

COMPANY REGISTRATION NUMBER 2039377

BRITON ELECTRONICS LIMITED
ABBREVIATED ACCOUNTS
FOR
30th NOVEMBER 2003



COLLETT HULANCE
Chartered Accountants & Registered Auditors
4, Goldington Road
Bedford
MK40 3NF

BRITON ELECTRONICS LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

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BRITON ELECTRONICS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	W.I. Burton A.F. Abri Mr S J Naylor
Company secretary	W.I. Burton
Registered office	4 Shuttleworth Road Elms Industrial Estate Bedford MK41 0EP
Auditors	Collett Hulance Chartered Accountants & Registered Auditors 4, Goldington Road Bedford MK40 3NF
Bankers	National Westminster Plc 81 High Street Bedford MK40 1NE

BRITON ELECTRONICS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30th NOVEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th November 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company in the year was the design and manufacture of electronic equipment to custom specification.

2003 was disappointing due to the general economic downturn but 2004 is showing a good recovery and the directors believe the company is now back on the path to strong and sustainable growth.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003	2002
	£	£
Dividends paid on ordinary shares	<u>100,000</u>	<u>25,000</u>

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	30 November 2003	1 December 2002
W.I. Burton	50	50
A.F. Abri	50	50
Mr S J Naylor	—	—

AUDITORS

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

Registered office:
4 Shuttleworth Road
Elms Industrial Estate
Bedford
MK41 0EP

Signed by order of the directors



W.I.BURTON
Company Secretary

Approved by the directors on 29th September 2004

BRITON ELECTRONICS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30th NOVEMBER 2003

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 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. The directors 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.

BRITON ELECTRONICS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 16, together with the financial statements of the company for the year ended 30th November 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B 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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with those provisions.

4, Goldington Road
Bedford
MK40 3NF



COLLETT HULANCE
Chartered Accountants
& Registered Auditors

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BRITON ELECTRONICS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30th NOVEMBER 2003

	Note	2003 £	2002 £
GROSS PROFIT		940,242	1,130,188
Administrative expenses		<u>843,527</u>	<u>921,484</u>
OPERATING PROFIT	2	96,715	208,704
Interest payable and similar charges	5	<u>20,554</u>	<u>22,875</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		76,161	185,829
Tax on profit on ordinary activities	6	<u>15,598</u>	<u>36,513</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		60,563	149,316
Dividends	7	<u>100,000</u>	<u>25,000</u>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(39,437)	124,316
Balance brought forward		<u>491,017</u>	<u>366,701</u>
Balance carried forward		<u>451,580</u>	<u>491,017</u>

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 notes on pages 9 to 16 form part of these abbreviated accounts.

BRITON ELECTRONICS LIMITED

ABBREVIATED BALANCE SHEET

30th NOVEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	8	170,172	212,342
CURRENT ASSETS			
Stocks	9	595,109	545,954
Debtors	10	738,441	833,452
Cash in hand		152	189
		<u>1,333,702</u>	<u>1,379,595</u>
CREDITORS: Amounts falling due within one year	11	<u>831,325</u>	<u>856,003</u>
NET CURRENT ASSETS		<u>502,377</u>	<u>523,592</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>672,549</u>	<u>735,934</u>
CREDITORS: Amounts falling due after more than one year	12	<u>209,649</u>	<u>230,554</u>
		<u>462,900</u>	<u>505,380</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	<u>11,220</u>	<u>14,263</u>
		<u>451,680</u>	<u>491,117</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	100	100
Profit and loss account		<u>451,580</u>	<u>491,017</u>
SHAREHOLDERS' FUNDS	17	<u>451,680</u>	<u>491,117</u>

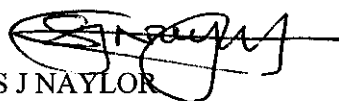
These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 29th September 2004 and are signed on their behalf by:

W.I. BURTON



MR S J NAYLOR



The notes on pages 9 to 16 form part of these abbreviated accounts.

BRITON ELECTRONICS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30th NOVEMBER 2003

	2003		2002
	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	195,241		273,199
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid	(16,796)		(19,650)
Interest element of hire purchase	<u>(3,758)</u>		<u>(3,225)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(20,554)		(22,875)
TAXATION	(37,557)		(25,404)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(13,615)		(67,548)
Receipts from sale of fixed assets	<u>—</u>		<u>2,000</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(13,615)		(65,548)
EQUITY DIVIDENDS PAID	(100,000)		(25,000)
CASH INFLOW BEFORE FINANCING	23,515		134,372
FINANCING			
(Repayment) of bank loans	(24,466)		(153,988)
Capital element of hire purchase	(18,189)		30,033
Repayment of directors' long-term loans	<u>19,103</u>		<u>(10,324)</u>
NET CASH OUTFLOW FROM FINANCING	(23,552)		(134,279)
(DECREASE)/INCREASE IN CASH	<u>(37)</u>		<u>93</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003	2002
	£	£
Operating profit	96,715	208,704
Depreciation	55,785	63,493
Loss on disposal of fixed assets	—	19
(Increase)/decrease in stocks	(49,155)	190,817
Decrease in debtors	95,011	46,749
Decrease in creditors	<u>(3,115)</u>	<u>(236,583)</u>
Net cash inflow from operating activities	<u>195,241</u>	<u>273,199</u>

The notes on pages 9 to 16 form part of these abbreviated accounts.

BRITON ELECTRONICS LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30th NOVEMBER 2003

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2003	2002
	£	£
(Decrease)/increase in cash in the period	(37)	93
Net cash outflow from bank loans	24,466	153,988
Cash outflow in respect of hire purchase	18,189	(30,033)
Net cash (inflow) from/outflow from directors' long-term loans	(19,103)	10,324
	<u>23,515</u>	<u>134,372</u>
Change in net debt	23,515	134,372
Net debt at 1 December 2002	(306,011)	(440,383)
Net debt at 30 November 2003	(282,496)	(306,011)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2002	Cash flows	At 30 Nov 2003
	£	£	£
Net cash:			
Cash in hand and at bank	<u>189</u>	<u>(37)</u>	<u>152</u>
Debt:			
Debt due within 1 year	(57,457)	2,647	(54,810)
Debt due after 1 year	(179,940)	2,716	(177,224)
Hire purchase agreements	(68,803)	18,189	(50,614)
	<u>(306,200)</u>	<u>23,552</u>	<u>(282,648)</u>
Net debt	(306,011)	23,515	(282,496)

The notes on pages 9 to 16 form part of these abbreviated accounts.

BRITON ELECTRONICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

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:

Leasehold costs	-	Over 20 years
Motor Vehicles	-	40% reducing balance
Plant & Equipment	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance
Office Equipment	-	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

BRITON ELECTRONICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation of owned fixed assets	36,608	46,527
Depreciation of assets held under hire purchase agreements	19,177	16,966
Loss on disposal of fixed assets	–	19
Operating lease costs:		
Plant and equipment	<u>18,388</u>	<u>17,546</u>

BRITON ELECTRONICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

3. PARTICULARS OF EMPLOYEES

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

	2003	2002
	No	No
Number of production staff	48	52
Number of administrative staff	6	5
Number of management staff	6	6
	<u>60</u>	<u>63</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	1,007,211	1,104,813
Social security costs	92,836	95,760
Other pension costs	33,709	29,911
	<u>1,133,756</u>	<u>1,230,484</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	116,664	188,038
Value of company pension contributions to money purchase schemes	17,132	15,111
	<u>133,796</u>	<u>203,149</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Interest payable on bank borrowing	560	4,150
Finance charges	3,758	3,225
Other similar charges payable	16,236	15,500
	<u>20,554</u>	<u>22,875</u>

BRITON ELECTRONICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 20/19%)	18,641	37,557
Over provision in prior year	—	(587)
Total current tax	<u>18,641</u>	<u>36,970</u>
Deferred tax:		
Origination and reversal of timing differences (note 14)		
Capital allowances	(3,043)	(457)
Tax on profit on ordinary activities	<u>15,598</u>	<u>36,513</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2002 - 19%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>76,161</u>	<u>185,829</u>
Profit on ordinary activities by rate of tax	14,471	35,308
Expenses not deductible for tax purposes	1,126	1,271
Depreciation in excess of capital allowances	3,044	334
Other tax rates	—	644
Over provision in prior year	—	(587)
Total current tax (note 6(a))	<u>18,641</u>	<u>36,970</u>

7. DIVIDENDS

The following dividends have been paid in respect of the year:

	2003 £	2002 £
Dividend paid on ordinary shares	<u>100,000</u>	<u>25,000</u>

BRITON ELECTRONICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

8. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST						
At 1 Dec 2002	709	411,411	69,166	18,702	91,153	591,141
Additions	—	12,026	—	—	1,589	13,615
At 30 Nov 2003	709	423,437	69,166	18,702	92,742	604,756
DEPRECIATION						
At 1 Dec 2002	484	243,545	56,892	6,364	71,514	378,799
Charge for the year	36	42,747	3,069	4,935	4,998	55,785
At 30 Nov 2003	520	286,292	59,961	11,299	76,512	434,584
NET BOOK VALUE						
At 30 Nov 2003	189	137,145	9,205	7,403	16,230	170,172
At 30 Nov 2002	225	167,866	12,274	12,338	19,639	212,342

Hire purchase agreements

Included within the net book value of £170,172 is £50,127 (2002 - £69,304) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £19,177 (2002 - £16,966).

9. STOCKS

	2003 £	2002 £
Raw materials	354,249	327,174
Work in progress	240,860	218,780
	595,109	545,954

10. DEBTORS

	2003 £	2002 £
Trade debtors	725,521	819,716
Prepayments and accrued income	12,920	13,736
	738,441	833,452

BRITON ELECTRONICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

11. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	54,810	57,457
Trade creditors	647,343	607,591
Other creditors including taxation and social security:		
Corporation tax	18,641	37,557
PAYE and social security	25,115	27,804
VAT	54,649	94,782
Hire purchase agreements	<u>18,189</u>	<u>18,189</u>
	116,594	178,332
Accruals and deferred income	<u>12,578</u>	<u>12,623</u>
	<u>831,325</u>	<u>856,003</u>

The bank overdraft and loans are secured by an unscheduled mortgage debenture dated 2/5/88, incorporating a fixed and floating charge over all current and future assets of the company.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003 £	2002 £
Bank loans and overdrafts	<u>54,809</u>	<u>57,457</u>

12. CREDITORS: Amounts falling due after more than one year

	2003 £	2002 £
Bank loans and overdrafts	150,150	171,969
Other creditors:		
Hire purchase agreements	32,425	50,614
Directors' loan accounts	<u>27,074</u>	<u>7,971</u>
	59,499	58,585
	<u>209,649</u>	<u>230,554</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2003 £	2002 £
Bank loans and overdrafts	<u>150,150</u>	<u>171,969</u>

BRITON ELECTRONICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2003 £	2002 £
Amounts payable within 1 year	21,947	21,947
Amounts payable between 2 to 5 years	40,121	62,068
	<u>62,068</u>	<u>84,015</u>
Less interest and finance charges relating to future periods	(11,454)	(15,212)
	<u>50,614</u>	<u>68,803</u>
Hire purchase agreements are analysed as follows:		
Current obligations	18,189	18,189
Non-current obligations	32,425	50,614
	<u>50,614</u>	<u>68,803</u>

14. DEFERRED TAXATION

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	14,263	14,720
Profit and loss account movement arising during the year	(3,043)	(457)
Provision carried forward	<u>11,220</u>	<u>14,263</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	11,220	14,263
	<u>11,220</u>	<u>14,263</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 30th November 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings 2003 £	2002 £
Operating leases which expire:		
Within 2 to 5 years	<u>14,810</u>	<u>12,477</u>

BRITON ELECTRONICS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30th NOVEMBER 2003

16. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	60,563	149,316
Dividends	<u>(100,000)</u>	<u>(25,000)</u>
	(39,437)	124,316
Opening shareholders' equity funds	<u>491,117</u>	366,801
Closing shareholders' equity funds	<u>451,680</u>	<u>491,117</u>