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**LC Fab Limited**

Report and Financial Statements

Year Ended

31 December 2004



**BDO**

BDO Stoy Hayward  
Chartered Accountants

**LC Fab Limited**

**Annual report and financial statements for the year ended 31 December 2004**

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**Directors**

D A R Brunt  
J R J Fenton  
S Whitney

**Secretary and registered office**

Barlow Robbins, Southern House, Guildford Road, Woking, Surrey, GU22 7UY

**Company number**

4464544

**Auditors**

BDO Stoy Hayward LLP, Park House, 102-108 Above Bar, Southampton, SO14 7NH

**Bankers**

Lloyds TSB Bank plc, 84-86 Cricklade Road, Gorse Hill, Swindon, Wiltshire, SN2 8AE

## **LC Fab Limited**

### **Report of the directors for the year ended 31 December 2004**

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The directors present their report together with the audited financial statements for the year ended 31 December 2004.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

#### **Principal activities, review of business and future developments**

The company's principal activity is to contract-manufacture silicon into circuit protection products and switching power products.

The company will continue to service its major customer Crydom Limited with new products by expanding the product line and increasing volume for this customer by 50%. The company will also make a modest investment in equipment to cover the planned increase in business.

#### **Directors**

The directors of the company during the year were:

D A R Brunt  
J R J Fenton  
S Whitney

No director had any beneficial interest in the share capital of the company at 31 December 2004 or at any time during the period.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

Under Section 325 of the Companies Act 1985, as modified by statutory instrument 1985 No 802, the directors are exempt from notifying the company of their interests in shares in a body corporate incorporated outside Great Britain.

#### **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 of the company 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; 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 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.

LC Fab Limited

Report of the directors for the year ended 31 December 2004 (*Continued*)

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**Auditors**

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the board**

Barlow Robbins

  
For and on behalf  
of Barlow Robbins Secretariat Ltd.

Secretary

Date: 10 May 2005

## **LC Fab Limited**

### **Report of the independent auditors**

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#### **To the shareholders of LC Fab Limited**

We have audited the financial statements of LC Fab Limited for the year ended 31 December 2004 on pages 5 to 18 which have been prepared under the accounting policies set out on pages 8 to 9.

#### *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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with United Kingdom 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.

LC Fab Limited

**Report of the independent auditors (Continued)**

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*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Stoy Hayward LLP*

~~BDO STOI HAYWARD LLP~~

*Chartered Accountants  
and Registered Auditors  
Southampton*

Date: *25<sup>th</sup> May 2005*

**LC Fab Limited****Profit and loss account for the year ended 31 December 2004**

|  | Note | 2004<br>£        | 2003<br>£ |
|--|------|------------------|-----------|
| <b>Turnover</b>                                      | 2    | <b>2,590,082</b> | 3,227,551 |
| Cost of sales  |      | <b>2,347,527</b> | 2,860,699 |
|  |      | <hr/>            | <hr/>     |
| <b>Gross profit</b>                                  |      | <b>242,555</b>   | 366,852   |
| Administrative expenses                              |      | <b>53,912</b>    | 102,228   |
|  |      | <hr/>            | <hr/>     |
| <b>Operating profit</b>                              | 3    | <b>188,643</b>   | 264,624   |
| Other interest receivable and similar income         |      | <b>7,181</b>     | 5,544     |
| Interest payable and similar charges                 | 6    | <b>(4,043)</b>   | (13,618)  |
|  |      | <hr/>            | <hr/>     |
| <b>Profit on ordinary activities before taxation</b> |      | <b>191,781</b>   | 256,550   |
| Taxation on profit on ordinary activities            | 7    | <b>72,814</b>    | 82,670    |
|  |      | <hr/>            | <hr/>     |
| <b>Profit on ordinary activities after taxation</b>  |      | <b>118,967</b>   | 173,880   |
| Retained profit brought forward                      |      | <b>230,578</b>   | 56,698    |
|  |      | <hr/>            | <hr/>     |
| <b>Retained profit carried forward</b>               |      | <b>349,545</b>   | 230,578   |
|  |      | <hr/>            | <hr/>     |

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 8 to 18 form part of these financial statements.

LC Fab Limited

Balance sheet at 31 December 2004

|  | Note | 2004<br>£        | 2004<br>£        | 2003<br>£        | 2003<br>£        |
|--|------|------------------|------------------|------------------|------------------|
| <b>Fixed assets</b>  |      |                  |                  |                  |                  |
| Intangible assets  | 8    |                  | 150,833          |                  | 170,833          |
| Tangible assets  | 9    |                  | 3,426,755        |                  | 3,632,077        |
|  |      |                  | <u>3,577,588</u> |                  | <u>3,802,910</u> |
| <b>Current assets</b>  |      |                  |                  |                  |                  |
| Stocks   | 10   | 283,984          |                  | 436,851          |                  |
| Debtors  | 11   | 668,379          |                  | 647,440          |                  |
| Cash at bank and in hand                                       |      | 353,277          |                  | 103,163          |                  |
|  |      | <u>1,305,640</u> |                  | <u>1,187,454</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 12   | 348,541          |                  | 535,690          |                  |
|  |      | <u>348,541</u>   |                  | <u>535,690</u>   |                  |
| <b>Net current assets</b>                                      |      |                  | 957,099          |                  | 651,764          |
|  |      |                  | <u>957,099</u>   |                  | <u>651,764</u>   |
| <b>Total assets less current liabilities</b>                   |      |                  | 4,534,687        |                  | 4,454,674        |
|  |      |                  | <u>4,534,687</u> |                  | <u>4,454,674</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 13   | 57,139           |                  | 149,413          |                  |
| <b>Provision for liabilities and charges</b>                   | 14   | 155,903          |                  | 102,583          |                  |
|  |      | <u>155,903</u>   |                  | <u>102,583</u>   |                  |
|  |      |                  | 213,042          |                  | 251,996          |
|  |      |                  | <u>213,042</u>   |                  | <u>251,996</u>   |
|  |      |                  | 4,321,645        |                  | 4,202,678        |
|  |      |                  | <u>4,321,645</u> |                  | <u>4,202,678</u> |
| <b>Capital and reserves</b>                                    |      |                  |                  |                  |                  |
| Called up share capital  | 15   |                  | 3,972,100        |                  | 3,972,100        |
| Profit and loss account  |      |                  | 349,545          |                  | 230,578          |
|  |      |                  | <u>349,545</u>   |                  | <u>230,578</u>   |
| <b>Equity shareholders' funds</b>                              | 16   |                  | 4,321,645        |                  | 4,202,678        |
|  |      |                  | <u>4,321,645</u> |                  | <u>4,202,678</u> |

The financial statements were approved by the Board on

Director

D A R Brunt

May 10<sup>th</sup> 2005

The notes on pages 8 to 18 form part of these financial statements.



**LC Fab Limited**

**Cash flow statement for the year ended 31 December 2004**

|   | Note | 2004<br>£ | 2004<br>£ | 2003<br>£ | 2003<br>£ |
|---|------|-----------|-----------|-----------|-----------|
| <b>Net cash inflow from operating activities</b>                                      | 19   |           | 398,448   |           | 276,471   |
| <b>Returns on investments and servicing of finance</b>                                |      |           |           |           |           |
| Interest received   |      | 7,181     |           | 5,544     |           |
| Interest paid: other  |      | (4,043)   |           | (13,618)  |           |
| <b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b> |      |           | 3,138     |           | (8,074)   |
| <b>Taxation</b>   |      |           |           |           |           |
| Corporation tax repaid / (paid)   |      |           | 17,751    |           | (20,000)  |
| <b>Capital expenditure and financial investment</b>                                   |      |           |           |           |           |
| Payments to acquire tangible fixed assets   |      |           | (82,093)  |           | (80,125)  |
| <b>Cash inflow before financing</b>   |      |           | 337,244   |           | 168,272   |
| <b>Financing</b>  |      |           |           |           |           |
| Loans repaid  |      |           | (87,130)  |           | (87,443)  |
| <b>Increase in cash</b>   | 20   |           | 250,114   |           | 80,829    |

The notes on pages 8 to 18 form part of these financial statements.

## LC Fab Limited

### Notes forming part of the financial statements for the year ended 31 December 2004

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#### 1 Accounting policies

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

The following principal accounting policies have been applied:

##### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

##### *Depreciation*

Tangible fixed assets are stated at cost less depreciation. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows :

|                        |   |
|------------------------|---|
| Leasehold improvements | - Shorter of the life of the lease and 10 years |
| Leasehold property     | - Life of lease                                 |
| Plant & machinery      | - 10 years                                      |
| Office equipment       | - 5 years                                       |

##### *Stocks*

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of direct labour and attributable production overheads.

##### *Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

##### *Research*

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

## LC Fab Limited

### Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

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#### 1 Accounting policies (*continued*)

##### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

##### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

##### *Pension costs*

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

##### *Intangible fixed assets*

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided to write off the cost by equal instalments over its estimated useful economic life of 10 years.

**LC Fab Limited****Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)****2 Turnover**

|                                  | 2004<br>£        | 2003<br>£        |
|----------------------------------|------------------|------------------|
| Analysis by geographical market: |                  |                  |
| United Kingdom                   | 1,304,959        | 2,516,140        |
| Europe                           | 1,285,123        | 710,911          |
| North America                    | -                | 500              |
|                                  | <u>2,590,082</u> | <u>3,227,551</u> |

Turnover is wholly attributable to the principal activity of the company.

**3 Operating profit**

|   | 2004<br>£      | 2003<br>£      |
|---|----------------|----------------|
| This is arrived at after charging:                    |                |                |
| Research and development - current year's expenditure | -              | 208,865        |
| Depreciation of tangible fixed assets                 | 287,415        | 286,747        |
| Amortisation of positive goodwill                     | 20,000         | 20,000         |
| Audit services  | 8,000          | 7,500          |
| Non-audit services                                    | 1,950          | 1,750          |
|   | <u>287,415</u> | <u>514,862</u> |

**LC Fab Limited****Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)****4 Employees**

Staff costs (including directors) consist of:

|                       | 2004<br>£      | 2003<br>£        |
|-----------------------|----------------|------------------|
| Wages and salaries    | 814,968        | 978,911          |
| Social security costs | 78,315         | 90,922           |
| Other pension costs   | 24,578         | 26,991           |
|                       | <u>917,861</u> | <u>1,096,824</u> |

The average number of employees (including directors) during the year was as follows:

|                          | 2004<br>Number | 2003<br>Number |
|--------------------------|----------------|----------------|
| Manufacturing            | 38             | 49             |
| Research and development | 2              | 2              |
| Sales and administration | 3              | 3              |
|                          | <u>43</u>      | <u>54</u>      |

**5 Directors' remuneration**

|   | 2004<br>£     | 2003<br>£     |
|---|---------------|---------------|
| Directors' emoluments                                   | 77,556        | 75,963        |
| Company contributions to money purchase pension schemes | 7,631         | 7,500         |
|   | <u>85,187</u> | <u>83,463</u> |

There was one director in the company's defined contribution pension scheme during the year (2003 - one).

**6 Interest payable and similar charges**

|  | 2004<br>£    | 2003<br>£     |
|--|--------------|---------------|
| All other loans (excluding loans from group companies) | 4,043        | 13,618        |
|  | <u>4,043</u> | <u>13,618</u> |

LC Fab Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

7 Taxation on profit on ordinary activities

|  | 2004<br>£ | 2003<br>£ |
|--|-----------|-----------|
| <i>UK Corporation tax</i>                      |           |           |
| Current tax on profits of the year             | 21,631    | 4,387     |
| Adjustment in respect of previous periods      | (2,137)   | -         |
|  | <hr/>     | <hr/>     |
| Total current tax                              | 19,494    | 4,387     |
| <i>Deferred tax</i>                            |           |           |
| Origination and reversal of timing differences | 47,622    | 76,282    |
| Adjustment in respect of previous periods      | 5,698     | 2,001     |
|  | <hr/>     | <hr/>     |
| Movement in deferred tax provision             | 53,320    | 78,283    |
|  | <hr/>     | <hr/>     |
| Taxation on profit on ordinary activities      | 72,814    | 82,670    |
|  | <hr/>     | <hr/>     |

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

|   | 2004<br>£ | 2003<br>£ |
|---|-----------|-----------|
| Profit on ordinary activities before tax  | 191,781   | 256,550   |
|   | <hr/>     | <hr/>     |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003 - 30%) | 57,534    | 76,965    |
| Effect of:  |           |           |
| Expenses not deductible for tax purposes  | 12,810    | 10,852    |
| Fixed asset timing differences  | (46,123)  | (71,037)  |
| Adjustment to tax charge in respect of previous periods   | (2,137)   | -         |
| Small companies relief  | (1,090)   | (2,331)   |
| Other timing differences  | (1,500)   | (10,062)  |
|   | <hr/>     | <hr/>     |
| Current tax charge for period   | 19,494    | 4,387     |
|   | <hr/>     | <hr/>     |

LC Fab Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

**8 Intangible assets**

|  | Purchased goodwill<br>£ |
|--|-------------------------|
| <i>Cost or valuation</i>               |                         |
| At 1 January 2004 and 31 December 2004 | 197,500                 |
| <i>Amortisation</i>                    |                         |
| At 1 January 2004                      | 26,667                  |
| Provided for the year                  | 20,000                  |
| At 31 December 2004                    | 46,667                  |
| <i>Net book value</i>                  |                         |
| At 31 December 2004                    | 150,833                 |
| At 31 December 2003                    | 170,833                 |

**9 Tangible fixed assets**

|                        | Leasehold<br>land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Office<br>equipment<br>£ | Leasehold<br>improvements<br>£ | Total<br>£ |
|------------------------|---|-----------------------------|--------------------------|--------------------------------|------------|
| <i>Cost</i>            |   |                             |                          |                                |            |
| At 1 January 2004      | 1,400,000                               | 2,217,144                   | 33,991                   | 400,000                        | 4,051,135  |
| Additions              | -                                       | 74,827                      | 7,266                    | -                              | 82,093     |
| At<br>31 December 2004 | 1,400,000                               | 2,291,971                   | 41,257                   | 400,000                        | 4,133,228  |
| <i>Depreciation</i>    |   |                             |                          |                                |            |
| At 1 January 2004      | 22,700                                  | 315,538                     | 8,346                    | 72,474                         | 419,058    |
| Provided for the year  | 14,142                                  | 226,364                     | 6,909                    | 40,000                         | 287,415    |
| At<br>31 December 2004 | 36,842                                  | 541,902                     | 15,255                   | 112,474                        | 706,473    |
| <i>Net book value</i>  |   |                             |                          |                                |            |
| At<br>31 December 2004 | 1,363,158                               | 1,750,069                   | 26,002                   | 287,526                        | 3,426,755  |
| At<br>31 December 2003 | 1,377,300                               | 1,901,606                   | 25,645                   | 327,526                        | 3,632,077  |

**LC Fab Limited****Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)****10 Stocks**

|                               | 2004<br>£      | 2003<br>£      |
|-------------------------------|----------------|----------------|
| Raw materials and consumables | 110,804        | 311,044        |
| Work in progress              | 173,180        | 125,807        |
|                               | <u>283,984</u> | <u>436,851</u> |

There is no material difference between the replacement cost of stocks and the amounts stated above.

**11 Debtors**

|                                 | 2004<br>£      | 2003<br>£      |
|---------------------------------|----------------|----------------|
| Amounts owed by related parties | 636,682        | 601,810        |
| Corporation tax recoverable     | -              | 15,613         |
| Prepayments and accrued income  | 31,697         | 30,017         |
|                                 | <u>668,379</u> | <u>647,440</u> |

All amounts shown under debtors fall due for payment within one year.

**12 Creditors: amounts falling due within one year**

|   | 2004<br>£      | 2003<br>£      |
|---|----------------|----------------|
| Bank loans and overdrafts (secured)     | 92,191         | 87,047         |
| Trade creditors                         | 136,955        | 135,700        |
| Amounts owed to associated undertakings | 6,218          | 231,571        |
| Corporation tax                         | 21,632         | -              |
| Other taxation and social security      | 65,203         | 54,231         |
| Accruals and deferred income            | 26,342         | 27,141         |
|   | <u>348,541</u> | <u>535,690</u> |



**LC Fab Limited**

**Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)**

**13 Creditors: amounts falling due after more than one year**

|   | 2004<br>£                            | 2003<br>£                            |
|---|--------------------------------------|--------------------------------------|
| Bank loans and overdrafts (secured)                 | 57,139                               | 149,413                              |
|   | <u>57,139</u>                        | <u>149,413</u>                       |
| Maturity of debt:                                   |                                      |                                      |
|   | Loans and<br>overdrafts<br>2004<br>£ | Loans and<br>overdrafts<br>2003<br>£ |
| In one year or less, or on demand                   | 92,191                               | 87,047                               |
|   | <u>92,191</u>                        | <u>87,047</u>                        |
| In more than one year but not more than two years   | 57,139                               | 92,186                               |
| In more than two years but not more than five years | -                                    | 57,227                               |
|   | <u>57,139</u>                        | <u>149,413</u>                       |

The bank loan is secured by a first legal charge over the leasehold land and buildings.

**14 Provision for liabilities and charges**

|                                    |           | Deferred<br>taxation<br>£ |
|------------------------------------|-----------|---------------------------|
| At 1 January 2004                  |           | 102,583                   |
| Charged to profit and loss account |           | 53,320                    |
|                                    |           | <hr/>                     |
| At 31 December 2004                |           | 155,903                   |
|                                    |           | <hr/>                     |
| <i>Deferred taxation</i>           |           |                           |
|                                    | 2004<br>£ | 2003<br>£                 |
| Accelerated capital allowances     | 155,903   | 102,583                   |

# LC Fab Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

## 15 Share capital

|                                | 2004             | Authorised       | Allotted, called up<br>and fully paid |                  |
|--------------------------------|------------------|------------------|---------------------------------------|------------------|
|                                | £                | 2003             | 2004                                  | 2003             |
|                                |                  | £                | £                                     | £                |
| <i>Equity share capital</i>    |                  |                  |                                       |                  |
| 'A' Ordinary shares of £1 each | 3,000,000        | 3,000,000        | 2,383,260                             | 2,383,260        |
| 'B' Ordinary shares of £1 each | 2,000,000        | 2,000,000        | 1,588,840                             | 1,588,840        |
|                                | <u>5,000,000</u> | <u>5,000,000</u> | <u>3,972,100</u>                      | <u>3,972,100</u> |

## 16 Reconciliation of movements in shareholders' funds

|                             | 2004             | 2003             |
|-----------------------------|------------------|------------------|
|                             | £                | £                |
| Profit for the year         | 118,967          | 173,880          |
| Opening shareholders' funds | <u>4,202,678</u> | <u>4,028,798</u> |
| Closing shareholders' funds | <u>4,321,645</u> | <u>4,202,678</u> |

## 17 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £24,578 (2003 - £26,991). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

# LC Fab Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

## 18 Related party disclosures

### *Related party transactions and balances*

| Related party                 | Sales to<br>related party | Expenses<br>recharged to<br>related party | Expenses<br>recharged by<br>related party | Amounts<br>owed to<br>related party | Amounts<br>owed by<br>related party |
|-------------------------------|---------------------------|---|---|-------------------------------------|-------------------------------------|
| <b>2004</b>                   |                           |   |   |                                     |                                     |
| Silicon Power group companies | 1,285,123                 | 148,195                                   | 73,644                                    | 5,375                               | 483,587                             |
| Littelfuse group companies    | 1,304,959                 | 552,457                                   | 17,790                                    | 854                                 | 153,095                             |
| <b>2003</b>                   |                           |   |   |                                     |                                     |
| Silicon Power group companies | 710,911                   | 54,323                                    | 60,429                                    | 111,260                             | 104,708                             |
| Littelfuse group companies    | 2,516,640                 | 112,177                                   | -   | 120,311                             | 497,102                             |

Sales were made by the company to its two shareholders during the year, based on a cost plus arrangement. The company's entire turnover is derived from sales to its shareholders or their affiliates.

Recharges of expenses incurred initially by Silicon Power Corporation are recharged to the company at cost. Some of these expenses are recharged to Littelfuse UK Limited.

## 19 Reconciliation of operating profit to net cash inflow from operating activities

|   | 2004<br>£ | 2003<br>£ |
|---|-----------|-----------|
| Operating profit                          | 188,643   | 264,624   |
| Amortisation of intangible fixed assets   | 20,000    | 20,000    |
| Depreciation of tangible fixed assets     | 287,415   | 286,747   |
| Loss on sale of tangible fixed assets     | -         | 19,082    |
| Decrease/(increase) in stocks             | 152,867   | (135,485) |
| Increase in debtors                       | (36,552)  | (65,482)  |
| Decrease in creditors                     | (213,925) | (113,015) |
| Net cash inflow from operating activities | 398,448   | 276,471   |

## LC Fab Limited

### Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

#### 20 Reconciliation of net cash flow to movement in net debt

|                                   | 2004<br>£ | 2003<br>£ |
|-----------------------------------|-----------|-----------|
| Increase in cash                  | 250,114   | 80,829    |
| Cash outflow from changes in debt | 87,130    | 87,443    |
| Movement in net debt              | 337,244   | 168,272   |
| Opening net debt                  | (133,297) | (301,569) |
| Closing net funds/(debt)          | 203,947   | (133,297) |

#### 21 Analysis of net debt

|                          | At 1 January<br>2004<br>£ | Cash flow<br>£ | Other non-<br>cash items<br>£ | At<br>31 December<br>2004<br>£ |
|--------------------------|---------------------------|----------------|-------------------------------|--------------------------------|
| Cash at bank and in hand | 103,163                   | 250,114        | -                             | 353,277                        |
| Debt due within one year | (87,047)                  | -              | (5,144)                       | (92,191)                       |
| Debt due after one year  | (149,413)                 | 87,130         | 5,144                         | (57,139)                       |
| Total                    | (133,297)                 | 337,244        | -                             | 203,947                        |

#### 22 Ultimate parent company and parent undertaking of larger group

According to the register kept by the company, FRC Investments Limited had a 60% interest and Littelfuse Inc., a company registered in the United States of America, had a 40% interest in the equity capital of LC Fab Limited at 31 December 2004.

The directors regard both Silicon Power Corporation, a company registered in the United States of America, and Littelfuse Inc. as joint ultimate controlling parties.

Copies of the consolidated financial statements of FRC Investments Limited, the immediate parent company, can be obtained from the Secretary, Barlow Robbins, Southern House, Guildford Road, Woking, GU22 7UY.