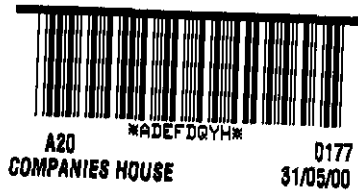


Company Number : 3094284
Registered in England & Wales

ARROW ELECTRONICS EURO LIMITED

REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD
1 September 1998 to 31 August 1999**



**STEVEN K SYKES - Chartered Management Accountant
THE BLUE SKIES PARTNERSHIP**

ARROW ELECTRONICS EURO LIMITED

Board of Directors

Mrs L McMillan

Secretary

Mr P Archer

Registered Office

21 Church Hill
Cheddington
Leighton Buzzard
Beds
LU7 0SX

Bankers

Barclays Bank PLC
The Dacorum Group
West Herts

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ARROW ELECTRONICS EURO LIMITED
REPORT OF THE DIRECTORS

FOR THE PERIOD
1 September 1998 to 31 August 1999

The directors present their report, and the unaudited financial statements, for the period 1 September 1998 to 31 August 1999, their fourth trading period.

Activities

During the period the Company traded as electrical and electronics design engineers. It is not envisaged that the company will undertake any dis-similar operations in the foreseeable future.

Close Company

The Company is a close company as defined by the Income & Corporation Taxes Act 1988.

Directors

The Directors throughout the period, and their beneficial interests in the shares of the Company were :-

31 August 1999

Ordinary Shares of £1 each

Mrs L McMillan

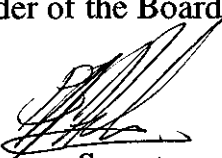
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Accountants

A resolution proposing the re-appointment of The Blue Skies Partnership as Accountants and Tax Advisors to the Company will be put to the forthcoming Annual General Meeting.

In preparing the above report, the Directors have taken advantage of special exemptions applicable to small companies.

By order of the Board


P Archer - Secretary

-

Dated 26 May 2000

ARROW ELECTRONICS EURO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE PERIOD

1 September 1998 to 31 August 1999

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss for that year.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue in the business.

The Directors are responsible for maintaining 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.

ARROW ELECTRONICS EURO LIMITED

BALANCE SHEET

31 AUGUST 1999

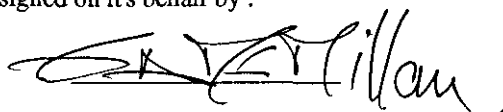
	Note	1999 £'s	£'s
FIXED ASSETS			
Tangible Assets	2		2,924
CURRENT ASSETS			
Stocks		0	
Debtors	3	23,445	
Cash at Bank and in Hand		14,458	
		<u>37,903</u>	
CURRENT LIABILITIES : FALLING DUE WITHIN ONE YEAR			
Trade Creditors		16,661	
Corporation Tax		6,410	
Other Creditors	4	2,664	
		<u>25,735</u>	
NET CURRENT ASSETS			12,168
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,092</u>
CURRENT LIABILITIES : FALLING DUE AFTER ONE YEAR			0
PROVISION FOR LIABILITIES AND CHARGES			0
			<u>15,092</u>
CAPITAL AND RESERVES			
Called Up Share Capital	5		3
Profit and Loss Account			15,089
			<u>15,092</u>

For the financial period ended 31 August 1999, the Company was entitled to exemption from audit under S249(1) Companies Act 1985; and no notice has been deposited under S249B(2). The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the Company at the end of the period and of its profit or loss for the financial period in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as is applicable to the Company.

The Directors have taken advantage of special exemptions conferred by Schedule 8 of the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the Company is entitled to those exemptions.

The financial statements on pages three to eight were approved by the Board of Directors on 26/1/00, and were signed on its behalf by :

L McMillan



ARROW ELECTRONICS EURO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 1 SEPTEMBER 1998 to 31 AUGUST 1999

	Note	1999	
		£'s	£'s
TURNOVER	6		80,001
COST OF SALES			43,320
GROSS PROFIT			<u>36,681</u>
DISTRIBUTION COSTS		0	
ADMINISTRATIVE EXPENSES		<u>7,461</u>	
			<u>7,461</u>
OPERATING PROFIT / (LOSS)	7		<u>29,220</u>
INTEREST RECEIVABLE AND SIMILAR INCOME			<u>14</u>
			29,234
INTEREST PAYABLE AND SIMILAR CHARGES			0
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>29,234</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES			6,401
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			<u>22,833</u>
DIVIDENDS PAID			11,900
RETAINED PROFIT BROUGHT FORWARD			4,156
RETAINED PROFIT/ (LOSS) CARRIED FORWARD			<u><u>15,089</u></u>

The profit and loss account contains all the recognised gains and losses in the current year, and loss retained represents the only movement in shareholders' funds.

ARROW ELECTRONICS EURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD

1 September 19987 to 31 August 1999

1. Accounting Policies

Accounting basis

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off evenly the cost, less the estimated residual value, of each asset over its expected useful life as follows :-

Plant and Machinery	- 20% on straight line basis
Office Equipment	- 25% on straight line basis
Motor Vehicles	- 25% on straight line basis

Stocks

The Company holds no stocks for resale and is unlikely to do so.

Hire Purchase and Leasing Contracts

Assets financed by hire purchase contracts and finance leases are capitalised. The obligation to make future repayments and rentals is recognised and included in creditors net of finance charges allocated to future periods.

Assets capitalised are depreciated in accordance with the policy explained above.

The finance charges relating to such contracts are charged in the profit and loss account as calculated using the sum of digits method. Rentals paid under operating leases are charged to the profit and loss account as incurred.

ARROW ELECTRONICS EURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD

1 September 1998 to 31 August 1999

1. Accounting Policies (continued)

Deferred Taxation

Deferred taxation is accounted for using the liability method at the balance sheet date on all material timing differences to the extent that it is probable that liabilities arising from such timing differences will crystallise in the foreseeable future.

Timing differences are taxable items, allowances or reliefs which are given effect to in taxation periods different from those in which they have effect in the financial statements. They comprise mainly accelerated tax depreciation allowances and other short term timing differences.

2. Tangible Fixed Assets

	Total	Office	Motor
	£'s	Equipment	Vehicles
		£'s	£'s
Cost or Valuation			
Brought Forward	7,572	7,572	0
Additions	2,874	2,874	0
Carried Forward	<u>10,446</u>	<u>10,446</u>	<u>0</u>
Depreciation			
Brought Forward	4,910	4,910	0
Charge For Year	2,612	2,612	0
Carried Forward	<u>7,522</u>	<u>7,522</u>	<u>0</u>
Net Book Value 1999	2,924	2,924	0
Net Book Value 1998	2,662	2,662	0

Office equipment costs include no assets held under hire purchase contracts or finance leases.

ARROW ELECTRONICS EURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD

1 September 1998 to 31 August 1999

		1999 £'s
3. Debtors		
Trade Debtors		25,002
Prepayments & Accrued Income		0
		<hr/> 25,002
4. Other Creditors		
Taxation - PAYE / NIC		0
Director's Current Account		0
Accruals - Accounting		575
Taxation - VAT Payable		2,089
		<hr/> 2,664
5. Share Capital		
	Authorised	Allotted, Issued and Fully Paid
Ordinary Shares of £1 each	1000	3
6. Turnover		
Turnover represents the net invoiced amount of goods sold and services provided stated net of value added tax.		
The turnover and pre tax profit is attributable to the provision of design and planning consultancy services. All turnover was generated within the United Kingdom. All activities are continuing.		
7. Operating Profit		
This is stated after charging :-		
Depreciation on owned assets		2,612
Directors Emoluments		0
		<hr/> 2,612