tax charge in respect of previous year	<u>-</u>	<u>(1,472)</u>
Current tax charge	<u>-</u>	<u>320,012</u>

**6. DIVIDENDS**

	YEAR ENDED 31.5.04 £	PERIOD 1.3.02 TO 31.5.03 £
Equity shares:		
Interim	<u>-</u>	<u>522,484</u>

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

	2004 £	2003 £
Amounts owed by other group companies	<u>2,262,153</u>	<u>2,262,153</u>
	<u>2,262,153</u>	<u>2,262,153</u>

**8. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	2004	2003
16,000	Ordinary	£1	<u>16,000</u>	<u>16,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004	2003
15,500	Ordinary	£1	<u>15,500</u>	<u>15,500</u>

**HOWLAND-WEST LTD T/A H W INTERNATIONAL**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2004**

**9. RESERVES**

	Profit and loss account £
At 1st June 2003	2,246,653
Retained profit for the year	<u>-</u>
At 31st May 2004	<u><u>2,246,653</u></u>

**10. ULTIMATE PARENT COMPANY**

At 31 May 2004, the ultimate parent company was Shure Inc, a company registered in the United States.

**11. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 90% or more of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available. The group controls more than 90% of the voting rights of the company is included in the group accounts.

The immediate controlling is Shure Acquisition Holdings Inc, a company incorporated in the USA.

The ultimate controlling party, and the only company that prepares publicly available consolidated financial statements is Shure Inc, a company incorporated in the USA.

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Profit for the financial year	-	767,080
Dividends	<u>-</u>	<u>(522,484)</u>
<b>Net addition to shareholders' funds</b>	-	244,596
Opening shareholders' funds	<u>2,262,153</u>	<u>2,017,557</u>
<b>Closing shareholders' funds</b>	<u><u>2,262,153</u></u>	<u><u>2,262,153</u></u>
 Equity interests	 <u><u>2,262,153</u></u>	 <u><u>2,262,153</u></u>