



**MIDWEST MICROWAVE
INTERNATIONAL LIMITED**

Abbreviated Financial Statements

**For the year ended
31 December 1999**

MIDWEST MICROWAVE INTERNATIONAL LIMITED

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

We have examined the abbreviated financial statements 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 1999.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements, prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and whether the abbreviated financial statements 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 financial statements 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 financial statements prepared in accordance with section 246(5) and (6) of that Act, in respect of the year ended 31 December 1999 and the abbreviated financial statements on pages 2 to 4 have been properly prepared in accordance with that section.



CHANTREY VELLACOTT DFK

Chartered accountants
Registered auditors

READING

Date: 24 March 2000

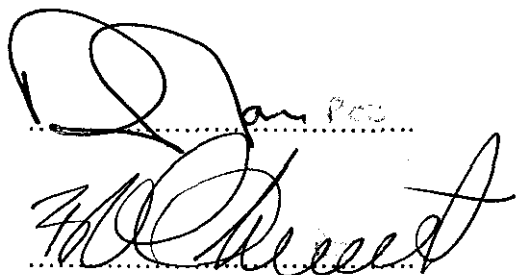
MIDWEST MICROWAVE INTERNATIONAL LIMITED

Abbreviated balance sheet at 31 December 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	2	145,952	168,616
Current assets			
Stocks		208,946	228,010
Debtors		405,194	346,479
Cash at bank and in hand		9,383	32,960
		623,523	607,449
Creditors: amounts falling due within one year	3	(541,265)	(526,293)
Net current assets		82,258	81,156
Total assets less current liabilities		228,210	249,772
Creditors: amounts falling due after more than one year		(6,559)	(22,511)
		221,651	227,261
Capital and reserves			
Called up share capital	4	1,000	1,000
Profit and loss account		220,651	226,261
Shareholders' funds		221,651	227,261

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.

Approved by the Board on 22 March 2000 and signed on its behalf.



The notes on pages 3 to 4 form part of these financial statements.

MIDWEST MICROWAVE INTERNATIONAL LIMITED

Notes to the abbreviated financial statements for the year ended 31 December 1999

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 and equipment	25% reducing balance method
Motor vehicles	25% reducing balance method

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 the 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 the 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.

MIDWEST MICROWAVE INTERNATIONAL LIMITED

Notes to the abbreviated financial statements for the year ended 31 December 1999

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.

2. Tangible fixed assets

Cost	£
At 1 January 1999	284,903
Additions	13,860
Disposals	(7,500)
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At 31 December 1999	291,263
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Depreciation	
At 1 January 1999	116,286
Provision for the year	33,343
Adjustments for disposals	(4,318)
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At 31 December 1999	145,311
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Net book value	
At 31 December 1999	145,952
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At 31 December 1998	168,616
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3. Secured liabilities

The aggregate amount of creditors for which security has been given amounted to £253,969 (1998 - £217,380)

4. Called up share capital	1999	1998
	£	£
Authorised		
Equity shares:		
10,000 ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
Equity shares:		
1,000 ordinary shares of £1 each	1,000	1,000
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5. Ultimate parent company

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