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**DAGE BACKPLANE SYSTEMS
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2000

Company no 2464046

DAGE BACKPLANE SYSTEMS LIMITED

FINANCIAL STATEMENTS

For the year ended 30 April 2000

Company registration number: 2464046

Registered office: Rabans Lane
Aylesbury
Bucks
HP19 8RG

Directors: G D Rees
P J Turner
S J Wells

Secretary: S J Wells

Bankers: Lloyds TSB Group plc
1 Market Square
Aylesbury
Bucks
HP20 1TD

Solicitors: Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Auditors: Grant Thornton
Registered auditors
Chartered accountants
Ringwood House
Walton Street
Aylesbury
HP21 7QP

DAGE BACKPLANE SYSTEMS LIMITED

FINANCIAL STATEMENTS

For the year ended 30 April 2000

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DAGE BACKPLANE SYSTEMS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 April 2000.

Principal activities

The company is principally engaged in the design, manufacture and distribution of backplane systems.

Business review

The company has seen the benefits of the changes made in the previous year to improve efficiency and to meet additional demand. It is expected that the current performance will continue during the coming year.

Results

There was a profit for the year after taxation amounting to £857,550. The directors recommend payment of dividends of £800,000.

Directors

The present membership of the Board is set out below.

The directors beneficial shareholdings in Dage Holdings Limited, the ultimate parent undertaking, are disclosed in that company's financial statements.

The interests of the directors and their families in the shares of the company as at 30 April 2000 and 1 May 1999 or date of appointment if later, were as follows:

	Ordinary shares	
	30 April 2000	1 May 1999
G D Rees	-	-
P J Turner	-	-
S J Wells (appointed 28 July 1999)	-	-

In addition, Mr S Richardson resigned on 30 June 1999 and Mr L C A Newnham on 28 July 1999.

DAGE BACKPLANE SYSTEMS LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

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 period. In preparing those financial statements, the directors are required to:

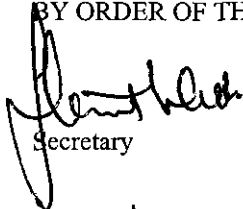
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton resigned and were appointed as auditors during the year, and offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD


Secretary
5/10/00

**REPORT OF THE AUDITORS TO THE MEMBERS OF
DAGE BACKPLANE SYSTEMS LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

AYLESBURY
6 October 2000

DAGE BACKPLANE SYSTEMS LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

INVESTMENTS

Investments are included at cost.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

FOREIGN CURRENCIES

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

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined benefit scheme

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the average remaining service lives of current employees in the scheme.

LEASED ASSETS

The payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

DAGE BACKPLANE SYSTEMS LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 April 2000

	Note	2000 £	1999 £
Turnover	1	13,312,640	9,154,122
Cost of sales		(9,216,880)	(6,067,404)
Gross profit		4,095,760	3,086,718
Administrative expenses		(3,232,210)	(2,217,871)
Profit on ordinary activities before taxation	1	863,550	868,847
Tax on profit on ordinary activities	3	(6,000)	-
Profit for the financial year	11	857,550	868,847
Dividends	4	(800,000)	(850,000)
Profit transferred to reserves	10	57,550	18,847

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

DAGE BACKPLANE SYSTEMS LIMITED

BALANCE SHEET AT 30 APRIL 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Investments	5		-		6,000
Current assets					
Stocks	6	1,212,980		885,691	
Debtors	7	3,791,473		1,892,699	
		5,004,453		2,778,390	
Creditors: amounts falling due within one year	8	(4,920,824)		(2,758,311)	
Net current assets			83,629		20,079
			83,629		26,079
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss account	10		82,629		25,079
Shareholders' funds	11		83,629		26,079

The financial statements were approved by the Board of Directors on 5/10/00

John Hall
Geraint Pies

Director

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

DAGE BACKPLANE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation is attributable to one activity. Profit on ordinary activities is stated after:

	2000 £	1999 £
Hire of plant and machinery	15,418	-

The auditors' remuneration is paid by another group undertaking.

2 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	1,558,739	1,365,519
Social security costs	114,816	102,807
Other pension costs	50,817	54,209
	1,724,372	1,522,535

The average number of employees of the company during the year was 93 (1999: 81).

Remuneration in respect of directors was as follows:

	2000 £	1999 £
Emoluments	159,841	165,121
Pension contributions to money purchase pension schemes	16,145	-

During the year 2 directors (1999: 2) participated in defined benefit pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2000 £	1999 £
Emoluments	87,015	65,405

DAGE BACKPLANE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2000

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2000 £	1999 £
UK Corporation tax at 30% (1999: 31%)	261,000	-
Group relief	(255,000)	-
	<u>6,000</u>	<u>-</u>

4 DIVIDENDS

	2000 £	1999 £
Ordinary shares - interim dividends paid (1999: £750 per share)	-	750,000
Ordinary shares - final dividend proposed of £800 per share (1999: £100 per share)	800,000	100,000
	<u>800,000</u>	<u>850,000</u>

5 FIXED ASSETS INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 May 1999	6,000
Amounts written off	(6,000)
At 30 April 2000	<u>-</u>

The above disposal related to Dage Backplane Systems Inc incorporated in the United States of America which had been dissolved during the year.

6 STOCKS

	2000 £	1999 £
Component stock and work in progress	236,666	250,980
Finished goods and goods for resale	976,314	634,711
	<u>1,212,980</u>	<u>885,691</u>

DAGE BACKPLANE SYSTEMS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 April 2000

7 DEBTORS

	2000	1999
	£	£
Trade debtors	3,706,856	1,811,252
Taxation recoverable	77,613	77,613
Prepayments and accrued income	7,004	3,834
	3,791,473	1,892,699

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Trade creditors	2,183,127	1,208,850
Amounts owed to group undertakings	1,589,185	944,012
Corporation tax	6,000	38,096
Proposed dividends	800,000	100,000
Other creditors	49,672	49,672
Accruals and deferred income	292,840	417,681
	4,920,824	2,758,311

9 SHARE CAPITAL

	2000	1999
	£	£
Authorised, allotted, called up and fully paid 1,000 ordinary shares of £1 each	1,000	1,000

10 RESERVES

	Profit and loss account £
At 1 May 1999	25,079
Retained profit for the year	57,550
At 30 April 2000	82,629

DAGE BACKPLANE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2000

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	857,550	868,847
Dividends	(800,000)	(850,000)
Net increase in shareholders' funds	57,550	18,847
Shareholders' funds at 1 May 1999	26,079	7,232
Shareholders' funds at 30 April 2000	83,629	26,079

12 PENSIONS

The parent undertaking operates two pension schemes for the benefit of group employees.

Defined benefit scheme

The CGU life pension scheme/General Accident Scheme is established by a Board resolution and, as such, there are no trustees; instead there is an administrator. The assets of the scheme are in a fund independent from those of the group companies.

Pension costs are assessed in accordance with the advice of a qualified actuary, who is an employee of Abbey National Benefit Consultants Limited, using the "Attained Age" method. The assumptions which have the most significant effect on the results of the valuation are a rate of salary increase of 7% and a growth fund rate of 9%. The most recent full actuarial valuation was as at 30 April 1999 in April 2000. At the date of the valuation the ongoing funding level was 94%.

The next full valuation is expected to be carried out by the actuary as at 30 April 2002.

Defined contribution scheme

In May 1992, the parent undertaking established a Group Personal Pension Plan with the Clerical Medical Investment Group in which the assets of the employees are invested in tax exempt funds, with each member having their own individual account.

Eligibility to join the scheme is by invitation of the Board, subject to the individual being a permanent full time employee, who has attained the age of 25 and has completed at least one year of service with the group company at the renewal date. Members contribute 4% of their basic annual salary, with the group company contributing 6%.

13 CAPITAL COMMITMENTS

The company had no capital commitments at 30 April 2000 (1999: £574,465).

14 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 April 2000 or 30 April 1999 except in respect of unlimited cross guarantees between group undertakings of £10,175,249 (1999: £9,651,750).

DAGE BACKPLANE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2000

15 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Dage Holdings Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Dage Holdings Limited.

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

The ultimate parent undertaking of this company is Dage Holdings Limited.

Dage Limited is the company's controlling related party by virtue of its majority shareholding. Royal Bank Investments Limited is the company's ultimate controlling related party by virtue of its majority shareholding in Dage Holdings Limited.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Dage Holdings Limited.