

Company Registration No. 2147523

Microecho Limited

STATUTORY FINANCIAL STATEMENTS

for the year ended

31 May 2003



Baker Tilly Chartered Accountants
2 Whitehall Quay, Leeds, LS1 4HG

Offices at: Basingstoke, Birmingham, Brighton, Bristol, Bromley,
Bury St Edmunds, Chelmsford, Chester, Coventry, Crawley, Edinburgh, Glasgow, Grimsby, Guildford, Hereford, Hull, Ipswich, Leeds, Lerwick, Liverpool, London, Manchester, Milton
Keynes, Newcastle, Newmarket, Norwich, Spalding, Stoke-on-Trent, Tunbridge Wells, Warrington, Watford, Yeovil.
Registered to carry on audit work and regulated for a range of Investment Business activities by the Institute of Chartered Accountants in England and Wales

An independent member of Baker Tilly International

Microecho Limited

DIRECTORS AND OFFICERS

DIRECTORS

Professor J D Rhodes CBE, F ENG, FRS
Dr M A P Armstrong

SECRETARY

P D Convey

COMPANY NUMBER

2147523

REGISTERED OFFICE

9 Clayton Wood Bank
West Park Ring Road
Leeds
West Yorkshire
LS16 6QZ

AUDITORS

Baker Tilly
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

Microecho Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 31 May 2003.

PRINCIPAL ACTIVITY

The company was dormant throughout the year.

DIRECTORS

The directors of the company during the year were as follows:

Professor J D Rhodes CBE, F ENG, FRS

Dr M A P Armstrong

No director held shares in the company throughout the year.

The interests of the directors in the shares of the ultimate holding undertaking, Isotek (Holdings) Limited, are given in that company's financial statements.

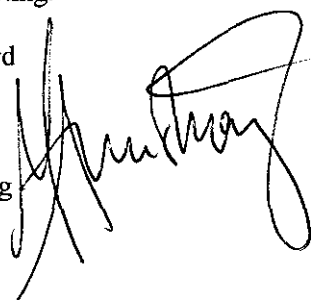
AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

By order of the Board

Dr M A P Armstrong

Director



20 Oct 2003

Microecho Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MICROECHO LIMITED

We have audited the financial statements on pages 5 to 7.

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 Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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 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 at 31 May 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG



27 October 2003

Microecho Limited

BALANCE SHEET

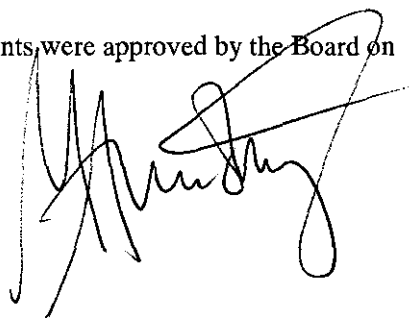
31 May 2003

	<i>Notes</i>	2003 £	2002 £
CURRENT ASSETS			
Debtors	1	2,447	2,447
CREDITORS: Amounts falling due within one year	2	36	36
		<u> </u>	<u> </u>
NET CURRENT ASSETS		2,411	2,411
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
Profit and loss account	4	2,409	2,409
		<u> </u>	<u> </u>
SHAREHOLDERS' FUNDS		2,411	2,411
		<u> </u>	<u> </u>

These financial statements were approved by the Board on 20 05 2003.

Dr M A P Armstrong

Director



Microecho Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

Microecho Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2003

1	DEBTORS	2003 £	2002 £
	Due from fellow subsidiary company	2,447	2,447
2	CREDITORS: Amounts falling due within one year	2003 £	2002 £
	Other creditors	36	36
3	CALLED UP SHARE CAPITAL	2003 £	2002 £
	Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid: 2 ordinary shares of £1 each	2	2
4	PROFIT AND LOSS ACCOUNT	2003 £	2002 £
	31 May 2003	2,409	2,409

5 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking is Isotek (Holdings) Limited, a company incorporated in Great Britain. The directors consider that by virtue of his shareholding in Isotek (Holdings) Limited, Professor J D Rhodes is the controlling party of the company.