

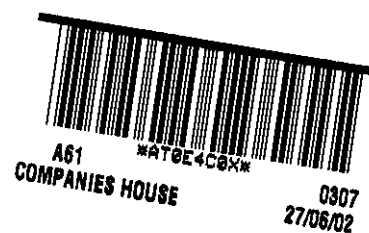
Company Registration Number 1994622

**Deloitte  
& Touche**

**VOLTECH LIMITED**

**Report and Financial Statements**

**31 August 2001**



**Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP**

**REPORT AND FINANCIAL STATEMENTS 2001****CONTENTS**

	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report to the members	4
Consolidated profit and loss account	5
Consolidated statement of total recognised gains and losses	5
Consolidated balance sheet	6
Company balance sheet	7
Consolidated cash flow statement	8
Notes to the accounts	9

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

P A Bradstock  
J S Ford  
P E Ford  
L Ind

**SECRETARY**

P E Ford

**REGISTERED OFFICE**

65 Milton Park  
Abingdon  
Oxon  
OX14 4RX

**BANKERS**

National Westminster Bank plc  
121 High Street  
Oxford  
OX1 4DD

**SOLICITORS**

Lyons Davidson  
Bridge House  
48-52 Baldwin Street  
Bristol  
BS1 1QD

**AUDITORS**

Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 August 2001.

**ACTIVITIES**

Voltech Limited is the holding company for the Voltech Group. The group's main activities are the design, development and manufacture of electronic equipment for the power conversion market.

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The profit and loss account for the year is set out on page 5. Both the levels of business and year end financial position were satisfactory. The group will continue to operate in the business area in which it is engaged and aims to exploit new activities as they arise.

**DIVIDENDS**

The results for the year are set out on page 5, a dividend of £75,000 was paid during the year (2000: nil).

**DIRECTORS AND THEIR INTERESTS**

The directors and their interests in the company's shares at 31 August 2001 and 1 September 2000 were as follows:

	<b>£1 Ordinary shares</b>	
	<b>2001</b>	<b>2000</b>
P A Bradstock	100	100
J S Ford and P E Ford jointly	6,320	6,320
L Ind	780	780

The 6,320 ordinary shares above are owned by a trust in which J S Ford and P E Ford are named beneficiaries.

**AUDITORS**

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



L Ind  
Director

23 May 2002

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 the group as at the end of the financial year and of the profit or loss of the group 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
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
VOLTECH LIMITED**

We have audited the financial statements of Voltech Limited for the year ended 31 August 2001 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.


**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 circumstances of the company and the group, 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 affairs of the company and the group as at 31 August 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**DELOITTE & TOUCHE**  
Chartered Accountants and  
Registered Auditors

26 June 2002

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 August 2001**

	Note	2001 £	2000 £
<b>TURNOVER</b>	2	5,427,924	5,507,343
Cost of sales		(2,648,942)	(2,544,499)
<b>GROSS PROFIT</b>		2,778,982	2,962,844
Distribution costs		(1,053,606)	(551,790)
Administrative expenses (including development costs of £557,123 (2000: £538,269))		(1,443,445)	(1,835,379)
Other operating income		3,265	-
<b>OPERATING PROFIT</b>	3	285,196	575,675
Interest receivable	4	61,235	36,726
Interest payable and similar charges	5	(18,529)	(511)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		327,902	611,890
Tax charge on profit on ordinary activities	7	(71,724)	(245,302)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		256,178	366,588
Dividends	8	(75,000)	-
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	18	181,178	366,588

During the two years ended 31 August 2001 no activities were acquired or discontinued in the company. Consequently all figures stated above relate to continuing activities.

There is no difference between the profit on ordinary activities before taxation or the profit for the financial year stated above and their historical cost equivalents.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 August 2001**

	2001 £	2000 £
Profit for the financial year	181,178	366,588
Currency translation differences on foreign currency net investments	(20,633)	16,880
<b>Total recognised gains and losses relating to the year</b>	160,545	383,468

**CONSOLIDATED BALANCE SHEET**  
At 31 August 2001

	Note	2001	2000
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	190,858	202,436
<b>CURRENT ASSETS</b>			
Stocks	11	1,277,797	799,402
Debtors	12	549,492	1,265,678
Short term investments		-	34,365
Cash at bank and in hand		513,120	393,620
		<u>2,340,409</u>	<u>2,493,065</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	(593,817)	(914,121)
<b>NET CURRENT ASSETS</b>		<u>1,746,592</u>	<u>1,578,944</u>
		1,937,450	1,781,380
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	14	(1,865)	(6,340)
<b>NET ASSETS</b>		<u>1,935,585</u>	<u>1,775,040</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	10,000	10,000
Share premium account		39,000	39,000
Profit and loss account	17	1,886,585	1,726,040
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	18	<u>1,935,585</u>	<u>1,775,040</u>

These financial statements were approved by the Board of Directors on 23 May 2002

Signed on behalf of the Board of Directors



L Ind  
Director



**COMPANY BALANCE SHEET**  
At 31 August 2001

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Investments	10	49,000	49,000
<b>CURRENT ASSETS</b>			
Debtors	12	1,000	-
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	14	(164)	(164)
<b>NET ASSETS</b>		<u>49,836</u>	<u>48,836</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	10,000	10,000
Share premium account		39,000	39,000
Profit and loss account	17	836	(164)
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	18	<u>49,836</u>	<u>48,836</u>

The financial statements were approved by the Board of Directors on

2002.

Signed on behalf of the Board of Directors


L Ind  
Director

**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 31 August 2001

	Note	2001	2000
		£	£
<b>Net cash inflow from operating activities</b>	21	529,401	401,888
<b>Returns on investment and servicing of finance</b>			
Finance lease interest paid		(662)	(511)
Other interest paid		(17,866)	-
Interest received		61,234	35,850
<b>Net cash inflow from returns on investment and servicing of finance</b>		42,706	35,339
<b>Corporation tax paid</b>		(259,109)	(80,168)
<b>Capital expenditure and financial investment</b>			
Purchases of tangible fixed assets		(149,598)	(163,294)
Proceeds from disposal of tangible fixed assets		157	3,803
<b>Net cash outflow from capital expenditure and financial investment</b>		(149,441)	(159,491)
<b>Equity dividends</b>			
Equity dividends paid		(75,000)	-
<b>Net cash inflow before management of liquid resources and financing</b>		88,557	197,568
<b>Management of liquid resources</b>			
Sale/(purchase) of short-term investments		34,681	(31,893)
<b>Financing</b>			
Repayment of finance leases		(4,475)	(2,510)
<b>Increase in cash in the year</b>	22	118,763	163,165

**NOTES TO THE ACCOUNTS**  
**Year ended 31 August 2001****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries. In accordance with section 230 of the Companies Act 1985, a separate profit and loss account dealing with the results of the company is not presented. The parent company's profit for the financial year after taxation amounted to £75,000 (2000: nil).

**Turnover**

Turnover is the total amount receivable by the group for goods supplied and services provided in respect of the principal activity, excluding VAT and trade discounts.

**Investments**

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Goodwill, all of which arose on the acquisition of businesses prior to the implementation of FRS10, was all written off to the profit and loss account as a matter of accounting policy. It remains eliminated in that reserve and will be charged to the profit and loss account as appropriate on the subsequent disposal of the business to which it relates.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

**Depreciation**

Depreciation is provided to write off the cost of all assets less estimated residual values in equal annual instalments over their estimated lives, which are as follows:

Plant and machinery	2 to 5 years
Fixtures, fittings and equipment	2 to 5 years

**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2001**1. ACCOUNTING POLICIES (continued)****Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet dates are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

The financial statements of foreign subsidiaries are translated into sterling at the closing rates of exchange and the differences arising from the translation of the opening net investment in subsidiaries at the closing rate and matched long-term foreign currency borrowings are taken direct to reserves.

**Development expenditure**

Development expenditure is charged to the profit and loss account in the year it is incurred. Such costs are shown separately on the face of the profit and loss account since, in the opinion of the directors, this presents a fairer presentation of the activities of the company.

**Leases**

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rentals costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

**Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they fall due.

**2. TURNOVER**

The analysis of turnover by geographical location is as follows:

	2001 £	2000 £
Europe (including UK)	1,565,449	1,481,088
United States of America	3,097,270	3,360,566
Far East	765,205	665,689
	<u>5,427,924</u>	<u>5,507,343</u>

NOTES TO THE ACCOUNTS  
Year ended 31 August 2001

## 3. OPERATING PROFIT

	2001 £	2000 £
Operating profit is after charging:		
Depreciation:		
- owned assets	153,674	243,967
- leased assets	3,161	1,766
Audit fees - group	26,500	45,193
Rentals under operating leases - other	168,713	176,477
Loss on disposal of fixed assets	4,792	46,671

Audit fees were borne by other group companies. There is no charge in the parent company accounts.

## 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £	2000 £
Other interest receivable	61,235	36,726

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank loans and overdrafts	17,867	-
Finance leases and hire purchase contracts	662	511
	18,529	511

## 6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001 £	2000 £
Total emoluments (excluding pension contributions)	395,308	264,074
Total emoluments paid in respect of a defined contribution pension scheme	3,110	1,804
	No.	No.
Number of directors who are members of a defined contribution pension scheme	1	1

**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2001**6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Information concerning the highest paid director:		
Emoluments	<u>110,837</u>	<u>95,677</u>
Average number of persons employed in the year:	<b>No.</b>	<b>No.</b>
Development	11	9
Production	12	10
Distribution	13	17
Administration	7	5
	<u>43</u>	<u>41</u>
Staff costs incurred during the year in respect of these employees were:	<b>£</b>	<b>£</b>
Wages and salaries	1,484,644	1,180,204
Social security costs	161,397	107,880
Pension costs	19,806	13,268
	<u>1,665,846</u>	<u>1,301,352</u>

**7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
UK corporation tax at 30% (2000: 30%)	52,509	95,000
Adjustment in respect of UK tax in prior periods	3,083	(9,161)
Overseas tax on current profits	16,132	159,463
	<u>71,724</u>	<u>245,302</u>

**8. DIVIDENDS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Equity dividends paid:		
£7.50 per ordinary share	<u>75,000</u>	<u>-</u>

NOTES TO THE ACCOUNTS  
Year ended 31 August 2001

## 9. TANGIBLE FIXED ASSETS

Group	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 September 2000	635,472	20,183	613,435	1,269,090
Foreign exchange translation difference	(4,076)	-	5,422	1,346
Additions	94,652	9,135	45,706	149,493
Disposals	(12,478)	(2,900)	(106,261)	(121,639)
At 31 August 2001	713,570	26,418	558,302	1,298,290
<b>Accumulated depreciation</b>				
At 1 September 2000	507,736	20,183	538,735	1,066,654
Foreign exchange translation difference	2,593	-	(1,417)	1,176
Charge for the year	94,257	3,045	59,304	156,606
Disposals	(9,326)	(2,900)	(104,778)	(117,004)
At 31 August 2001	595,260	20,328	491,844	1,107,432
<b>Net book value</b>				
At 31 August 2001	118,310	6,090	66,458	190,858
At 31 August 2000	127,736	-	74,700	202,436

Included within fixtures, fittings and equipment are assets held under finance leases with a cost of £12,648 (2000: £13,325) and a net book value of £7,912 (2000: £11,659).

## 10. INVESTMENTS HELD AS FIXED ASSETS

Company	2001 £	2000 £
Shares in the subsidiary company	49,000	49,000

The subsidiaries of the company and its shareholding therein at 31 August 2001 was:

	Country of registration	Class of share	Percentage held
Voltech Instruments Limited	England and Wales	Ordinary shares	100%
Voltech Instruments Inc	United States of America	Ordinary shares	100%

The shares in Voltech Instruments Inc are held by Voltech Instruments Limited.

The principal activities of the subsidiaries are the design, development and manufacture of electronic equipment for the power conversion market.

NOTES TO THE ACCOUNTS  
Year ended 31 August 2001

## 11. STOCKS

Group	2001 £	2000 £
Raw materials	817,365	442,615
Work in progress	4,822	47,954
Finished goods	455,610	308,833
	<u>1,277,797</u>	<u>799,402</u>

## 12. DEBTORS

Group	2001 £	2000 £
Trade debtors	417,473	1,204,909
Other debtors	12,333	60,769
Corporation tax recoverable	99,081	-
Prepayments and accrued income	20,605	-
	<u>549,492</u>	<u>1,265,678</u>

Company	2001 £	2000 £
Dividends receivable	<u>1,000</u>	<u>-</u>

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2001 £	2000 £
Obligations under finance leases and hire purchase contracts	4,475	4,475
Trade creditors	360,671	501,269
Other creditors	47,492	17,600
Accruals	112,538	234,996
Corporation tax	68,641	155,781
	<u>593,817</u>	<u>914,121</u>

Other creditors includes £24,762 (2000: £21,617) in respect of taxation and social security.



**VOLTECH LIMITED**
**NOTES TO THE ACCOUNTS**  
**Year ended 31 August 2001**
**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2001</b>	<b>2000</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Obligations under finance leases and hire purchase contracts	<u>1,865</u>	<u>6,340</u>
<b>Company</b>	<b>£</b>	<b>£</b>
Other creditors	<u>164</u>	<u>164</u>

**15. BORROWINGS**

<b>Group</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Obligations under finance leases and hire purchase contracts due for repayment:		
Within one year	4,475	4,475
Within one to two years	1,865	4,475
Within two to five years	-	1,865
	<u>6,340</u>	<u>10,815</u>

Obligations under finance leases and hire purchase contracts are secured on the related assets.

**16. CALLED UP SHARE CAPITAL**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Authorised, allotted and fully paid 10,000 Ordinary shares of £1	<u>10,000</u>	<u>10,000</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 August 2001****17. PROFIT AND LOSS ACCOUNT**

<b>Group</b>	<b>£</b>
At beginning of year	1,726,040
Profit for the financial year	256,178
Dividends	(75,000)
Loss on translation	(20,633)
<b>At 31 August 2001</b>	<b>1,866,585</b>

<b>Company</b>	<b>£</b>
At beginning of year	(164)
Profit for the financial year	76,000
Dividends	(75,000)
<b>At 31 August 2001</b>	<b>836</b>

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

<b>Group</b>	<b>2001 £</b>	<b>2000 £</b>
Profit for the financial year	256,178	366,588
Dividends	(75,000)	-
(Loss)/gain on translation	(20,633)	16,880
Net addition to shareholders' funds	160,545	383,468
Opening shareholders' funds	1,775,040	1,391,572
<b>Closing shareholders' funds</b>	<b>1,935,585</b>	<b>1,775,040</b>

<b>Company</b>	<b>£</b>	<b>£</b>
Profit for the financial year	76,000	-
Dividends	(75,000)	-
Opening shareholders' funds	48,836	48,836
<b>Closing shareholders' funds</b>	<b>49,836</b>	<b>48,836</b>

NOTES TO THE ACCOUNTS  
Year ended 31 August 2001

## 19. OPERATING LEASE COMMITMENTS

At 31 August 2001 the company was committed to making the following payments in respect of operating leases:

	Land and buildings		Plant and machinery	
	2001	2000	2001	2000
	£	£	£	£
Leases which expire:				
- between one and two years	74,648	139,893	-	-
- between two and five years	88,224	68,843	3,315	2,958
	<u>162,872</u>	<u>208,736</u>	<u>3,315</u>	<u>2,958</u>

## 20. PENSION SCHEME

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held in separate trustee administered funds. Contributions made during the year amounted to £19,806 (2000: £13,268). No amounts were outstanding to the scheme at the year end (2000: nil).

21. RECONCILIATION OF OPERATING PROFIT TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES

	2001	2000
	£	£
Operating profit	285,196	575,675
Depreciation charge	156,835	210,699
Losses on disposal of tangible fixed assets	4,479	46,671
Decrease/(increase) in debtors	796,330	(361,279)
Increase in stock	(478,069)	(171,841)
(Decrease)/increase in creditors	(235,370)	101,963
Net cash inflow from operating activities	<u>529,401</u>	<u>401,888</u>

NOTES TO THE ACCOUNTS  
Year ended 31 August 2001

22. RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS	2001 £	2000 £
Increase in cash in the year	118,763	163,165
Finance lease repayments	4,475	2,510
Purchase of short-term investments	(34,681)	31,893
Change in net funds resulting from cash flows	88,557	197,568
New finance leases	-	(13,325)
Translation difference	1,054	18,367
	89,611	202,610
Net funds at beginning of the year	417,169	214,559
Net funds at end of the year	506,780	417,169

23. ANALYSIS OF NET FUNDS	At 1 September 2000 £	Cash flow £	Other non-cash changes £	Exchange movement £	At 31 August 2001 £
Cash at bank and in hand	393,620	118,763	-	737	513,120
Finance leases	(10,815)	4,475	-	-	(6,340)
Short-term investments	34,364	(34,681)	-	317	-
	417,169	88,557	-	1,054	506,780

## 24. ULTIMATE CONTROLLING PARTIES

The directors consider J S Ford and P E Ford to be the ultimate controlling parties.