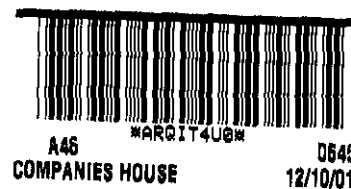


OMICRON SURFACE SCIENCE LIMITED
STATEMENT OF ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2000
COMPANY NUMBER: 3204016



AUDITORS' REPORT TO OMICRON SURFACE SCIENCE LIMITED

1.

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of Omicron Surface Science Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2000.

Respective responsibilities of directors and auditors

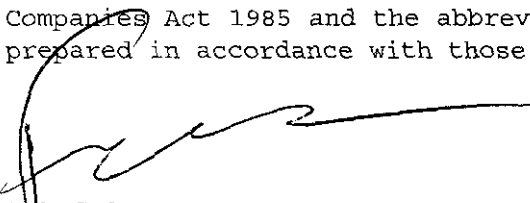
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm by reference to the audited 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 does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



F M C B
Chartered Accountants and
Registered Auditor
Hathaway House
Popes Drive
Finchley
London N3 1QF

11 October 2001

ABBREVIATED BALANCE SHEET AT 31 DECEMBER 2000

<u>FIXED ASSETS</u>	<u>Notes</u>		<u>1999</u>
Tangible Assets	4	392,095	290,030
<u>CURRENT ASSETS</u>			
Stocks		899,631	608,997
Debtors		656,810	924,172
Cash at Bank and in Hand		178,825	169
		-----	-----
		1,735,266	1,533,338
<u>CREDITORS</u>			
Amounts falling due within one year		1,138,495	1,562,026
		-----	-----
Net Current Assets (Liabilities)		596,771	(28,688)
		-----	-----
Total Assets less Current Liabilities		988,866	261,342
<u>CREDITORS</u>			
Amounts falling due after more than one year		177,500	153,460
		-----	-----
<u>NET ASSETS</u>		£811,366	£107,882
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	2	793,343	10
Profit and Loss Account		18,023	107,872
		-----	-----
		£811,366	£107,882
		=====	=====

The notes on pages 3 to 5 form part of these Accounts.

The financial statements which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies were approved by the board on 2 July 2001 and signed on its behalf.

The full financial statements on pages 4 to 11 were approved by the Board of Directors on 2 July 2001 and signed on its behalf by:

.....
N Nold

.....
C E Moore

Directors

2 July 2001

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS FOR THEYEAR ENDED 31 DECEMBER 20002. ACCOUNTING POLICIES

There have been no changes in accounting policies during the year.

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

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis. The company has reviewed the economic lives of all assets and the depreciation rates are now as stated hereunder:-

	<u>Annual Rate</u>
Leasehold Premises	Over unexpired term of lease
Equipment	20%
Furniture, Fixtures and Fittings	20%
Computer Hardware and Software	25%
Plant and Machinery	20%

Stocks

Stock and Work in Progress are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

Deferred Taxation

It is the intention of the company to continue trading and in so doing the company is pursuing a policy of constant replacement and renewals of its fixed assets. Taking, therefore, one year with another, the directors do not consider it necessary to provide for deferred taxation.

Turnover

Turnover represents total sales invoiced less credit notes, discounts and value added tax.

Pension Contributions

The costs of providing pensions for the company's employees are taken into account in arriving at the operating results, in the period during which the company derives benefit from the employees services. The company pension scheme is of the defined contribution type.

NOTES CONTINUEDFOREIGN CURRENCIES

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing at that date. Exchange differences are dealt with through the profit and loss account.

OPERATING LEASES

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease terms.

2. <u>SHARE CAPITAL</u>	<u>2000</u>	<u>1999</u>
Authorised:		
1,000 Ordinary Shares of £1 each	1,000	1,000
799,000 Redeemable Preference Shares of £1 each	799,000	-
	-----	-----
	£800,000	£1,000
	=====	=====
Issued and Fully Paid up:		
100/10 Ordinary Shares of £1 each	100	10
793,243 Redeemable Preference Shares of £1 each	793,243	-
	-----	-----
	£793,343	£ 10
	=====	=====

On 1 September 2000 the directors allotted and issued 90 fully paid up ordinary shares of £1 each ranking pari passu with those already issued.

At an Extraordinary General Meeting held on 31 December 2000, a Special Resolution was passed to increase the authorised share capital of the company from £1,000 to £800,000 by the creation of 799,000 Redeemable Preference Shares of £1 each. Another Special Resolution was passed to authorise the directors to allot and issue 799,900 shares for a period of five years commencing from the date of this resolution.

On 31 December 2000, 793,243 Redeemable Preference Shares were issued at par, in settlement of loans advanced by the parent company.

No dividend is payable to the preference shareholders. The earliest date of redemption of the preference shares is 1 January 2004 and in tranches of not less than £50,000.

3. ULTIMATE HOLDING COMPANY

Omicron Vakuumphysik Gmbh, incorporated in Germany, is regarded as the company's ultimate holding company.

NOTES CONTINUED

4. <u>TANGIBLE ASSETS</u>	<u>At</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfer</u>	<u>At end</u>
<u>Cost</u>	<u>beginning</u>				<u>of year</u>
	<u>of year</u>				
Leasehold Premises	55,071	7,982	-	21,849	84,902
Equipment	75,396	17,133	-	41,360	133,889
Furniture, Fixtures and Fittings	83,539	2,013	(51)	92,957	178,458
Computer Hardware and Software	148,331	25,685	-	26,958	200,974
Plant and Machinery	65,467	11,927	-	153,507	230,901
	-----	-----	-----	-----	-----
Total	£427,804	£64,740	£ (51)	£336,631	£829,124
	=====	=====	=====	=====	=====
<u>Depreciation</u>	<u>At</u>	<u>Charge</u>	<u>Disposals</u>	<u>Transfer</u>	<u>At end</u>
	<u>beginning</u>	<u>for year</u>			<u>of year</u>
	<u>of year</u>				
Leasehold Premises	5,507	5,576	-	3,096	14,179
Equipment	37,933	14,418	-	27,167	79,518
Furniture, Fixtures and Fittings	26,494	22,663	-	59,224	108,381
Computer Hardware and Software	65,540	33,810	-	18,418	117,768
Plant and Machinery	2,300	22,048	-	92,835	117,183
	-----	-----	-----	-----	-----
Total	£137,774	£98,515	£ -	£200,740	£437,029
	=====	=====	=====	=====	=====
<u>Net Book Value</u>			<u>31 December</u>	<u>31 December</u>	
			<u>2000</u>	<u>1999</u>	
Leasehold Premises			70,723	49,564	
Equipment			54,371	37,463	
Furniture, Fixtures and Fittings			70,077	57,045	
Computer Hardware and Software			83,206	82,791	
Plant and Machinery			113,718	63,167	
			-----	-----	
Total			£392,095	£290,030	
			=====	=====	

Following the change in depreciation policies last year, the company had written back the following overprovision of depreciation to the profit and loss accounts.

a) Leasehold Improvements	3,212
b) Equipment	7,876
c) Computer Hardware and Software	8,509

	£19,597
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