

ACTIVE ELECTRONICS PLC  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2002



ACTIVE ELECTRONICS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

---

Company Registration Number: 1531348

Registered Office: Albion House  
Gordon Road  
High Wycombe  
Bucks  
HP13 6ET

Directors: P H Jones  
G L Ireland  
C L Homewood

Secretary: G L Ireland

Bankers: Lloyds TSB Bank Plc  
13 High Street  
High Wycombe  
Bucks  
HP11 2BD

Solicitors: Charsley Harrison  
Madera House  
Madera Walk  
Windsor  
Berks  
SL4 1EU

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
Churchill House  
Chalvey Road East  
Slough  
Berks  
SL1 2LS

ACTIVE ELECTRONICS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

---

INDEX	PAGE
Report of the directors	1-2
Report of the independent auditors	3-4
Accounting policies	5-6
Group profit and loss account	7
Group balance sheet	8
Company balance sheet	9
Group cash flow statement	10
Statement of total recognised gains and losses	11
Notes to the financial statements	12-21

# ACTIVE ELECTRONICS PLC

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2002

---

The directors present their report together with financial statements for the year ended 31 December 2002.

### Principal activities

The company is principally engaged in the distribution of electronic components and equipment.

### Results and future development

The profit for the year after taxation was £183,080 (2001: £230,641). A total dividend of £39,000 (2001: £39,000) was paid during the year, leaving a retained profit of £144,080 (2001: £191,641) which has been transferred to reserves.

### Directors

The directors in office during and at the end of the year are listed below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company, were as follows:

	Ordinary shares	
	2002	2001
P H Jones	-	-
G L Ireland	1	1
C L Homewood	-	-

No director had, during or at the end of the year, material interest in any contract which was significant in relation to the group's business.

### Directors' responsibilities for the financial statements

Company law in the United Kingdom 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 the group and of the profit or loss of the group 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Charitable and political contributions

Donations to charitable organisations amounted to £545 (2001: £442).

ACTIVE ELECTRONICS PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2002

---

**Payment policy**

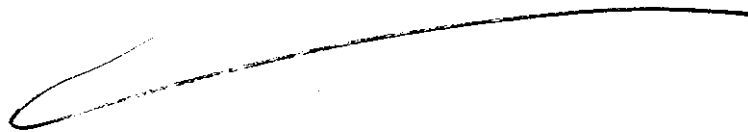
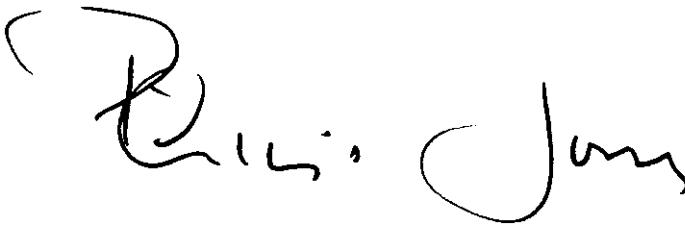
The group aims to pay suppliers when their liabilities fall due on average 30 days (2001: 30 days) in the United States and 30 days (2001 average: 30 days) in the United Kingdom. The group has paid their suppliers when their liabilities fall due on average within 30 days (2001 average: 33 days).

**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

Director



26 March 2003

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE ELECTRONICS PLC**

We have audited the financial statements of Active Electronics Plc for the year ended 31 December 2002 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and notes 1 to 23. 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 directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 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 directors' report 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of 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 group'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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE  
ELECTRONICS PLC**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
LONDON THAMES VALLEY OFFICE  
SLOUGH

26 March 2003

**PRINCIPAL ACCOUNTING POLICIES**

---

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below, other than the adoption of Financial Reporting Standard no. 19 'Deferred taxation'.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and of its subsidiaries. The financial statements of each company in the group have been prepared to 31 December 2002. All intra-group profits are eliminated on consolidation.

**Turnover**

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

**Depreciation**

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are:

Office equipment	15%
Motor vehicles	25%

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

Cost means purchase price including transport and handling costs less trade discounts, calculated on a first in first out basis.

Net realisable value means estimated selling price (less trade discounts) less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account except where they relate to the retranslation of the opening net investment on a foreign enterprise in which case the difference is recorded as a movement on reserves.



# **ACTIVE ELECTRONICS PLC**

## **PRINCIPAL ACCOUNTING POLICIES**

---

### **Leased assets**

Assets held under finance lease and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

### **Deferred tax**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax on defined benefit pension scheme surpluses or deficits is adjusted against these surpluses. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

In prior years, deferred tax was provided for by using the tax rates estimated to arise when the timing differences reverse and was accounted for to the extent that this is probable that a liability or asset will crystallise.

### **Contributions to pension funds**

#### **Defined contribution scheme**

The pension costs charged in the profit and loss account represent the amount of the contributions payable to the scheme in respect of the accounting period.

**ACTIVE ELECTRONICS PLC****GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2002**

	Note	2002 £	2001 £
<b>Turnover</b>	1	<b>11,340,858</b>	11,721,244
Cost of sales		<u>(8,942,502)</u>	<u>(9,464,571)</u>
<b>Gross profit</b>		<b>2,398,356</b>	2,256,673
Distribution costs		(81,799)	(104,538)
Administrative expenses		<u>(2,064,616)</u>	<u>(1,887,741)</u>
<b>Operating profit</b>		<b>251,941</b>	264,394
Other interest receivable and similar charges		37,207	47,526
Interest payable and similar charges	2	<u>(602)</u>	<u>(2,011)</u>
<b>Profit on ordinary activities before taxation</b>	1	<b>288,546</b>	309,909
Tax on profit on ordinary activities	4	<u>(105,466)</u>	<u>(79,268)</u>
<b>Profit on ordinary activities after taxation</b>		<b>183,080</b>	230,641
Dividends	5	<u>(39,000)</u>	<u>(39,000)</u>
<b>Profit for the financial year retained</b>	13	<u><b>144,080</b></u>	<u>191,641</u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

# ACTIVE ELECTRONICS PLC

## GROUP BALANCE SHEET AT 31 DECEMBER 2002

	Note	£	2002 £	£	2001 £
<b>Fixed assets</b>					
Tangible assets	7		151,487		172,652
<b>Current assets</b>					
Stocks	9	930,922		837,555	
Debtors	10	2,272,832		2,609,149	
Cash at bank and in hand		<u>1,301,238</u>		<u>1,058,544</u>	
		4,504,992		4,505,248	
Creditors: amounts falling due within one year	11	<u>(1,854,509)</u>		<u>(2,010,285)</u>	
<b>Net current assets</b>			<u>2,650,483</u>		<u>2,494,963</u>
<b>Total assets less current liabilities</b>			2,801,970		2,667,615
Provisions for liabilities and charges	12		<u>(9,131)</u>		<u>-</u>
			<u>2,792,839</u>		<u>2,667,615</u>
<b>Capital and reserves</b>					
Called up share capital	13		50,009		50,009
Profit and loss account	13		<u>2,742,830</u>		<u>2,617,606</u>
<b>Shareholders' funds</b>			<u>2,792,839</u>		<u>2,667,615</u>

The financial statements were approved by the Board of Directors on

Director

*Ben Jones*

*26 March 2003*

The accompanying accounting policies and notes form an integral part of these financial statements.

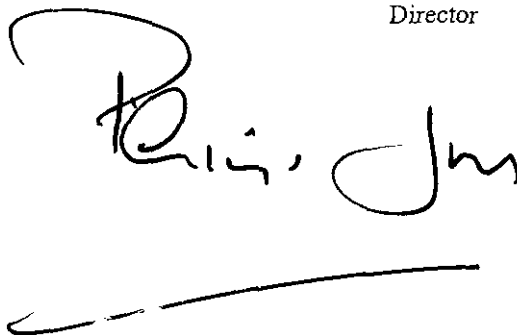
# ACTIVE ELECTRONICS PLC

## COMPANY BALANCE SHEET AT 31 DECEMBER 2002

	Note	£	2002 £	£	2001 £
<b>Fixed assets</b>					
Tangible assets	7		144,968		157,304
Investments	8		<u>1,178</u>		<u>1,178</u>
			146,146		158,482
<b>Current assets</b>					
Stocks	9	911,973		822,377	
Debtors	10	2,203,955		2,521,806	
Cash at bank and in hand		<u>1,226,120</u>		<u>1,002,033</u>	
		4,342,048		4,346,216	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,848,621)</u>		<u>(2,061,825)</u>	
<b>Net current assets</b>			<u>2,493,427</u>		<u>2,284,391</u>
<b>Total assets less current liabilities</b>			2,639,573		2,442,873
<b>Provisions for liabilities and charges</b>	12		<u>(9,131)</u>		<u>-</u>
			<u>2,630,442</u>		<u>2,442,873</u>
<b>Capital and reserves</b>					
Called up share capital	13		50,009		50,009
Profit and loss account	13		<u>2,580,433</u>		<u>2,392,864</u>
<b>Shareholders' funds</b>			<u>2,630,442</u>		<u>2,442,873</u>

The financial statements were approved by the Board of Directors on

Director



26 March 2003

The accompanying accounting policies and notes form an integral part of these financial statements.

# ACTIVE ELECTRONICS PLC

## GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	£	2002 £	£	2001 £
Net cash inflow from operating activities	14		359,795		146,467
<b>Returns on investments and servicing of finance</b>					
Interest received		38,006		47,526	
Interest paid		<u>(602)</u>		<u>(2,011)</u>	
Net cash inflow from returns on investments and servicing of finance			37,404		45,515
<b>Taxation</b>					
UK corporation tax paid		(80,640)		(92,754)	
Overseas tax received		<u>(67)</u>		<u>(525)</u>	
Net cash outflow from taxation			(80,707)		(93,279)
<b>Capital expenditure and financial investment</b>					
Purchase of fixed assets		(36,442)		(99,589)	
Proceeds on sale of fixed assets		<u>1,643</u>		<u>36,900</u>	
Net cash outflow from capital expenditure and financial investment			(34,799)		(62,689)
Equity dividends paid			<u>(39,000)</u>		<u>(39,000)</u>
Increase/(decrease) in cash in the period	16		<u>242,694</u>		<u>(2,986)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

ACTIVE ELECTRONICS PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 £	2001 £
Profit for the financial year	183,080	230,641
Currency differences on foreign exchange	<u>(18,856)</u>	<u>5,947</u>
Total recognised gains and losses for the year	<u>164,224</u>	<u>236,588</u>

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

---

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation on continuing operations are attributable to one activity, the distribution of electronic components and equipment.

An analysis of turnover by geographical market is given below:

	2002 £	2001 £
United Kingdom	10,628,487	11,081,526
Europe	46,384	105,679
Rest of the world	665,987	534,039
	<u>11,340,858</u>	<u>11,721,244</u>

The net assets of the group are used in proportion to the turnover generated in each geographical market.

The profit on ordinary activities is stated after:

	2002 £	2001 £
Auditors' remuneration		
- Audit fee	19,350	19,000
- Non audit fees	3,825	4,227
Depreciation		
- assets owned	55,054	59,612
Hire of plant and machinery	23,725	32,896
Other operating lease rentals	<u>200,281</u>	<u>142,836</u>

### 2 INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
On bank loans, overdrafts and other loans	<u>602</u>	<u>2,011</u>

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

---

### 3 DIRECTORS AND EMPLOYEES

The average number of employees of the group during the year and their aggregate emoluments are shown below:

	2002 £	2001 £
Wages and salaries	1,107,529	1,039,030
Social security costs	103,305	107,719
Other pension costs	43,452	37,811
	<u>1,254,286</u>	<u>1,184,560</u>

The average number of employees of the group during the year was:

	2002 Number	2001 Number
Administration	27	25
Sales	22	23
	<u>49</u>	<u>48</u>

Staff costs include remuneration in respect of directors, as follows:

	2002 £	2001 £
Directors remuneration	<u>196,503</u>	<u>190,247</u>

Total pension contributions in respect of directors were:

	2002 £	2001 £
Pension contributions to directors	<u>13,973</u>	<u>12,489</u>

During the year 3 directors (2001: 3 directors) participated in money purchase pension schemes.



# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the profit for the year and represents:

	2002 £	2001 £
United Kingdom corporation tax charge @ 30% (2001: 30%)	94,975	81,634
Deferred taxation	9,131	-
Overseas taxation	1,177	1,054
Double tax relief	-	(2,174)
Adjustment in respect of prior year	183	(1,246)
	<u>105,466</u>	<u>79,268</u>

### FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

	2002 £	2001 £
Profit on ordinary activities before taxation	<u>288,546</u>	<u>309,909</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax 30% (2001: 30%)	86,564	92,973
Effect of:		
Expenses not deductible for tax purposes	4,457	6,097
Capital allowances in the period in excess of depreciation	(2,153)	(4,014)
Other differences	4,053	(2,317)
Marginal relief adjustment	(10,640)	(11,105)
Effect of losses in overseas subsidiary	12,694	-
Current tax charge for the year	<u>94,975</u>	<u>81,634</u>

### 5 DIVIDENDS

	2002 £	2001 £
Equity dividend		
Ordinary shares -- interim dividend of 78p (2001: 78p) per share paid 30 March 2002 (30 March 2001)	<u>39,000</u>	<u>39,000</u>

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

---

### 6 PROFIT FOR THE FINANCIAL YEAR

The company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit before dividends but after taxation of £226,569 (2001: £235,174) which is dealt with in the financial statements of the parent company.

### 7 TANGIBLE FIXED ASSETS

The group	Office equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2002	232,729	72,986	305,715
Exchange rate movement	(4,724)	-	(4,724)
Additions	13,257	23,185	36,442
Disposals	(1,400)	(6,624)	(8,024)
At 31 December 2002	239,862	89,547	329,409
Depreciation			
At 1 January 2002	116,413	16,650	133,063
Exchange rate movement	(3,691)	-	(3,691)
Provided in the year	33,504	21,550	55,054
Disposals	(846)	(5,658)	(6,504)
At 31 December 2002	145,380	32,542	177,922
Net book value at 31 December 2002	<u>94,482</u>	<u>57,005</u>	<u>151,487</u>
Net book value at 31 December 2001	<u>116,316</u>	<u>56,336</u>	<u>172,652</u>

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

### TANGIBLE FIXED ASSETS (CONTINUED)

The company	Office equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2002	185,253	72,986	258,239
Additions	12,112	23,185	35,297
Disposals	(1,400)	(6,624)	(8,024)
At 31 December 2002	195,965	89,547	285,512
Depreciation			
At 1 January 2002	84,285	16,650	100,935
Provided in the year	24,563	21,550	46,113
Disposals	(846)	(5,658)	(6,504)
At 31 December 2002	108,002	32,542	140,544
Net book value at 31 December 2002	87,963	57,005	144,968
Net book value at 31 December 2001	100,968	56,336	157,304

8

### FIXED ASSETS INVESTMENTS

Shares in group  
companies  
£

Cost at 31 December 2002 and 1 January 2002

1,178

At 31 December 2002 the group had equity investments in the following companies:

Company name	Class of share capital held	Proportion of allotted share capital held	Nature of business
Roe Electronics Limited	Ordinary	100% *	Not trading
Genspark Limited	Ordinary	100% *	Distribution of electronic components and equipment

Roe Electronics Limited is incorporated in the United Kingdom and operates in England and Wales. Genspark Limited is incorporated in and trades from the USA, New York State.

\* Direct shareholding.

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

### 9 STOCKS

	2002 £	The group 2001	2002 £	The company 2001 £
Goods for resale	<u>930,922</u>	<u>837,555</u>	<u>911,973</u>	<u>822,377</u>

### 10 DEBTORS

	2002 £	The group 2001	2002 £	The company 2001 £
Trade debtors	2,142,283	2,490,936	2,081,879	2,414,890
Other debtors	49,375	51,143	44,328	44,385
Prepayments and accrued income	<u>81,174</u>	<u>67,070</u>	<u>77,748</u>	<u>62,531</u>
	<u>2,272,832</u>	<u>2,609,149</u>	<u>2,203,955</u>	<u>2,521,806</u>

### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	The group 2001 £	2002 £	The company 2001 £
Trade creditors	1,437,322	1,560,899	1,160,878	1,324,499
Amounts owed to group undertaking	-	-	276,659	292,628
Current taxation	96,152	81,634	96,152	81,634
Social security and other taxes	171,381	211,572	171,381	211,572
Other creditors	24,016	38,540	24,016	38,540
Accruals	<u>125,638</u>	<u>117,640</u>	<u>119,535</u>	<u>112,952</u>
	<u>1,854,509</u>	<u>2,010,285</u>	<u>1,848,621</u>	<u>2,061,825</u>

### 12 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation	
	The group £	The company £
At 1 January 2002	-	-
Provided during the year in the profit and loss account	<u>9,131</u>	<u>9,131</u>
At 31 December 2002	<u>9,131</u>	<u>9,131</u>

Deferred taxation has been provided for in respect of tax liabilities arising on accelerated capital allowances.

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

### 13 SHAREHOLDERS' FUNDS

The group	Share capital £	Profit and loss account £	Total £
At 1 January 2001	50,009	2,420,018	2,470,027
Profit for the year	-	230,641	230,641
Dividends	-	(39,000)	(39,000)
Exchange differences	-	5,947	5,947
At 1 January 2002	50,009	2,617,606	2,667,615
Profit for the year	-	183,080	183,080
Dividends	-	(39,000)	(39,000)
Exchange differences	-	(18,856)	(18,856)
At 31 December 2002	<u>50,009</u>	<u>2,742,830</u>	<u>2,792,839</u>

The group's share capital consists of 1,000,000 (2001: 1,000,000) authorised ordinary shares of which 50,009 (2001: 50,009) are allotted, called up and fully paid £1 ordinary shares.

The company	Share capital £	Profit and loss account £	Total £
At 1 January 2001	50,009	2,196,690	2,246,699
Retained profit for the year	-	235,174	235,174
Dividends	-	(39,000)	(39,000)
At 1 January 2002	50,009	2,392,864	2,442,873
Retained profit for the year	-	226,569	226,569
Dividends	-	(39,000)	(39,000)
At 31 December 2002	<u>50,009</u>	<u>2,580,433</u>	<u>2,630,442</u>

The company's share capital consists of 1,000,000 (2001: 1,000,000) authorised ordinary £1 shares of which 50,009 (2001: 50,009) are allotted, called up and fully paid £1 ordinary shares.

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

### 14 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	251,941	264,394
Depreciation	55,054	59,612
Profit on sale of tangible fixed assets	(123)	(9,930)
Unrealised exchange adjustment	(17,686)	5,137
(Increase)/decrease in stocks	(93,367)	49,540
Decrease/ (increase) in debtors	335,063	(43,126)
Decrease in creditors	(171,087)	(265,412)
Net cash inflow from operating activities	<u>359,795</u>	<u>146,467</u>

### 15 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2002 £	Cash flow £	At 31 December 2002 £
Cash in hand and at bank	<u>1,058,544</u>	<u>242,694</u>	<u>1,301,238</u>

### 16 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002 £	2001 £
Increase / (decrease) in cash	<u>242,694</u>	<u>(2,986)</u>
Change in net funds arising from cash flows	242,694	(2,986)
Net funds at start of period	<u>1,058,544</u>	<u>1,061,530</u>
Net funds at end of period	<u>1,301,238</u>	<u>1,058,544</u>

### 17 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2002 or 31 December 2001.

### 18 CONTINGENT LIABILITIES AND GUARANTEES

There were no contingent liabilities (other than deferred tax, see note 12) at 31 December 2002 or 31 December 2001 other than given to HM Customs and Excise amounting to £200,000 (2001: £200,000) in respect of a customs bond attached to the import of goods.

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

### 19 LEASING COMMITMENTS

#### The group

Operating lease payments amounting to £203,491 (2001: £168,984) are due within one year. The leases to which these amounts relate expire as follows:

	2002		2001	
	Land and building £	Other £	Land and building £	Other £
In one year or less	-	8,955	-	4,911
Between two and five years	26,355	11,993	28,882	20,191
In five years or more	155,300	888	115,000	-
	<u>181,655</u>	<u>21,836</u>	<u>143,882</u>	<u>25,102</u>

#### The company

Operating lease payments amounting to £160,254 (2001: £124,270) are due within one year. The leases to which these amounts relate expire as follows:

	2002		2001	
	Land and building £	Other £	Land and building £	Other £
In one year or less	-	4,240	-	1,809
Between two and five years	-	9,826	-	7,461
In five years or more	155,300	888	115,000	-
	<u>155,300</u>	<u>14,954</u>	<u>115,000</u>	<u>9,270</u>

### 20 PENSIONS

The group operates a defined contribution pension scheme for the benefit of the directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

### 21 POST BALANCE SHEET EVENTS

No significant events have taken place since the balance sheet date.

### 22 ULTIMATE CONTROLLING PARTY

P H and J M Jones are considered by the directors as the ultimate controlling parties of the parent undertaking as trustees of the "G Roe trust", which holds 48,486 ordinary shares of £1 each, representing 97% of the issued share capital of Active Electronics Plc.

ACTIVE ELECTRONICS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

---

23 RELATED PARTY TRANSACTIONS

The parent undertaking holds 100% of the voting rights of all of its subsidiary undertakings and as such has taken the exemption under FRS 8 'Related Party Transactions' not to disclose transactions between group entities.

The following loan balances existed at the year end with related parties:

	Group and company 2002 £	Group and company 2001 £
Mrs J A Roe – widow of G Roe (deceased) * - loan to group	(7,489)	(8,075)
S Roe – son of G Roe (deceased) * - loan from group	32,000	32,000

\* These are considered to be related parties as beneficiaries of the 'G Roe trust'.