

PARAMOUNT ELECTRONICS LIMITED
REPORT AND ABBREVIATED FINANCIAL STATEMENTS
31st MARCH 2001

Company No.: 2356906

John Gale Associates
Chartered Accountants
415 Hillcross Avenue
Morden
Surrey, SM4 4BZ

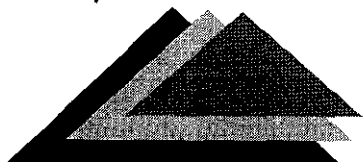


PARAMOUNT ELECTRONICS LIMITED

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JOHN GALE ASSOCIATES
CHARTERED ACCOUNTANTS

AUDITORS REPORT TO PARAMOUNT ELECTRONICS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Paramount Electronics Limited prepared under section 226 of the Companies Act 1985, for the year ended 31st March 2001.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 to the Companies Act 1985. It is our 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 our opinion to you.

Basis of opinion

We 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 our report on the financial statements.

Opinion

In our 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 to 5 are properly prepared in accordance with those provisions.

Chartered Accountants &
 Registered Auditor

Date: 29th June 2002

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Registered to carry on audit work by the
 Institute of Chartered Accountants in England and Wales.



ABBREVIATED BALANCE SHEET

31st MARCH 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	2	58,752	53,260
Investments	3	-	15,440
		<u>58,752</u>	<u>68,700</u>
CURRENT ASSETS			
Stocks and work-in-progress		82,531	102,011
Debtors	4	190,147	232,679
Cash at bank and in hand		<u>180,499</u>	<u>122,545</u>
		453,177	457,235
CREDITORS: amounts falling due within one year	5	<u>157,423</u>	<u>254,373</u>
NET CURRENT ASSETS		295,754	202,862
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>354,506</u>	<u>271,562</u>
CREDITORS: amounts due after more than one year	6	4,309	-
NET ASSETS		<u>£ 350,197</u>	<u>£ 271,562</u>
CAPITAL AND RESERVES			
Called up share capital	7	70,565	70,565
Share premium account		6,500	-
Profit and loss account		273,132	200,997
Shareholders Funds		<u>£ 350,197</u>	<u>£ 271,562</u>

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 23rd January 2002 and signed on its behalf by *E. A. Cameron.*



The notes on pages 3 to 5 form an integral part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2001

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 amount receivable by the company for goods supplied and services provided, excluding value added tax.

Turnover is not analysed either by activity or by geographical markets.

Foreign Currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates.

All revaluation differences and realised foreign exchange differences are taken to profit and loss.

Tangible Fixed Assets

Tangible fixed assets are stated at cost.

Depreciation is provided so as to write off the cost of tangible fixed assets over their estimated useful lives, using the following rates:

Short leasehold premises & improvements	- over the term of the lease
Office equipment	- 25% on cost
Workshop equipment	- 25% on cost

Stocks and Work in Progress

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

Leases

Assets held under finance leases (including hire purchase contracts) are capitalised at the fair value of the asset at the inception of the leases, with an equivalent liability categorised under creditors due within and after one year. Assets are depreciated over the shorter of the lease term and their useful economic life. Finance charges are allocated to accounting years over the life of each lease to produce a constant rate of return on the outstanding balance.

Rentals payable under operating leases are charged to profit and loss account on the straight-line basis over the lease term.

Pensions

The company operates a defined contribution scheme. Contributions payable for the year are charged in the profit and loss account.

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

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2001

2. TANGIBLE ASSETS

	Total Equipment £
COST	
At 1st April 2000	161,801
Additions	31,537
Disposals	(3,100)
At 31st March 2001	<u>190,238</u>
DEPRECIATION	
At 1st April 2000	108,541
Charge for the year	26,045
Disposals	(3,100)
At 31st March 2001	<u>131,486</u>
NET BOOK VALUE	
At 31st March 2001	<u>58,752</u>
At 31st March 2000	<u>53,260</u>

3. FIXED ASSET INVESTMENTS

	Unlisted £
At 1st April 2000	15,440
Provisions during year	(15,440)
Net book value at 31st March 2001	<u>-</u>

The unlisted shares represent shares in a group company.

As at 31st March the company held more than 10% of the allotted share capital of the following undertakings:

	Nature of Business	Class of Share Capital Held	Proportion Held	Country of Registration
Amos Electronics Limited	Dormant	Ordinary	100%	England

4. DEBTORS

Included in debtors is a director's loan. Details of the movements on this account during the course of the year are as follows:-

	Balance at 31st March 2000 £	Balance at 31st March 2001 £	Highest balance during the year £
E A Cameron	<u>(8,074)</u>	<u>4,591</u>	<u>53,741</u>

5. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Creditors include:		
HP & Finance lease instalments	3,695	-

HP & finance leases are secured on specific assets.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2001

6. CREDITORS: amounts falling due after more than one year

HP & Finance lease instalments due between 2 & 5 years	4,309	-
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HP & finance leases are secured on specific assets.

7. SHARE CAPITAL

	2001 £	2000 £
Authorised		
70,000 'A' ordinary shares of £1 each (2000: 100,000 ordinary shares)	70,000	100,000
30,000 'B' ordinary shares of £1 each	30,000	-
	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid		
48,347 'A' ordinary shares of £1 each (2000: 70,565 ordinary shares)	48,347	70,565
22,218 'B' ordinary shares of £1 each	22,218	-
	<u>70,565</u>	<u>70,565</u>

The shares were re-denominated during the course of the year.

On 14th June 2000 the company issued a further 2,000 "B" Ordinary Shares of £1 each for a total consideration of £8,500.

On 31st March 2001 the company purchased from an employee 2,000 "B" Ordinary Shares of £1 each, representing 2.7% of the called up share capital, for the sum of £19,260, as a result of an exercise of options granted under an approved scheme.