

Filtronic Cable Limited

Report and Financial Statements

31 May 1999

Registered No. 3398105



Filtronic Cable Limited

Registered No. 3398105

DIRECTORS

Professor J D Rhodes OBE F Eng FRS - Chairman
Dr H K Mardia
M P Harrison

SECRETARY

C E Schofield

AUDITORS

Ernst & Young
PO Box 61
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

BANKERS

Barclays Bank PLC
10 Market Street
Bradford
BD1 1NR

REGISTERED OFFICE

The Waterfront
Salts Mill Road
Saltaire
Shipley
West Yorkshire
BD18 3TT

Filtronic Cable Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 May 1999.

PRINCIPAL ACTIVITY

The company's principal activity is as a holding company.

REVIEW OF THE YEAR

The company has not commenced to trade.

DIRECTORS AND THEIR INTERESTS

The directors of the company during year were those listed on page 2.

None of the directors had any interest in the shares of the company during the year.

The interests of Professor J D Rhodes in the share capital of the ultimate parent undertaking, Filtronic plc, are given in that company's financial statements.

The following directors had interests in the ordinary shares of 10p in the ultimate parent undertaking Filtronic plc.

	<i>Ordinary shares of 10p each</i>	
	<i>31 May 1999</i>	<i>31 May 1998</i>
Dr H K Mardia	48,171	58,971
M P Harrison	27,190	30,000


The following directors held options over the ordinary shares of 10p each of the ultimate parent undertaking Filtronic plc.

			<i>31 May</i>	<i>Granted</i>	<i>31 May</i>
			<i>1998</i>	<i>during the</i>	<i>1999</i>
	<i>Exercise</i>	<i>Exercise</i>	<i>No.</i>	<i>year</i>	<i>No.</i>
	<i>period</i>	<i>price</i>		<i>No.</i>	
Save As You Earn Option Scheme					
Dr H K Mardia	1.4.2004 - 1.10.2004	680p	-	1,985	1,985
M P Harrison	1.4.2004 - 1.10.2004	680p	-	992	992
Executive Share Option Scheme					
Dr H K Mardia	1.10.1999 - 3.8.2008	413p	-	60,000	60,000
M P Harrison	1.10.1999 - 3.8.2008	413p	-	25,000	25,000

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the annual general meeting.

By order of the board


C E Schofield
Secretary

30 July 1999

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN THE RESPECT OF THE
FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period 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:

- 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; 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 confirm that they have complied with the above requirements.

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. 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.

REPORT OF THE AUDITORS
to the members of Filtronic Cable Limited

We have audited the financial statements on pages 6 and 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

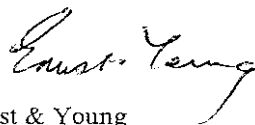
Basis of opinion

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 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 affairs of the company as at 31 May 1999 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read 'Ernst & Young', written over a horizontal line.

Ernst & Young
Registered Auditor
Leeds

30 July 1999

Filtronic Cable Limited

BALANCE SHEET

at 31 May 1999

	<i>Notes</i>	<i>1999</i> £	<i>1998</i> £
Investments	2	68,140	68,140
Called up share capital	3	68,140	68,140


Prof. J D Rhodes OBE FEng FRS - Director

30 July 1999

Filtronic Cable Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 May 1999

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidated financial statements

The company has taken advantage of Section 228 of the Companies Act 1985 not to prepare consolidated financial statements.

Investments

Investments are included at cost, less any provision for diminution in value.

2. INVESTMENTS

	<i>Subsidiary undertaking £</i>
Shares at cost:	
At 31 May 1999 and 31 May 1998	68,140

Subsidiary undertaking

<i>Name of company</i>	<i>Country of incorporation or registration</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Activity</i>
Filtronic Cable Communications Limited	England and Wales	1p ordinary shares	100%	Design and manufacture of microwave products

3. SHARE CAPITAL

		<i>Authorised</i>	<i>Allotted, called up and fully paid</i>
	<i>1999 No.</i>	<i>1998 No.</i>	<i>1999 £</i>
Ordinary shares of 1p each	15,000,000	15,000,000	68,140

4. CONTINGENT LIABILITIES

The company has given guarantees in respect of certain loans and bank borrowings of other group companies. There were contingent liabilities of £106,031,000 at 31 May 1999 (1998 - £5,549,000) in respect of these guarantees.

5. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Filtronic plc, a company registered in England and Wales.

Copies of the financial statements of Filtronic plc can be obtained from Filtronic plc, The Waterfront, Salts Mill Road, Saltaire, Shipley, West Yorkshire, BD18 3TT.