

Compstock Electronics Limited

Directors' report and financial statements

31 March 2009

Registered number 1208652

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Compstock Electronics Limited

Directors' report and financial statements

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Compstock Electronics Limited

Directors' report

The directors present their annual report and the audited financial statements for the year to 31 March 2009.

Dividend and transfer to reserves

Prior to the discontinuing of its activities in the year to 31 March 2006, the principal activity of the company was the sale and distribution of electronic components. The company did not trade in the years to 31 March 2009 and 31 March 2008.

The retained loss for the year to 31 March 2009 was £26,793 (2008: profit £14,997). During the year to 31 March 2008 as a result of an amendment to the terms of the disposal agreement under which the trading assets and liabilities of the company were sold to former management. This amendment resulted in additional consideration of £5,000 becoming payable.

No dividends have been declared in the years to 31 March 2009 and 31 March 2008.

Directors

The directors who held office during the year were as follows:

CJ Snowdon (Chairman)
DG Robertson

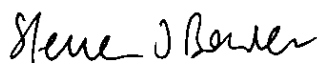
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



SJ Bowers
Secretary

Concorde House
24 Warwick New Road
Leamington Spa
Warwickshire CV32 5JG

29 July 2009

Compstock Electronics Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 its 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Compstock Electronics Limited

We have audited the financial statements of Compstock Electronics Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 misstatements 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 judgments 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.

Independent auditors' report to the members of Compstock Electronics Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

29 July 2009

Compstock Electronics Limited

Profit and loss account for the year to 31 March 2009

| | <i>Note</i> | 2009 £ | 2008 £ |
|---|---------------|------------------|------------------|
| Exceptional profit on disposal of discontinued operations | | - | 5,000 |
| Administrative expenses | | (26,793) | - |
| | | <hr/> | <hr/> |
| (Loss)/profit on ordinary activities before taxation | 2 | (26,793) | 5,000 |
| Tax on (loss)/profit on ordinary activities | 4 | - | 9,997 |
| | | <hr/> | <hr/> |
| (Loss)/profit for the year | 10, 11 | (26,793) | 14,997 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The results for the year to 31 March 2009 and 31 March 2008 shown in the profit and loss account derive wholly from discontinued operations.

Other than the (loss)/profit for the year, the company had no recognised gains or losses in either the current or preceding year.

Compstock Electronics Limited

Balance sheet

as at 31 March 2009

| | Note | 2009 £ | 2008 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Investments | 5 | - | 26,793 |
| Current assets | | | |
| Debtors | 6 | 1,417,429 | 1,417,429 |
| Creditors falling due within one year | 7 | (51,500) | (51,500) |
| Net current assets | | <u>1,365,929</u> | <u>1,365,929</u> |
| Total assets less current liabilities | | <u>1,365,929</u> | <u>1,392,722</u> |
| Creditors falling due after more than one year | 8 | (851,029) | (851,029) |
| Net assets | | <u>514,900</u> | <u>541,693</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 140,100 | 140,100 |
| Share premium account | | 399,900 | 399,900 |
| Profit and loss account | 10 | (25,100) | 1,693 |
| Shareholders' funds | 11 | <u>514,900</u> | <u>541,693</u> |

These financial statements were approved by the board of directors on 29 July 2009 and were signed on its behalf by:

CJ Snowdon

CJ Snowdon
Director

Compstock Electronics Limited

Notes *(forming part of the financial statements)*

I 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 preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. As permitted under s228 of the Companies Act 1985 the company has not prepared group accounts. Accordingly, these accounts present information for the company only.

In accordance with FRS1, a cash flow statement has not been prepared on the grounds that the company is a wholly owned subsidiary of a company which presents a consolidated cash flow statement in its accounts. As the company is a wholly owned subsidiary of Umeco plc, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Investments

Fixed asset investments in subsidiary undertakings are stated at cost, less any provision for impairment.

Taxation

The charge for tax is based on the result for the year and takes into account tax deferred because of timing differences between the treatment of certain items for tax and accounting purposes except as otherwise required by FRS19. Liabilities are calculated on a non-discounted full provision basis. Assets are recognised on the same basis, but only to the extent that it is probable they will be recovered.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Compstock Electronics Limited

Notes (continued)

2 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging:

Impairment of investment £26,793 (2008: £nil)

Auditors' remuneration payable to the company's auditors for the audit of the annual accounts was £650 (2008: £630). This remuneration is borne by Umeco plc.

3 Remuneration of directors

During the year, no options over shares in the ultimate parent undertaking, Umeco plc, were exercised by the directors. No options were exercised by the highest paid director. In the preceding year, two directors exercised options over shares in the ultimate parent undertaking, the cost of the share options was borne in another group company.

Directors' remuneration for services as a director of the company is borne by Umeco plc.

4 Taxation on (loss)/profit on ordinary activities

| | 2009 £ | 2008 £ |
|--|-----------|-----------|
| UK taxation (credit)/charge at 28% (2008: 30%) | | |
| - current year | - | 1,500 |
| - prior years | - | (11,497) |
| | <hr/> | <hr/> |
| Current taxation | - | (9,997) |
| | <hr/> | <hr/> |

The tax credit is below (2008: above) the standard rate of UK corporation tax. The reasons for this are as follows:

| | 2009 £ | 2008 £ |
|--|-----------|-----------|
| (Loss)/profit on ordinary activities before taxation | (26,793) | 5,000 |
| | <hr/> | <hr/> |
| (Loss)/profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax | (7,502) | 1,500 |
| Effects of adjustment in respect of prior years | - | (11,497) |
| Disallowable expenditure | 7,502 | - |
| | <hr/> | <hr/> |
| | - | (9,997) |
| | <hr/> | <hr/> |

Compstock Electronics Limited

Notes (continued)

5 Fixed asset investment

| | Shares in group undertakings £ |
|--|--------------------------------------|
| Cost at start and end of year | 51,793 |
| | ===== |
| Provision at start of year | (25,000) |
| Impairment charge for the year | (26,793) |
| Provision at end of year | (51,793) |
| | ===== |
| Net book value at 31 March 2009 | - |
| Net book value at 31 March 2008 | 26,793 |

The fixed asset investment represents an investment in the entire issued share capital of GW Stewart Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The company has been dormant throughout the current and preceding years.

6 Debtors

| | 2009 £ | 2008 £ |
|--|-----------|-----------|
| <i>Amounts due within one year</i> | | |
| Other debtors | 60,000 | 60,000 |
| <i>Amounts due after one year</i> | | |
| Amounts owed by ultimate parent company | 60,627 | 60,627 |
| Amounts owed by fellow subsidiary undertakings | 1,264,302 | 1,264,302 |
| Other debtors | 32,500 | 32,500 |
| | ===== | ===== |
| | 1,417,429 | 1,417,429 |
| | ===== | ===== |

Compstock Electronics Limited

Notes (continued)

7 Creditors falling due within one year

| | 2009 £ | 2008 £ |
|--|---------------|---------------|
| Other creditors including tax and social security | 1,500 | 1,500 |
| Accruals and deferred income | 50,000 | 50,000 |
| | <u>51,500</u> | <u>51,500</u> |
| <i>Other creditors including tax and social security comprise:</i> | | |
| Corporation tax | <u>1,500</u> | <u>1,500</u> |

8 Creditors falling due after more than one year

| | 2009 £ | 2008 £ |
|--|----------------|----------------|
| Amounts owed to fellow subsidiary undertakings | 351,029 | 351,029 |
| 8.5% cumulative convertible preference shares of £1 each | 300,000 | 300,000 |
| 8.5% cumulative redeemable preference shares of £1 each | 200,000 | 200,000 |
| | <u>851,029</u> | <u>851,029</u> |

The cumulative redeemable preference shares are redeemable by the Company at par value in five annual instalments, commencing in 1992 or immediately in the event of a sale of the business or a financing. The Company may also voluntarily redeem the shares at any time. The cumulative convertible preference shares have conversion rights in the event of the sale or refinancing of the business. The conversion rate is to be determined in accordance with a formula detailed in the Articles of Association. Following conversion, the ordinary shares will rank *pari passu* with other ordinary shares in the Company.

All preference shareholders are entitled to receive a fixed cumulative dividend at the rate of 8.5% per annum on the nominal amount, however the holders of all of the preference shares have waived their entitlement to past and present dividends.

The redeemable preference shares rank ahead of the convertible preference shares as regards return of capital and payment of dividends. After repayment of their nominal value and any accrued unpaid dividend the convertible preference shares have a right of participation in the assets of the Company as though they had been converted into ordinary shares. The preference shares do not carry voting rights unless the preference dividends are in arrears or, in the case of the redeemable preference shares, any redemption instalments due have not been paid. Dividends on ordinary shares are only payable after dividends on preference shares. In the event of any distributions as a result of a winding up of the Company or other return of capital, the ordinary shareholders will be entitled, alongside the convertible preference shareholders, to the balance of any amounts after payments to the preference shareholders.

Compstock Electronics Limited

Notes (continued)

9 Share capital

| | 2009 £ | 2008 £ |
|--|----------------|----------------|
| <i>Authorised, allotted, called up and fully paid</i> | | |
| Ordinary shares of £1 each | 140,100 | 140,100 |
| 8.5% cumulative convertible preference shares of £1 each | 300,000 | 300,000 |
| 8.5% cumulative redeemable preference shares of £1 each | 200,000 | 200,000 |
| | <u>640,100</u> | <u>640,100</u> |
| <i>Shares classified as liabilities:</i> | | |
| 8.5% cumulative convertible preference shares of £1 each | 300,000 | 300,000 |
| 8.5% cumulative redeemable preference shares of £1 each | 200,000 | 200,000 |
| | <u>500,000</u> | <u>500,000</u> |
| <i>Shares classified in shareholders funds:</i> | | |
| Ordinary shares of £1 each | 140,100 | 140,100 |
| | <u>640,100</u> | <u>640,100</u> |

In the event of any distributions as a result of as winding up of the Company or other return of capital, the ordinary shareholders will be entitled, alongside the convertible preference shareholders, to the balance of any amounts after payments to the preference shareholders.

10 Reserves

| | 2009 £ | 2008 £ |
|------------------------------|-----------------|--------------|
| At the beginning of the year | 1,693 | (13,304) |
| (Loss)/profit for the year | (26,793) | 14,997 |
| | <u>(25,100)</u> | <u>1,693</u> |

11 Movements in shareholders' funds

| | 2009 £ | 2008 £ |
|-----------------------------------|-----------------|----------------|
| (Loss)/profit for the year | (26,793) | 14,997 |
| Net change in shareholders' funds | <u>(26,793)</u> | <u>14,997</u> |
| Opening shareholders' funds | 541,693 | 526,696 |
| Closing shareholders' funds | <u>514,900</u> | <u>541,693</u> |

Compstock Electronics Limited

Notes *(continued)*

12 **Contingent liabilities**

Under a group banking facility, the company is jointly and severally liable for the bank borrowings of certain other group companies. At 31 March 2009 this contingent liability amounted to £162,568,369 (2008: £89,213,836).

Under a group registration facility, the company is jointly and severally liable for value added tax and bank borrowings due by certain other group companies. At 31 March 2009 this contingent liability amounted to £815,602 (2008: £2,594,294).

13 **Ultimate holding company**

The ultimate holding company and ultimate controlling company is Umeco plc, a company incorporated in Great Britain and registered in England and Wales.

The results of the company are included in the consolidated accounts of Umeco plc which are available to the public and may be obtained from Umeco plc, Concorde House, 24 Warwick New Road, Leamington Spa, Warwickshire, CV32 5JG. No other group accounts include the results of the company.