

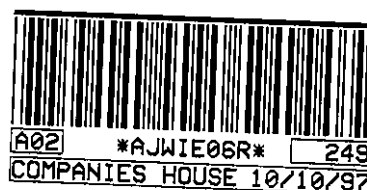
REGISTERED NUMBER: 1289680 (England and Wales)

Abbreviated Financial Statements

for the Year Ended 30 June 1996

for

Micronics Limited



Micronics Limited

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for the Year Ended 30 June 1996

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Micronics Limited

Company Information
for the Year Ended 30 June 1996

DIRECTORS: E J Farnon
S J Farnon
A F Peters

SECRETARY: E J Farnon

REGISTERED OFFICE: Unit B3
Knaves Beech Business Centre
Davies Way, Loudwater
High Wycombe
Buckinghamshire
HP10 4QY

REGISTERED NUMBER: 1289680 (England and Wales)

AUDITORS: Kirkpatrick & Hopes
Registered Auditors
104-108 School Road
Tilehurst
Reading
Berkshire
RG31 5AX

Micronics Limited

Report of the Auditors to

Micronics Limited

Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages four to seven, together with the full financial statements of the company for the year ended 30 June 1996 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements 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 consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages four to seven are properly prepared in accordance with those provisions.

Other information

On 2 October 1997 we reported, as auditors of Micronics Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 June 1996, and our audit report was as follows:

"We have audited the financial statements on pages five to fourteen which have been prepared under the historical cost convention and the accounting policies set out on page eight.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. 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 Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 judgments 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.

Micronics Limited

Report of the Auditors to
Micronics Limited

Under Section 247B of the Companies Act 1985

We planned 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. However, the evidence available to us was limited because we were not appointed auditors of the company until March 1997 and in consequence it was not possible for us to perform the auditing procedures necessary to obtain appropriate audit evidence as regards closing stock included in the financial statements amounting to £158,412. Any adjustment to closing stock would have a consequential effect on the loss for the year ended 30 June 1996.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

Except for any adjustments that might have been necessary had we been able to obtain sufficient evidence concerning the closing stock value, in our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stock, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit and we were unable to determine whether proper accounting records had been maintained."



Kirkpatrick & Hopes
Registered Auditors
104-108 School Road
Tilehurst
Reading
Berkshire
RG31 5AX

Dated: 2 October 1997

Micronics Limited

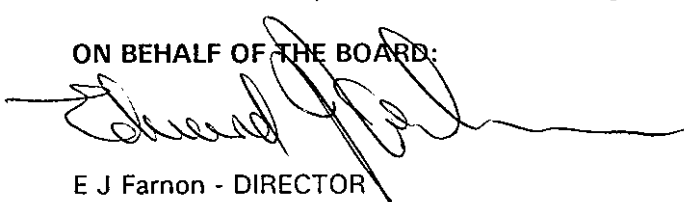
Abbreviated Balance Sheet

30 June 1996

		30.6.96		30.6.95	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	2		62,255		28,505
Tangible assets	3		68,020		51,226
			<u>130,275</u>		<u>79,731</u>
CURRENT ASSETS:					
Stocks		158,413		182,887	
Debtors		190,547		190,978	
Cash at bank and in hand		2,446		220	
		<u>351,406</u>		<u>374,085</u>	
CREDITORS: Amounts falling due within one year	4	348,954		338,494	
		<u>348,954</u>		<u>338,494</u>	
NET CURRENT ASSETS:			<u>2,452</u>		<u>35,591</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>132,727</u>		<u>115,322</u>
CREDITORS: Amounts falling due after more than one year	4		43,000		-
			<u>£89,727</u>		<u>£115,322</u>
CAPITAL AND RESERVES:					
Called up share capital	5		100,001		100,001
Profit and loss account			(10,274)		15,321
			<u>£89,727</u>		<u>£115,322</u>
Shareholders' funds			<u>£89,727</u>		<u>£115,322</u>

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

ON BEHALF OF THE BOARD:


E J Farnon - DIRECTOR

Approved by the Board on 2 October 1997

The notes form part of these financial statements

Micronics Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 30 June 1996

1. ACCOUNTING POLICIES

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Demonstration equipment	- 33% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Office equipment	- 33% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Due to the nature of the company's business it is not considered meaningful to categorise stock between components and finished goods, a combined figure is therefore shown in the accounts.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Research & development

The company has for the last two years embarked upon a program of applied research and development to construct a new prototype for its current flowmeter product.

The costs of labour and materials have been capitalised and are being written off over a period of five years which is expected to be the life of the product.

Micronics Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 30 June 1996

2. INTANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
At 1 July 1995	28,505
Additions	33,750
	<hr/>
At 30 June 1996	62,255
	<hr/>
NET BOOK VALUE:	
At 30 June 1996	62,255
	<hr/>
At 30 June 1995	28,505
	<hr/>

3. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
At 1 July 1995	121,743
Additions	37,838
Disposals	(4,500)
	<hr/>
At 30 June 1996	155,081
	<hr/>
DEPRECIATION:	
At 1 July 1995	70,516
Charge for year	17,220
Eliminated on disposals	(675)
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At 30 June 1996	87,061
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NET BOOK VALUE:	
At 30 June 1996	68,020
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At 30 June 1995	51,226
	<hr/>

4. CREDITORS

The following secured debts are included within creditors:

	30.6.96	30.6.95
	£	£
Bank overdrafts	57,218	8,141
Bank loans	67,000	59,000
	<hr/>	<hr/>
	124,218	67,141
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Micronics Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 30 June 1996

5. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	30.6.96 £	30.6.95 £
250,000	Ordinary shares	£1	<u>250,000</u>	<u>250,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.96 £	30.6.95 £
100,001	Ordinary shares	£1	<u>100,001</u>	<u>100,001</u>