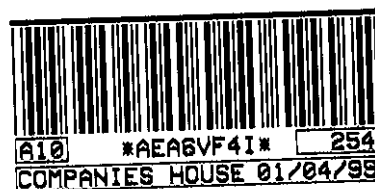


Company Registration No. 2086232

MIDWEST MICROWAVE INTERNATIONAL LIMITED

Abbreviated Financial Statements  
31 December 1998



# Auditors' report to Midwest Microwave International Limited under section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Midwest Microwave International Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1998.

## Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

## Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of that Act, in respect of the year ended 31 December 1998 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with that section.

*Chantrey Vellacott DFK*

CHANTREY VELLACOTT DFK  
Chartered Accountants  
Registered Auditors

READING

*26 March 1999.*

Chantrey Vellacott DFK

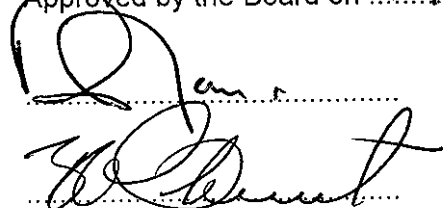
# MIDWEST MICROWAVE INTERNATIONAL LIMITED

## Abbreviated balance sheet at 31 December 1998

	Notes	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	2	<u>168,616</u>	<u>169,110</u>
<b>Current assets</b>			
Stocks		228,010	245,354
Debtors		346,479	427,243
Cash at bank and in hand		<u>32,960</u>	<u>4,064</u>
		607,449	676,661
<b>Creditors: amounts falling due within one year</b>	3	<u>(526,293)</u>	<u>(581,813)</u>
<b>Net current assets</b>		<u>81,156</u>	<u>94,848</u>
<b>Total assets less current liabilities</b>		249,772	263,958
<b>Creditors: amounts falling due after more than one year</b>		<u>(22,511)</u>	<u>(48,555)</u>
		<u><u>227,261</u></u>	<u><u>215,403</u></u>
<b>Capital and reserves</b>			
Called up share capital	4	1,000	1,000
Profit and loss account		<u>226,261</u>	<u>214,403</u>
		<u><u>227,261</u></u>	<u><u>215,403</u></u>

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

Approved by the Board on 26/3/99 and signed on its behalf.



The notes on pages 3 to 4 form part of these abbreviated accounts.

# MIDWEST MICROWAVE INTERNATIONAL LIMITED

## Notes To The Abbreviated Accounts For The Year Ended 31 December 1998

### 1 Accounting policies

#### a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting.

#### b) Depreciation of tangible fixed assets

Depreciation is not charged on expenditure on assets not yet in use. Depreciation on other tangible fixed assets is charged so as to write off their full costs less estimated residual value over their expected useful lives at the following rates:

Plant and machinery	- 25% reducing balance method or between 10% and 25% straight line
Fixtures, fittings & equipment	- 25% reducing balance
Motor vehicles	- 25% reducing balance

#### c) Stock

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### d) Deferred taxation

Deferred taxation is provided under the liability method in respect of all material timing differences between the profits as computed for taxation purposes and the profits as stated in the financial statements, to the extent that it is probable that a liability or asset will crystallise. The rate of tax used is that which is expected to be applied when the liability or asset is expected to crystallise.

No provision has been made for deferred taxation as the Directors do not foresee any liability crystallising in the near future.

#### e) Foreign currencies

Foreign currency transactions are converted at exchange rates ruling at the transaction date. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the year end. Exchange differences are dealt with in the profit and loss account.

#### f) Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account as they fall due.

#### g) Pensions

The Company contributes to a personal pension scheme in the name of a Director. The charge against profits is the amount of contribution payable to the scheme in respect of the accounting period.

# MIDWEST MICROWAVE INTERNATIONAL LIMITED

## Notes To The Abbreviated Accounts For The Year Ended 31 December 1998

### 2 Tangible fixed assets

	£
<b>Cost:</b>	
At 1 January 1998	268,660
Additions	39,738
Disposals	(23,495)
	<u>284,903</u>
At 31 December 1998	
<b>Depreciation:</b>	
At 1 January 1998	99,550
Provision for the year	32,230
Adjustments for disposals	(15,493)
	<u>116,287</u>
At 31 December 1998	
<b>Net book value:</b>	
At 31 December 1998	<u>168,616</u>
At 31 December 1997	<u>169,110</u>

### 3 Secured liabilities

The aggregate amount of creditors for which security has been given amounted to £217,380 (1997 - £156,259).

	1998 £	1997 £
<b>4 Called up share capital</b>		
<b>Authorised</b>		
<b>Equity shares:</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity shares:</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 5 Ultimate parent company

The ultimate parent company is Midwest Microwave II Inc, which is registered in the USA.