

BOURNS ELECTRONICS LIMITED

FINANCIAL STATEMENTS

31st DECEMBER 2007

COMPANY REGISTRATION NUMBER 860907

THURSDAY



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BOURNS ELECTRONICS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2007

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BOURNS ELECTRONICS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

| | |
|-------------------------------|--|
| The board of directors | William McKenna Gordon Bourns |
| Company secretary | Julianusz Imre |
| Registered office | Manton Lane Bedford MK41 7BJ United Kingdom |
| Auditor | Grant Thornton Chartered Accountants & Registered Auditors 24 - 26 City Quay Dublin 2 Ireland |
| Bankers | Royal Bank of Scotland Unit 9 Bay Centre Regents Way Dalgety Bay Fife KY11 5YD United Kingdom |
| Solicitors | Dundas & Wilson CS LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EN United Kingdom |

BOURNS ELECTRONICS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st DECEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2007

PRINCIPAL ACTIVITIES

The principal activity of the company is as agent for the distribution of passive electronic components. There has been no significant change in the company's activities during the year. It is the intention of the directors to continue to develop the current activities of the company.

DIRECTORS

The directors who served the company during the year were as follows:

William McKenna
Gordon Bourns

The directors do not have any interests in the share capital of the company to be disclosed under Section 2 of Schedule 7 of the Companies Act, 1985.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint Grant Thornton as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BOURNS ELECTRONICS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2007

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
Manton Lane
Bedford
MK41 7BJ
United Kingdom

Signed by order of the directors



Juhanusz Imre
Company Secretary

Approved by the directors on 14th April 2008

BOURNS ELECTRONICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BOURNS ELECTRONICS LIMITED

YEAR ENDED 31st DECEMBER 2007

We have audited the financial statements of Bourns Electronics Limited for the year ended 31st December 2007 on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

BOURNS ELECTRONICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BOURNS ELECTRONICS LIMITED *(continued)*

YEAR ENDED 31st DECEMBER 2007

the information given in the Directors' Report is consistent with the financial statements

24 - 26 City Quay
Dublin 2
Ireland

14th April 2008


GRANT THORNTON
Chartered Accountants
& Registered Auditors

BOURNS ELECTRONICS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2007

| | Note | 2007 £ | 2006 £ |
|--|----------|-----------|-----------|
| TURNOVER | | 808,102 | 808,843 |
| Administrative expenses | | 707,247 | 703,602 |
| Other operating income | | (4,601) | - |
| OPERATING PROFIT | 1 | 105,456 | 105,241 |
| Interest receivable | | - | 264 |
| Interest payable and similar charges | | (53) | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 105,403 | 105,505 |
| Tax on profit on ordinary activities | 3 | (18,209) | 31,650 |
| PROFIT FOR THE FINANCIAL YEAR | | 123,612 | 73,855 |
| Balance brought forward | | (54,813) | (128,668) |
| Balance carried forward | | 68,799 | (54,813) |

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The accounting policies and notes on pages 8 to 12 form part of these financial statements

BOURNS ELECTRONICS LIMITED

BALANCE SHEET

31st DECEMBER 2007

| | Note | £ | 2007 £ | £ | 2006 £ |
|--|------|-----------|-----------|-----------|-----------|
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | 58,516 | | 48,457 |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 2,044,403 | | 2,015,946 | |
| Cash at bank | | 57,120 | | 20,769 | |
| | | 2,101,523 | | 2,036,715 | |
| CREDITORS Amounts falling due within one year | 6 | 55,515 | | 104,260 | |
| NET CURRENT ASSETS | | | 2,046,008 | | 1,932,455 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2,104,524 | | 1,980,912 |
| CAPITAL AND RESERVES | | | | | |
| Called-up equity share capital | 8 | | 2,035,725 | | 2,035,725 |
| Profit and loss account | | | 68,799 | | (54,813) |
| SHAREHOLDERS' FUNDS | 9 | | 2,104,524 | | 1,980,912 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors on the 14th April 2008 and are signed on their behalf by

W. P. McKenna
William McKenna
Director

The accounting policies and notes on pages 8 to 12 form part of these financial statements.

BOURNS ELECTRONICS LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31st DECEMBER 2007

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

The directors have availed of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Motor Vehicles - 25% straight line

BOURNS ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2007

1. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

| | 2007 £ | 2006 £ |
|------------------------------------|-------------------|-------------------|
| Directors' emoluments | - | - |
| Depreciation of owned fixed assets | 25,738 | 27,111 |
| Profit on disposal of fixed assets | (4,601) | - |
| | <u> </u> | <u> </u> |

2. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

| | 2007 No | 2006 No |
|--------------------------------|------------|------------|
| Number of administrative staff | <u>7</u> | <u>7</u> |

The aggregate payroll costs of the above were

| | 2007 £ | 2006 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 395,430 | 425,195 |
| Social security costs | 52,128 | 50,420 |
| Other pension costs | 49,494 | 40,627 |
| | <u>497,052</u> | <u>516,242</u> |

3. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2007 £ | 2006 £ |
|--|-----------------|---------------|
| Current tax | | |
| UK Corporation tax based on the results for the year at 30% (2006 - 30%) | - | 31,650 |
| Over/under provision in prior year | (18,209) | - |
| Total current tax | <u>(18,209)</u> | <u>31,650</u> |

BOURNS ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2007

3. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

| | 2007 £ | 2006 £ |
|--|-----------------|----------------|
| Profit on ordinary activities before taxation | <u>105,403</u> | <u>105,505</u> |
| Profit/(loss) on ordinary activities by rate of tax | 31,621 | 31,652 |
| Expenses not deductible for tax purposes | 6,659 | 3,000 |
| Difference between capital allowances and depreciation | 4,720 | 2,732 |
| Group relief claimed | (35,111) | - |
| Other timing differences | (7,889) | (5,734) |
| Adjustment to tax charge in respect of prior years | (18,209) | - |
| Total current tax (note 3(a)) | <u>(18,209)</u> | <u>31,650</u> |

4 TANGIBLE FIXED ASSETS

Motor Vehicles £

COST

| | |
|------------------------------|-----------------------|
| At 1st January 2007 | 114,121 |
| Additions | 40,558 |
| Disposals | (34,727) |
| At 31st December 2007 | <u>119,952</u> |

DEPRECIATION

| | |
|------------------------------|----------------------|
| At 1st January 2007 | 65,664 |
| Charge for the year | 25,738 |
| On disposals | (29,966) |
| At 31st December 2007 | <u>61,436</u> |

NET BOOK VALUE

| | |
|------------------------------|----------------------|
| At 31st December 2007 | <u>58,516</u> |
| At 31st December 2006 | <u>48,457</u> |

5 DEBTORS

| | 2007 £ | 2006 £ |
|------------------------------------|-------------------------|-------------------------|
| Amounts owed by group undertakings | 2,036,866 | 2,011,477 |
| VAT receivable | 933 | 1,168 |
| Prepayments and accrued income | 6,604 | 3,301 |
| | <u>2,044,403</u> | <u>2,015,946</u> |

BOURNS ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2007

6. CREDITORS Amounts falling due within one year

| | 2007 | | 2006 |
|--|---------------|--------|----------------|
| £ | £ | £ | £ |
| Trade creditors | 6,530 | | - |
| Other creditors including taxation and social security | | | |
| Corporation tax | - | 31 650 | |
| PAYE and social security | 13,134 | 13,108 | |
| Accruals and deferred income | 35,851 | 59,502 | |
| | <u>48,985</u> | | <u>104,260</u> |
| | <u>55 515</u> | | <u>104 260</u> |

7. RELATED PARTY TRANSACTIONS

The company has taken exemption from the requirement to disclose related party transactions on the basis it is a wholly owned subsidiary

8. SHARE CAPITAL

Authorised share capital

| | 2007 | 2006 |
|---|------------------|------------------|
| | £ | £ |
| 2,100,000 Ordinary shares of STG£1 each | <u>2 100,000</u> | <u>2,100 000</u> |

Allotted, called up and fully paid:

| | 2007 | | 2006 | |
|-------------------------------|-----------|-----------|-----------|-----------|
| | No | £ | No | £ |
| Ordinary shares of STG£1 each | 2,035,725 | 2,035,725 | 2,035,725 | 2,035,725 |

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2007 | 2006 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Profit for the financial year | 123,612 | 73,855 |
| Opening shareholders' funds | <u>1,980,912</u> | <u>1 907,057</u> |
| Closing shareholders' funds | <u>2,104,524</u> | <u>1,980,912</u> |

BOURNS ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2007

10 ULTIMATE PARENT COMPANY

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Bourns Incorporated, a company incorporated in the State of California, United States of America

The smallest and largest group in which the results of the company are consolidated is Bourns Incorporated. Copies of the consolidated financial statements of Bourns Incorporated are not generally available to the public.

BOURNS ELECTRONICS LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31st DECEMBER 2007

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to Error! Bookmark not defined**

BOURNS ELECTRONICS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2007

| | 2007 £ | 2006 £ |
|--------------------------------------|-------------------------|-------------------------|
| TURNOVER | 808,102 | 808 843 |
| OVERHEADS | | |
| Administrative expenses | 707,247 | 703,602 |
| | <u>100,855</u> | <u>105,241</u> |
| OTHER OPERATING INCOME | | |
| Profit on disposal of fixed assets | 4,601 | - |
| | <u>105,456</u> | <u>105,241</u> |
| OPERATING PROFIT | | |
| Bank interest receivable | - | 264 |
| | <u>105,456</u> | <u>105,505</u> |
| Bank interest payable | (53) | - |
| PROFIT ON ORDINARY ACTIVITIES | <u>105,403</u> | <u>105,505</u> |

BOURNS ELECTRONICS LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2007

| | | 2007 | | 2006 |
|--|---------|---------|---------|---------|
| | £ | £ | £ | £ |
| ADMINISTRATIVE EXPENSES | | | | |
| Personnel costs | | | | |
| Wages and salaries | 395,430 | | 425,195 | |
| Staff national insurance contributions | 52,128 | | 50,420 | |
| Staff pension contributions | 49,494 | | 40,627 | |
| | | 497,052 | | 516,242 |
| Establishment expenses | | | | |
| Rent, rates and water | 46 | | 547 | |
| Insurance | 1,112 | | 1,292 | |
| Repairs and maintenance | 1,903 | | 3,884 | |
| | | 3,061 | | 5,723 |
| General expenses | | | | |
| Other motor and travel expenses | 131,041 | | 109,011 | |
| Telephone | 37,829 | | 35,024 | |
| Printing, stationery and postage | 2,722 | | 3,265 | |
| General expenses | 2,196 | | 1,866 | |
| Other professional fees | 3,347 | | 1,299 | |
| Depreciation | 25,738 | | 27,111 | |
| | | 202,873 | | 177,576 |
| Financial costs | | | | |
| Bank charges | | 4,261 | | 4,061 |
| | | 707,247 | | 703,602 |
| INTEREST RECEIVABLE | | | | |
| Bank interest receivable | | - | | 264 |