

LINEAR TECHNOLOGY (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

Company Registration Number 2149602 (England and Wales)



LINEAR TECHNOLOGY (UK) LIMITED

COMPANY INFORMATION

Directors	P Coghlan R Swanson
Secretary	P Coghlan
Company number	2149602
Registered office	3 The Listons Liston Road Marlow Buckinghamshire SL7 1FD
Accountants	Tenon Limited Clifton House Bunnian Place Basingstoke Hampshire
Auditors	Blueprint Audit Limited Clifton House Bunnian Place Basingstoke Hampshire
Bankers	Barclays Bank Plc 59 Staines Road West Sunbury-on-Thames

LINEAR TECHNOLOGY (UK) LIMITED

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LINEAR TECHNOLOGY (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report and financial statements for the year ended 30 June 2004.

Principal activities

The principal activity of the company continued to be that of agents for the sale and marketing of high performance standard linear integrated circuits.

Directors

The following directors have held office since 1 July 2003:

P Coghlan
R Swanson

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 June 2004	1 July 2003
P Coghlan	-	-
R Swanson	1	1

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Blueprint Audit Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

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 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.

This report has 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


.....
P Coghlan
Director

LINEAR TECHNOLOGY (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LINEAR TECHNOLOGY (UK) LIMITED

We have audited the financial statements of Linear Technology (UK) Limited on pages 3 to 11 for the year ended 30 June 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Blueprint Audit Limited
Registered Auditor

Date: 4th January 2005

Clifton House
Bunnian Place
Basingstoke
Hampshire

LINEAR TECHNOLOGY (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 £	2003 £
Turnover		929,524	696,558
Administrative expenses		(885,261)	(663,388)
Operating profit	2	44,263	33,170
Other interest receivable and similar income		947	533
Profit on ordinary activities before taxation		45,210	33,703
Tax on profit on ordinary activities	4	(11,210)	(7,878)
Profit on ordinary activities after taxation	9	34,000	25,825

The profit and loss account has been prepared on the basis that all operations are continuing operations.

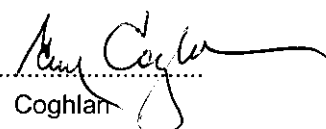
There are no recognised gains and losses other than those passing through the profit and loss account.

LINEAR TECHNOLOGY (UK) LIMITED

BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	5		27,659		21,045
Current assets					
Debtors	6	46,603		75,335	
Cash at bank and in hand		84,115		22,840	
		<u>130,718</u>		<u>98,175</u>	
Creditors: amounts falling due within one year	7	<u>(43,748)</u>		<u>(38,591)</u>	
Net current assets			86,970		59,584
Total assets less current liabilities			<u>114,629</u>		<u>80,629</u>
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss account	9		113,629		79,629
Shareholders' funds - equity interests	10		<u>114,629</u>		<u>80,629</u>

The financial statements were approved by the Board on 22/12/2004


P Coghlan
Director

LINEAR TECHNOLOGY (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	£	2004 £	£	2003 £
Net cash inflow from operating activities		83,933		18,987
Returns on investments and servicing of finance				
Interest received	947		533	
Net cash inflow for returns on investments and servicing of finance		947		533
Taxation		(7,878)		(9,289)
Capital expenditure				
Payments to acquire tangible assets	(15,727)		(4,037)	
Net cash outflow for capital expenditure		(15,727)		(4,037)
Net cash inflow before management of liquid resources and financing		61,275		6,194
Increase in cash in the year		61,275		6,194

LINEAR TECHNOLOGY (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	44,263	33,170
	Depreciation of tangible assets	8,730	5,687
	Loss on disposal of tangible assets	383	-
	Decrease/(increase) in debtors	28,732	(29,466)
	Increase in creditors within one year	1,825	9,596
	Net cash inflow from operating activities	83,933	18,987

2	Analysis of net funds	1 July 2003	Cash flow	Other non-cash changes	30 June 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	22,840	61,275	-	84,115
	Bank deposits	-	-	-	-
	Net funds	22,840	61,275	-	84,115

3	Reconciliation of net cash flow to movement in net funds	2004	2003
		£	£
	Increase in cash in the year	61,275	6,194
	Movement in net funds in the year	61,275	6,194
	Opening net funds	22,840	16,646
	Closing net funds	84,115	22,840

LINEAR TECHNOLOGY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office improvements	10% Straight line
Fixtures, fittings & equipment	25% Reducing balance
Computer equipment	33% Straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2	Operating profit	2004 £	2003 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	8,730	5,687
	Loss on disposal of tangible assets	383	-
	Operating lease rentals	64,190	63,296
	Auditors' remuneration	2,400	2,000
	Remuneration of auditors for non-audit work	7,600	9,520
		<u> </u>	<u> </u>
3	Investment income	2004 £	2003 £
	Bank interest	947	533
		<u> </u>	<u> </u>

LINEAR TECHNOLOGY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

4	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	11,210	7,878
	Current tax charge	<u>11,210</u>	<u>7,878</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	45,210	33,703
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.00% (2003: 22.80%)	<u>11,303</u>	<u>7,684</u>
	Effects of:		
	Loss on disposals add back	96	-
	Depreciation add back	2,183	1,297
	Capital allowances	(2,480)	(1,103)
	Other tax adjustments	108	-
		<u>(93)</u>	<u>194</u>
	Current tax charge	<u>11,210</u>	<u>7,878</u>

LINEAR TECHNOLOGY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

5 Tangible fixed assets

	Office improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 July 2003	21,944	33,424	4,037	59,405
Additions	3,980	7,659	4,088	15,727
Disposals	-	(9,312)	-	(9,312)
At 30 June 2004	25,924	31,771	8,125	65,820
Depreciation				
At 1 July 2003	10,021	26,994	1,345	38,360
On disposals	-	(8,929)	-	(8,929)
Charge for the year	2,593	3,429	2,708	8,730
At 30 June 2004	12,614	21,494	4,053	38,161
Net book value				
At 30 June 2004	13,310	10,277	4,072	27,659
At 30 June 2003	11,923	6,430	2,692	21,045

6 Debtors

	2004 £	2003 £
Amounts owed by parent company	-	56,488
Other debtors	28,892	8,168
Prepayments and accrued income	17,711	10,679
	46,603	75,335

7 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to parent company	11,482	-
Staff expenses creditor	5,123	3,242
Taxation and social security	11,210	7,679
Other creditors	15,933	27,670
	43,748	38,591

LINEAR TECHNOLOGY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

8	Share capital	2004	2003
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
9	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 July 2003		79,629
	Retained profit for the year		34,000
			<u> </u>
	Balance at 30 June 2004		113,629
			<u> </u>
10	Reconciliation of movements in shareholders' funds	2004	2003
		£	£
	Profit for the financial year	34,000	25,825
	Opening shareholders' funds	80,629	54,804
		<u> </u>	<u> </u>
	Closing shareholders' funds	114,629	80,629
		<u> </u>	<u> </u>

11 Financial commitments

At 30 June 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Between two and five years	46,224	46,224	3,641	2,675
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

LINEAR TECHNOLOGY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2004 Number	2003 Number
Administrative	-	1
Sales	9	6
	<u>9</u>	<u>7</u>

The directors are remunerated through the parent company.

Employment costs

	£	£
Wages and salaries	528,569	317,735
Social security costs	62,046	36,515
	<u>590,615</u>	<u>354,250</u>

13 Control

The ultimate parent company is Linear Technology Inc, a company incorporated in the United States of America. Copies of the consolidated Financial Statements of Linear Technology Inc may be obtained from 1630 McCarthy Blvd., Milpitas, CA 95035.

14 Related party transactions

The company has taken advantage of the exemptions available to 90% owned subsidiaries not to disclose transactions with group companies which are eliminated on consolidation.