

**Cynergy3 Ferndown Limited
(formerly Cynergy3 Components
Limited)**

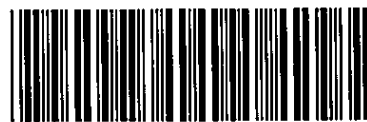
Report and Financial Statements

Period Ended

31 December 2008

Company Number 06401444

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Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

**Report and financial statements
for the period ended 31 December 2008**

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Directors

M C Jamson
J Royan

Secretary and registered office

Barlow Robbins Secretariat Limited, The Oriel, Sydenham Road, Guildford, Surrey, GU1 3SR

Company number

06401444

Auditors

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Report of the directors for the period ended 31 December 2008

The directors present their report together with the audited financial statements for the period ended 31 December 2008.

Results

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

Principal activities

The company's principal activity is the design, manufacture and sale of a range of components based on reedswitch technology. These products include liquid level and flow sensors and high voltage and RF/HF reed relays. The products are sold worldwide through various sales channels, catalogue and design-in based distribution, reps and agents as well as direct sales.

The company was incorporated on the 17 October 2007 and commenced trading on 1 January 2008 as Cynergy3 Components Limited. On 2 November 2009 the company changed its name to Cynergy3 Ferndown Limited.

In an effort to reduce costs the trade, assets and liabilities of Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited) were transferred into Cynergy3 Components Limited (formerly FRC Investments Limited) on 31 October 2009 and FRC Investments Limited was renamed Cynergy3 Components Limited, for brand continuity, on 2 November 2009.

Directors

The directors of the company during the period were:

M C Jamson (Appointed 24 October 2007)
J Royan (Appointed 24 October 2007)
C Goodyear (Resigned 25 October 2007)
D Herrington (Resigned 25 October 2007)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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; 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.

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Report of the directors for the period ended 31 December 2008 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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

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

By order of the board


Barlow Robbins Secretariat Limited

Secretary

Date: 4.11.09

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Independent auditor's report

To the shareholder of Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

We have audited the financial statements of Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited) for the period ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

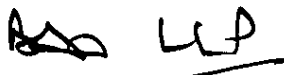
Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Independent auditor's report (*continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



BDO LLP
Chartered Accountants
and Registered Auditors
Southampton
United Kingdom

Date: 5th November 2009

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Profit and loss account for the period ended 31 December 2008

	Note	17 October 2007 to 31 December 2008 £
Turnover	2	4,931,663
Cost of sales		3,390,834
		<hr/>
Gross profit		1,540,829
Distribution costs		551,498
Administrative expenses		307,786
		<hr/>
Operating profit	3	681,545
Other interest receivable and similar income		470
Interest payable and similar charges		(16,249)
		<hr/>
Profit on ordinary activities before taxation		665,766
Taxation on profit on ordinary activities	5	106,362
		<hr/>
Profit on ordinary activities after taxation		772,128
		<hr/>

All amounts relate to continuing activities.

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

The notes on pages 7 to 16 form part of these financial statements.

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Balance sheet
at 31 December 2008

Company number 06401444

	Note	31 December 2008 £	31 December 2008 £
Fixed assets			
Tangible assets	6		1,223,011
Current assets			
Stocks	7	477,699	
Debtors	8	1,041,531	
Cash at bank and in hand		641,076	
		<u>2,160,306</u>	
Creditors: amounts falling due within one year	9	<u>2,568,688</u>	
Net current liabilities			<u>(408,382)</u>
Total assets less current liabilities			814,629
Creditors: amounts falling due after more than one year	10		<u>42,500</u>
			<u>772,129</u>
Capital and reserves			
Called up share capital	12		1
Profit and loss account	13		<u>772,128</u>
Shareholder's funds	14		<u>772,129</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board of directors and authorised for issue on 2/11/09


M Jamson
Director

The notes on pages 7 to 16 form part of these financial statements.

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements for the period ended 31 December 2008

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

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

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and assets under the course of construction, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold property	- 4 years
Plant and machinery	- 3 to 5 years
Motor vehicles	- 4 to 5 years
Office equipment	- 2 to 4 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 and finished goods 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 date. Any differences are taken to the profit and loss account.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements for the period ended 31 December 2008 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred. Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that 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 over the term of the lease. 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 over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that 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 period in which they become payable.

Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Cynergy3 Components Limited (formerly FRC Investments Limited) on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements.

2 Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 77%.

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

3 Operating profit

17 October
2007
to
31 December
2008
£

This is arrived at after charging/(crediting):

Depreciation of tangible fixed assets	391,356
Hire of plant and machinery - operating leases	12,331
Hire of other assets - operating leases	129,574
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	14,000
Auditors' remuneration - taxation services	2,500
Exchange differences	(106,291)

4 Directors' remuneration

No director received any emoluments during the current period.

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

5 Taxation on profit on ordinary activities

	17 October 2007 to 31 December 2008 £
<i>Deferred tax</i>	
Origination and reversal of timing differences	(106,362)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK applied to the profit before tax.

	17 October 2007 to 31 December 2008 £
Profit on ordinary activities before tax	665,766
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28%	186,414
Effect of:	
Expenses not deductible for tax purposes	860
Fixed asset timing differences	105,393
Other timing differences	969
Group relief	(273,505)
Intercompany loan waiver	(20,721)
Difference in tax value of transferred assets	590
Current tax charge for the period	-

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

6 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Office equipment £	Assets under the course of construction £	Total £
<i>Cost or valuation</i>						
Additions and at 31 December 2008	50,696	1,330,918	3,863	52,250	176,640	1,614,367
<i>Depreciation</i>						
Provided for the period and at 31 December 2008	16,033	343,786	1,159	30,378	-	391,356
<i>Net book value</i>						
At 31 December 2008	34,663	987,132	2,704	21,872	176,640	1,223,011

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

6 Tangible fixed assets (*continued*)

The net book value of tangible fixed assets includes an amount of £4,040 in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the period was £16,160.

7 Stocks

	31 December 2008 £
Stocks	391,793
Work in progress	58,302
Finished goods and goods for resale	27,604
	<hr/>
	477,699
	<hr/>

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

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

8 Debtors

	31 December 2008 £
Trade debtors	823,062
Amounts owed by group undertakings	61,243
Other debtors	15,086
Prepayments and accrued income	64,697
Deferred taxation	77,443
	<hr/>
	1,041,531
	<hr/>

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

	Deferred taxation £
Credited to profit and loss account	106,362
Transferred from a fellow subsidiary undertaking	(28,919)
	<hr/>
At 31 December 2008	77,443
	<hr/>

Deferred taxation

	31 December 2008 £
The amount of deferred tax provided for is as follows:	
Accelerated capital allowances	72,729
Other timing differences	4,714
	<hr/>
	77,443
	<hr/>

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

9 Creditors: amounts falling due within one year

	31 December 2008 £
Other loans (see note 10)	127,500
Trade creditors	396,841
Amounts owed to group undertakings	1,815,265
Other taxation and social security	48,524
Obligations under finance lease and hire purchase contracts	7,459
Other creditors	173,099
	<hr/>
	2,568,688
	<hr/>

10 Creditors: amounts falling due after more than one year

	31 December 2008 £
Other Loans	42,500
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Other loans relate to a loan with Lombard North Central PLC. This loan is secured on the plant and machinery of the company.

11 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 amounted to £14,409. There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

12 Share capital

	Authorised 31 December 2008 £	Allotted, called up and fully paid 31 December 2008 £
Ordinary shares of £1 each	1,000	1
	<hr/>	<hr/>

1 Ordinary share of £1 was issued on incorporation.

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

13 Reserves

	Profit and loss account £
Profit for the period	772,128
	<hr/>
At 31 December 2008	772,128
	<hr/>

14 Reconciliation of movements in shareholder's funds

	31 December 2008 £
Profit for the period	772,128
Issue of shares	1
	<hr/>
Net additions to shareholder's funds	772,129
Opening shareholder's funds	-
	<hr/>
Closing shareholder's funds	772,129
	<hr/>

15 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 31 December 2008 £
Operating leases which expire:	
Within one year	5,329
After five years	122,500
	<hr/>
	127,829
	<hr/>

Cynergy3 Ferndown Limited (formerly Cynergy3 Components Limited)

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

16 Related party disclosures

Administrative expenses includes £74,003 in respect of an amount written off previously owed to Cynergy3 Components International Limited, a related group undertaking.

Related party transactions and balances

	Expenses recharged to related party £	Expenses recharged from related party £	Amounts owed to related parties £
Cynergy3 Components Corporation	-	92,916	19,029
Amps Abundant	23,077	1,456	371
	<hr/>	<hr/>	<hr/>

Cynergy3 Components Corporation is the ultimate parent company. Amps Abundant is a fellow subsidiary undertaking of Cynergy3 Components Corporation.

17 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Cynergy3 Components Corporation which is the ultimate parent company incorporated in the United States of America. The Directors consider Cynergy3 Components Corporation to be the ultimate controlling party.

The largest group in which the results of the company are consolidated is that headed by Cynergy3 Components Corporation, incorporated in the United States of America. The smallest group in which they are consolidated is that headed by Cynergy3 Components Limited (formerly FRC Investments Limited), incorporated in England. The consolidated accounts of Cynergy3 Components Limited (formerly FRC Investments Limited) are available to the public and may be obtained from the Secretary, Barlow Robbins Secretariat Limited, The Oriel, Sydenham Road, Guildford, Surrey, GU1 3SR.