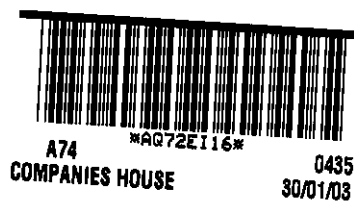


PARAMOUNT ELECTRONICS LIMITED
REPORT AND ABBRIEVIATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2002
CO NO : 2356906



PARAMOUNT ELECTRONICS LIMITED
REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

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PARAMOUNT ELECTRONICS LIMITED

**REPORT OF THE AUDITOR TO THE MEMBERS
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

I have examined the abbreviated accounts of Paramount Electronics Limited as set out on pages 2 to 5, together with the financial statements prepared under section 226 of the Companies Act 1985, for the year ended 31st March 2002.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITOR

The company's directors are responsible for preparing the abbreviated accounts in accordance with Section 246 to the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with the sections 246(5) and 246 (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report my opinion to you.

BASIS OF OPINION

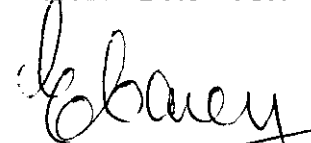
I have carried out the procedures necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of my report on the financial statements.

OPINION

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and 246 (6) of the Companies Act 1985, and the abbreviated accounts on pages 2-5 are properly prepared in accordance with those provisions..

**E CAREY & CO
2 WHITE CROSS ROAD
HADDENHAM
AYLESBURY
BUCKS**

**E CAREY, F.A.I.A., F.A.P.A.
REGISTERED AUDITOR**



28TH JANUARY 2003

PARAMOUNT ELECTRONICS LIMITED

BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS	2		50,721		58,752
CURRENT ASSETS					
Stock and work in progress		63,663		82,531	
Debtors	3	152,295		190,147	
Cash at bank and in hand		186,202		180,499	
		<hr/>		<hr/>	
		402,160		453,177	
Creditors: Amounts due within one year	4	(163,371)		(157,423)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			238,789		295,754
			<hr/>		<hr/>
Total assets less current liabilities			289,510		354,506
Creditors: Amounts due after more than one year			(615)		(4,309)
			<hr/>		<hr/>
			<u>288,895</u>		<u>350,197</u>
CAPITAL AND RESERVES					
Called up share capital	5		70,565		70,565
Share premium account			6,500		6,500
Profit and loss account			211,830		273,132
			<hr/>		<hr/>
			288,895		350,197
			<hr/>		<hr/>

These accounts are prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 2 to 5 were approved by the Board of Directors on 27th January 2003 and signed on its behalf by



E A Cameron

The attached notes 3 to 5 form part of these accounts.

PARAMOUNT ELECTRONICS LIMITED

NOTES TO THE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 1985 and with applicable Accounting Standards. Any material departures from Accounting Standards are described below.

Basis of preparation

These financial statements have been prepared under the historical cost convention and the principal accounting policies which the directors have adopted within that convention are set out below.

Turnover

Turnover is the total invoiced sales, less returns, exclusive of value added tax.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows :

<i>Short leasehold premises & improvements</i>	<i>over the term of the lease</i>	
Office equipment	25%	straight line
Workshop equipment	25%	straight line

Stocks and work in progress

Stock is valued by the directors at the lower of cost and net realisable value after making allowance for any obsolete or slow moving items.

Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of rental obligations is charged to the profit and loss account over the period of the agreement.

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 to the profit and loss account.

The company also makes contributions to individual personal pension schemes of certain employees. The company's liability is limited to the amount of the contribution.

PARAMOUNT ELECTRONICS LIMITED

NOTES TO THE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

2 Tangible fixed assets

	Short term Leasehold Improvements	Office Equipment	Workshop equipment	Total
	£	£	£	£
Cost				
At 1 April 2001	3,040	80,957	106,241	190,238
Additions	9,604	4,003	8,521	22,128
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	12,644	84,960	114,762	212,366
Depreciation				
At 1 April 2001	1,393	56,486	73,607	131,486
Charge for year	3,161	12,960	14,038	30,159
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	4,554	69,446	87,645	161,645
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 March 2002	8,090	15,514	27,117	50,721
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	1,647	24,471	32,634	58,752
	<hr/>	<hr/>	<hr/>	<hr/>

Assets held under hire purchase agreements and finance lease obligations were as follows:

	2002 £	2001 £
Net book value	6,157	9,235
	<hr/>	<hr/>
Depreciation charge for the year	3,078	3,078
	<hr/>	<hr/>
3 Debtors	2002 £	2001 £
Trade	149,082	185,556
Prepayments and accrued income	3,213	-
Other debtors	-	4,591
	<hr/>	<hr/>
	152,295	190,147
	<hr/>	<hr/>

PARAMOUNT ELECTRONICS LIMITED

NOTES TO THE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

4 Creditors : amounts falling due within one year	2002 £	2001 £
Trade creditors	47,669	63,543
Accruals	4,456	6,001
Obligations under finance leases and hire purchase contracts	3,695	3,695
Other taxes and social security costs	41,476	42,738
Taxation	17,473	35,975
Other creditors	2,757	5,471
Directors loan accounts	45,845	-
	<u>163,371</u>	<u>157,423</u>

Directors' loans are interest free and have no repayment date.

5 Share capital	2002 £	2001 £
Authorised		
70,000 "A" Ordinary shares of £1 each	70,000	70,000
30,000 "B" Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
	<u>100,000</u>	<u>100,000</u>
Issued and fully paid		
48,347 "A" Ordinary shares of £1 each	48,347	48,347
22,218 "B" Ordinary shares of £1 each	<u>22,218</u>	<u>22,218</u>
	<u>70,565</u>	<u>70,565</u>