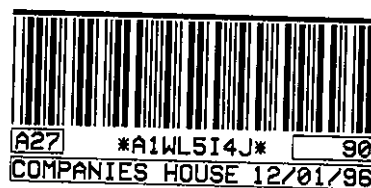


Company number: 2585109

Relectronic-Remech Ltd
(formerly Relectronic Limited)

Abbreviated Accounts
for the year ended
30th September 1995



WENN TOWNSEND
Chartered Accountants
Oxford

Relectronic-Remech Ltd

Auditors' Report to Relectronic-Remech Ltd
pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 6, together with the full accounts of Relectronic-Remech Ltd, prepared under section 226 of the Companies Act 1985, for the year ended 30th September 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those audited accounts. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of part III of Schedule 8 to that Act, in respect of the year ended 30th September 1995, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 28th November 1995 we reported, as auditors of Relectronic-Remech Ltd, to the shareholders of the company on the accounts, prepared under section 226 of the Companies Act 1985, for the year ended 30th September 1995 and our audit report was as follows:

"Report of the Auditors to the Shareholders of Relectronic-Remech Ltd

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts are free from material mis-statement, 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 accounts.

Relectronic-Remech Ltd

Auditors' Report to Relectronic-Remech Ltd
pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985 (Continued)

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Wenn Townsend

WENN TOWNSEND

Chartered Accountants and Registered Auditors

28th November 1995

Oxford

WENN TOWNSEND

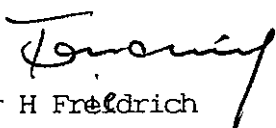
Relectronic-Remech Ltd

Balance Sheet30th September 1995

	<u>Note</u>		<u>1994</u>
Fixed assets	2		
Tangible assets		246,478	214,868
Current assets			
Stocks	3	141,620	72,488
Debtors		942,382	568,489
Cash at bank and in hand		11,222	3,627
		<hr/>	<hr/>
		1,095,224	644,604
Creditors: due within one year	4	(724,700)	(723,655)
		<hr/>	<hr/>
Net current assets/(liabilities)		370,524	(79,051)
		<hr/>	<hr/>
Total assets less current liabilities		617,002	135,817
Creditors: due after one year	4	(408,843)	(51,244)
		<hr/>	<hr/>
Net assets		£ 208,159	£ 84,573
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	5	156,000	156,000
Profit and loss account		52,159	(71,427)
		<hr/>	<hr/>
Shareholders' funds		£ 208,159	£ 84,573
		<hr/>	<hr/>

The directors have taken advantage of the exemptions conferred by Section A of part III of Schedule 8 of the Companies Act 1985. In the directors' opinion, the company is entitled to the benefit of those exemptions as a small company. The directors have taken advantage, in the preparation of the statutory accounts, of the exemptions applicable to small companies conferred by part I of Schedule 8 of the Companies Act 1985. In the directors' opinion, the company is entitled to those small company exemptions.

Signed on behalf of the board


Dr H Friedrich

Director

Notes to the accounts

1. Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

Accounting Convention

The accounts have been prepared under the historical cost convention.

Depreciation

Depreciation is provided using the following rates and bases which reflect the anticipated useful lives of the assets and their residual value:

Office and workshop equipment	20% Straight line
Office furniture and fittings	33.3% Straight line
Workshop fixtures and fittings	20% Straight line
Vehicles	20% Straight line
Leasehold improvements	Equal installments over the lease term

* Profits or losses arising on the disposal of fixed assets are adjusted in the depreciation charge for the year.

Finance Leases

Assets held under finance leases are included under fixed assets at their fair value. The assets are depreciated over their useful lives. The capital element of the future payments is treated as a liability and the interest element is charged to the profit and loss account.

Operating Leases

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against profits as incurred.

Pension Costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they are payable to the scheme.

Foreign Currency Translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Money assets and liabilities denominated in foreign currencies are translated at the rate applying at the balance sheet date. Differences are taken to the profit and loss account.

Notes to the accounts

1. Accounting Policies (Continued)

Stocks

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

Work in progress is valued at the lower of:

- (i) Direct cost and the attributable proportion of all overheads appropriate to location and condition.
- (ii) Net realisable value.

Deferred Taxation

Provision is made for deferred taxation, using the liability method, to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes, except to the extent that the directors do not consider that the liability will crystallize.

Cash Flow Statement

- The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards.

2. Fixed Assets

	<u>Tangible Assets</u>
Cost:	
At 1st October 1994	304,758
Additions	128,872
	<hr/>
At 30th September 1995	£ 433,630
	<hr/>
Depreciation:	
At 1st October 1994	89,890
Charged	97,262
	<hr/>
At 30th September 1995	£ 187,152
	<hr/>
Net book value:	
At 30th September 1995	£ 246,478
	<hr/>
At 30th September 1994	£ 214,868
	<hr/>

Notes to the accounts

3. Debtors

Included in debtors is an amount of £ 18,720 (1994:£Nil) recoverable after one year.

4. Creditors

Creditors include obligations under finance leases of £94,991 (1994: £82,255) which are secured.

5. Called Up Share Capital

	<u>1995</u>	<u>1994</u>
Authorised:		
180,000 Ordinary shares of £1 each	180,000	180,000
	<hr/>	<hr/>
	£ 180,000	£ 180,000
	<hr/>	<hr/>
Allotted and Fully Paid:		
156,000 Ordinary shares of £1 each	156,000	156,000
	<hr/>	<hr/>
	£ 156,000	£ 156,000
	<hr/>	<hr/>

6. Approval of Accounts

These accounts were approved at a meeting of the directors held on the 28th November 1995.