

Hardware Engineering Limited

Report and Accounts

31 December 1999

Registered Number: 2490994



Hardware Engineering Limited

DIRECTORS' REPORT

DIRECTORS

J F C Garnett
G Drabble

SECRETARY

J L Smith

The directors present their report and accounts for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding company.

On 31 December 1998, the assets and trade of the subsidiary company were transferred to Cego Framework Limited, the immediate parent company of Hardware Engineering Limited. The subsidiary company is now dormant.

RESULTS AND DIVIDENDS

The company did not trade in this nor the previous financial year. No profit and loss account has therefore been prepared. No dividend has been recommended.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were those shown above.

None of the directors have any interest in the shares of the company.

The interests of the directors in shares, or in options to purchase shares in the Laird Group Public Limited Company are disclosed in the accounts of Cego Framework Limited.

YEAR 2000

Prior to 31 December 1999, steps were taken to review computer and date dependent systems critical to the company's ongoing operations and preparation of financial information to establish the impact, if any, which the Year 2000 might have on the accuracy of their calculations, processing and reporting. Although in the future it is not possible to guarantee that no Year 2000 problems remain, the company believes that its internal systems are Year 2000 compliant.

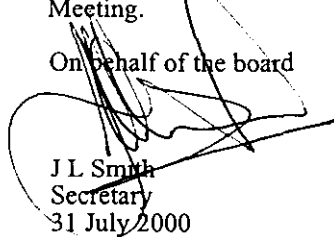
The company continues to address the business risk from third parties with whom it deals on business or financial matters, including key customers and suppliers. Contingency plans have been developed to minimise the risk of disruption. No significant disruption has occurred to date.

Although the millennium date change has passed and no significant problems have been encountered, the directors recognise that there is still a risk of Year 2000 impacting the business but do not expect this to be significant.

AUDITORS

The Company's auditors, Ernst & Young, will be proposed for re-appointment at the Annual General Meeting.

On behalf of the board


J L Smith
Secretary
31 July 2000

Hardware Engineering Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Hardware Engineering Limited

We have audited the accounts on pages 4 to 6, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Ernst & Young
Registered Auditor
Birmingham

31 July 2000

Hardware Engineering Limited

BALANCE SHEET at 31 December 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Investment in subsidiary undertaking	2	98	98
CURRENT ASSETS			
Other debtors		2	2
NET CURRENT ASSETS		2	2
		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
EQUITY SHAREHOLDERS' FUNDS	4	<u>100</u>	<u>100</u>

ERNST & YOUNG

J F C Garnett
Director

31 July 2000

Hardware Engineering Limited

NOTES TO THE ACCOUNTS at 31 December 1999

1. ACCOUNTING POLICIES

Basis of preparation

The company did not trade in this nor the previous financial year. No profit and loss account has therefore been prepared. No dividend has been recommended.

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Group accounts have not been prepared because the Company is a wholly owned subsidiary of The Laird Group Public Limited Company, a company registered in England and Wales. As a result, the accounts present information about the Company as an individual undertaking and not about its group.

2. INVESTMENT IN SUBSIDIARY UNDERTAKING

Cost of investment:	£
At 1 January 1999 and 31 December 1999	98
Details of the subsidiary undertaking are as follows:	

<i>Name</i>	<i>Country of registration</i>	<i>Holding</i>	<i>Class of shares</i>
Euromond Limited	England and Wales	100%	£1 ordinary

The subsidiary undertaking is dormant.

In the opinion of the directors the value of the Company's investment in its subsidiary undertaking is not less than the amount at which it is stated in the balance sheet.

3. CALLED UP SHARE CAPITAL

	<i>Number</i>	<i>Authorised £</i>	<i>Allotted, called up and fully paid Number</i>	<i>£</i>
A Ordinary shares of £1 each	1,000	1,000	100	100

4. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share Capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 31 December 1997	100	-	100
Profit for the year	-	1,200,000	1,200,000
Dividend	-	(1,200,000)	(1,200,000)
At 31 December 1998 and 31 December 1999	100	-	100

Hardware Engineering Limited

NOTES TO THE ACCOUNTS

at 31 December 1999

5. RELATED PARTY DISCLOSURE

The Company has taken advantage of the exemption in FRS8 as a wholly owned subsidiary not to disclose details of certain related party transactions required by the standard.

6. ULTIMATE HOLDING COMPANY

The Company's immediate parent undertaking is Cego Framework Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking is The Laird Group Public Limited Company, which prepares group accounts incorporating Hardware Engineering Limited and its subsidiary undertaking.

The Laird Group Group Public Company is a company incorporated in Great Britain. Copies of its accounts can be obtained from the Company Secretary, 3 St James's Square, London SW1Y 4JU.