

**E-TEC INTERCONNECT (UK) LIMITED**  
**DIRECTORS' REPORT**  
**AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 2000**



Company No. 2817302

(Incorporated in England and Wales on 12th May 1993)

# E-TEC INTERCONNECT (UK) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G. E. Carter C. Haffter (Swiss)
<b>Secretary</b>	C. Carter
<b>Company number</b>	2817302
<b>Registered office</b>	46-48 Nelson Road Tunbridge Wells Kent TN2 5AN
<b>Accountants</b>	Julian Brown & Co 46-48 Nelson Road Tunbridge Wells Kent TN2 5AN
<b>Bankers</b>	HSBC Plc 105 Mount Pleasant Tunbridge Wells Kent TN1 1QP

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**E-TEC INTERCONNECT (UK) LIMITED**

**CONTENTS**

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	<b>Page</b>
<b>Directors' report</b>	1 to 2
<b>Accountants' report</b>	3
<b>Profit and loss account</b>	4
<b>Balance sheet</b>	5 to 6
<b>Notes to the financial statements</b>	7 to 13

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# **E-TEC INTERCONNECT (UK) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31ST OCTOBER 2000**

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The directors present their report and the financial statements for the company for the year ended 31st October 2000.

#### **Principal activities**

The company's principal activity during the year was that of the manufacture and distribution of electronic components

#### **Results**

The results for the year are set out in the profit and loss account on page 4.

An interim dividend on all classes of ordinary shares of £0.67 per share was paid on 31st October 2000.

The Profit and Loss Account surplus for the year of £3,894 has been added to Reserves. [1999: added to Reserves £6,753].

The directors consider the state of the company's affairs to be satisfactory.

#### **Directors and their interests**

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

<b><u>Name of director</u></b>	<b><u>Share type</u></b>	<b><u>At 31st October 2000</u></b>	<b><u>At 31st October 1999</u></b>
G. E. Carter	'A' ordinary	9,000	9,000
C. Haffter (Swiss)	'B' ordinary	6,000	6,000

#### **Statement of directors' responsibilities**

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 for that year. 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 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 enable them to ensure that the financial statements comply with 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.

**E-TEC INTERCONNECT (UK) LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31ST OCTOBER 2000**

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**Small company exemptions**

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board

C. Carter

C. Carter, Secretary  
46-48 Nelson Road  
Tunbridge Wells  
Kent  
TN2 5AN  
7th August 2001

**ACCOUNTANTS' REPORT TO THE DIRECTORS**  
**ON THE UNAUDITED FINANCIAL STATEMENTS OF**  
**E-TEC INTERCONNECT (UK) LIMITED**

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As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st October 2000, set out on pages 4 to 13, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Julian Brown & Co  
Chartered Accountants  
46-48 Nelson Road  
Tunbridge Wells  
Kent  
TN2 5AN  
Date: 7th August 2001

**E-TEC INTERCONNECT (UK) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST OCTOBER 2000**

	<b><u>Notes</u></b>	<b><u>2000</u></b> <b><u>£</u></b>	<b><u>1999</u></b> <b><u>£</u></b>
<b>Sales</b>	2	631,150	490,587
Cost of sales		(328,046)	(245,287)
<b>Gross profit</b>		303,104	245,300
Distribution costs		(136,104)	(109,815)
Administrative expenses		(145,234)	(123,160)
<b>Operating profit</b>	3	21,766	12,325
Interest receivable		-	183
Interest payable and similar charges		(4,150)	(4,202)
<b>Profit on ordinary activities before taxation</b>		17,616	8,306
Tax on profit on ordinary activities	5	(3,722)	(1,553)
<b>Profit for the financial year</b>		13,894	6,753
Dividends	6	(10,000)	-
<b>Retained profit for the year</b>	14	3,894	6,753
<b>Retained profit brought forward</b>		28,940	22,187
<b>Retained profit carried forward</b>		32,834	28,940

**E-TEC INTERCONNECT (UK) LIMITED****BALANCE SHEET****AS AT 31ST OCTOBER 2000**

		<b><u>2000</u></b>	<b><u>1999</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
<b>Fixed assets</b>			
Intangible assets	7	<b>28,319</b>	<b>42,478</b>
Tangible assets	8	<b>28,810</b>	<b>16,177</b>
		<b>57,129</b>	<b>58,655</b>
<b>Current assets</b>			
Stocks		<b>68,695</b>	<b>67,995</b>
Debtors	9	<b>168,996</b>	<b>149,795</b>
Cash at bank and in hand		<b>137</b>	<b>17</b>
		<b>237,828</b>	<b>217,807</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(219,951)</b>	<b>(209,141)</b>
<b>Net current assets</b>		<b>17,877</b>	<b>8,666</b>
<b>Total assets less current liabilities</b>		<b>75,006</b>	<b>67,321</b>
<b>Creditors: amounts falling due after more than one year</b>	11	<b>(12,282)</b>	<b>(5,641)</b>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	12	<b>(5,890)</b>	<b>(8,740)</b>
		<b>56,834</b>	<b>52,940</b>
<b>Capital and reserves</b>			
Share capital	13	<b>15,000</b>	<b>15,000</b>
Share premium account	14	<b>9,000</b>	<b>9,000</b>
Profit and loss account	14	<b>32,834</b>	<b>28,940</b>
<b>Shareholders' funds</b>		<b>56,834</b>	<b>52,940</b>

*The notes on pages 7 to 13 form part of these financial statements.*



**E-TEC INTERCONNECT (UK) LIMITED**

**BALANCE SHEET**

**AS AT 31ST OCTOBER 2000**

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For the financial year ended 31st October 2000, the company was entitled to exemption from audit under Section 249A(1) Companies Act 1985.

No notice has been deposited under Section 249B(2) Companies Act 1985.

The directors acknowledge their responsibilities for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000)

These financial statements were approved by the board on 7th August 2001 and signed on its behalf by:



G. E. Carter  
Director

**E-TEC INTERCONNECT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 2000**

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**1 Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**Turnover**

Turnover comprises the value of sales excluding value added tax and trade discounts.

**Tangible fixed assets and depreciation**

Depreciation has been provided in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, over their expected useful lives at the following rates per annum:

Plant and machinery	25% reducing balance basis
Motor vehicles	25% reducing balance basis
Furniture and equipment	25% reducing balance basis

**Deferred Product Development Expenditure**

The Company embarked upon a three year programme of product development from 1st November 1994. Production and administration expenses were attributed to the product development programme as follows:

	Production	Administration
Year to 31/10/95	70%	40%
Year to 31/10/96	50%	30%
Year to 31/10/97	25%	10%

These deferred expenses are being written off against profits evenly over the five years commencing 1st November 1997. The total of this expenditure over the three year programme was £70,796, and the annual write0off from 1997/98 is therefore £14,159.

**Stocks**

Stocks have been valued at the lower of historical cost or estimated net realisable value, due provision having been made for obsolete and slow-moving items.

**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.

# **E-TEC INTERCONNECT (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31ST OCTOBER 2000**

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#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction, or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### **Hire purchase and leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing 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.

#### **Taxation**

Corporation tax payable is provided on taxable profits at the rate applicable to the accounting period.

## **2 Turnover**

The percentage of turnover attributable to overseas markets was 19% (1999: 18%).

## **3 Operating profit**

*The operating profit is stated after charging or crediting:*

	<b><u>2000</u></b>	<b><u>1999</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Depreciation of tangible fixed assets:		
-owned assets	<b>3,743</b>	<b>3,916</b>
-assets held under finance leases and hire purchase	<b>5,859</b>	<b>1,477</b>
Amortisation of intangible fixed assets	<b>14,159</b>	<b>14,159</b>
Loss on disposal of fixed assets	<b>933</b>	<b>-</b>

**E-TEC INTERCONNECT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 2000**

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**4 Directors and employees**

Staff costs, including directors' remuneration, were as follows:

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Wages and salaries	135,030	105,036
Social security costs	4,887	12,913
	<u>139,917</u>	<u>117,949</u>

Directors' emoluments

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Aggregate emoluments	28,788	31,337
	<u>28,788</u>	<u>31,337</u>

**5 Taxation**

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Based on the profit for the year:		
UK corporation tax at 17.5% (1999: 20%)	6,573	4,960
Deferred tax charge	(2,851)	(1,645)
Irrecoverable ACT	-	(1,768)
	<u>3,722</u>	<u>1,547</u>
Prior periods		
UK corporation tax	-	6
	<u>3,722</u>	<u>1,553</u>

**6 Dividends**

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Ordinary dividends - paid 31st October 2000	10,000	-
Total equity dividends	<u>10,000</u>	<u>-</u>

**E-TEC INTERCONNECT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 2000**

**7 Intangible fixed assets**

	<b><u>Product Development Expenditure</u></b>	<b><u>Total</u></b>
<b>Cost</b>	<b><u>£</u></b>	<b><u>£</u></b>
At 1st November 1999	70,796	70,796
<b>At 31st October 2000</b>	<b><u>70,796</u></b>	<b><u>70,796</u></b>
 <b>Amortisation</b>		
At 1st November 1999	28,318	28,318
Provided during the year	14,159	14,159
<b>At 31st October 2000</b>	<b><u>42,477</u></b>	<b><u>42,477</u></b>
 <b>Net book value</b>		
<b>At 31st October 2000</b>	<b><u>28,319</u></b>	<b><u>28,319</u></b>
 <i>At 31st October 1999</i>	<i><u>42,478</u></i>	<i><u>42,478</u></i>

**8 Tangible fixed assets**

	<b><u>Plant and machinery</u></b>	<b><u>Motor vehicles</u></b>	<b><u>Furniture and equipment</u></b>	<b><u>Total</u></b>
<b>Cost</b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
At 1st November 1999	26,680	10,507	7,134	44,321
Additions	2,735	23,439	493	26,667
Disposals	-	(10,507)	-	(10,507)
<b>At 31st October 2000</b>	<b><u>29,415</u></b>	<b><u>23,439</u></b>	<b><u>7,627</u></b>	<b><u>60,481</u></b>
 <b>Depreciation</b>				
At 1st November 1999	18,368	6,074	3,701	28,143
Charge for the year	2,749	5,859	994	9,602
Disposals	-	(6,074)	-	(6,074)
<b>At 31st October 2000</b>	<b><u>21,117</u></b>	<b><u>5,859</u></b>	<b><u>4,695</u></b>	<b><u>31,671</u></b>
 <b>Net book value</b>				
<b>At 31st October 2000</b>	<b><u>8,298</u></b>	<b><u>17,580</u></b>	<b><u>2,932</u></b>	<b><u>28,810</u></b>
 <i>At 31st October 1999</i>	<i><u>8,312</u></i>	<i><u>4,433</u></i>	<i><u>3,433</u></i>	<i><u>16,178</u></i>

**E-TEC INTERCONNECT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 2000**

Assets held under finance leases and hire purchase originally cost £23,439 (1999: £10,507) and have a net book value of £17,580 (1999: £4,433). Depreciation charged for the year was £5,859 (1999: £1,477).

<b><u>9 Debtors</u></b>	<b><u>2000</u></b>	<b><u>1999</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Trade debtors	168,717	148,407
Other debtors	-	78
Prepayments and accrued income	279	1,310
	<b><u>168,996</u></b>	<b><u>149,795</u></b>

<b><u>10 Creditors: amounts falling due within one year</u></b>	<b><u>2000</u></b>	<b><u>1999</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Bank loans and overdrafts	54,255	46,821
Obligations under hire purchase and finance lease	6,408	2,442
Trade creditors	133,742	135,374
Corporation tax	6,573	3,192
Other taxes and social security	9,882	10,727
Other creditors	4,500	411
Accruals and deferred income	4,591	10,174
	<b><u>219,951</u></b>	<b><u>209,141</u></b>

The bank overdrafts are secured by fixed and floating charges over all of the company's assets.

<b><u>11 Creditors: amounts falling due after more than one year</u></b>	<b><u>2000</u></b>	<b><u>1999</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Bank loans and overdrafts	-	5,641
Obligations under hire purchase and finance lease	12,282	-
	<b><u>12,282</u></b>	<b><u>5,641</u></b>

# **E-TEC INTERCONNECT (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31ST OCTOBER 2000**

#### **12 Deferred taxation**

The movements in deferred taxation during the current and previous years are as follows:

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
At 1st November 1999	8,740	10,385
Movement in the year	(2,850)	(1,645)
At 31st October 2000	<u>5,890</u>	<u>8,740</u>

	<u>Amount provided</u>	
	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Accelerated capital allowances	226	245
Other timing differences	5,664	8,495
	<u>5,890</u>	<u>8,740</u>

#### **13 Share capital**

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
<b>Authorised</b>		
9,000 Ordinary shares of £1.00 each	9,000	9,000
6,000 Ordinary shares of £1.00 each	6,000	6,000
	<u>15,000</u>	<u>15,000</u>
<b>Allotted</b>		
9,000 Allotted, called up and fully paid ordinary shares of £1.00 each	9,000	9,000
6,000 Allotted, called up and fully paid ordinary shares of £1.00 each	6,000	6,000
	<u>15,000</u>	<u>15,000</u>

The two classes of share rank pari passu with one another in all respects.

**E-TEC INTERCONNECT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 2000**

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**14 Reserves**

	<b><u>Share premium account</u></b>	<b><u>Profit and loss account</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
At 1st November 1998	9,000	22,187
Profit/Loss for the year	-	6,753
At 1st November 1999	9,000	28,940
Profit for the year	-	3,894
At 31st October 2000	<b><u>9,000</u></b>	<b><u>32,834</u></b>

**15 Transactions with directors**

Included in other creditors are loans from the Directors. The loans are unsecured, interest free and repayable on demand. (2000: £4,500) [1999: £411].

**16 Controlling Party**

G. E. Carter, a director, and members of his close family, control the company as a result of controlling directly 60% of the issued ordinary share capital.