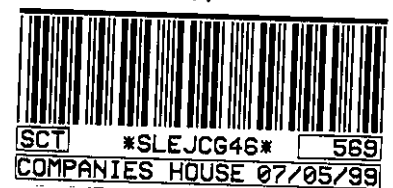


ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1998

FOR

KELVINSIDE ELECTRONICS LIMITED



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FOR THE YEAR ENDED 30 NOVEMBER 1998

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KELVINSIDE ELECTRONICS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 1998

DIRECTORS:

D Baird
I Ferguey

SECRETARY:

D Baird

REGISTERED OFFICE:

2 Gavell Road
Kilsyth
Glasgow
G65 9BS

REGISTERED NUMBER:

105407 (Scotland)

AUDITORS:

Scott Oswald
Chartered Accountants
Registered Auditors
41 St Vincent Place
Glasgow
G1 2ER

KELVINSIDE ELECTRONICS LIMITED

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

We have examined the abbreviated financial statements on pages three to five, together with the full financial statements of the company for the year ended 30 November 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements 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 we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to five are properly prepared in accordance with those provisions.



Scott Oswald
Chartered Accountants
Registered Auditors
41 St Vincent Place
Glasgow
G1 2ER

Dated: 31 March 1999

KELVINSIDE ELECTRONICS LIMITED

ABBREVIATED BALANCE SHEET
30 NOVEMBER 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	2		635,681		642,246
CURRENT ASSETS:					
Stocks		160,293		155,717	
Debtors		411,314		335,466	
Cash at bank and in hand		179,206		23,152	
		<u>750,813</u>		<u>514,335</u>	
CREDITORS: Amounts falling due within one year	3	<u>391,679</u>		<u>289,793</u>	
NET CURRENT ASSETS:			<u>359,134</u>		<u>224,542</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			994,815		866,788
CREDITORS: Amounts falling due after more than one year	3		(61,917)		(126,412)
ACCRUALS AND DEFERRED INCOME:			<u>(208,169)</u>		<u>(216,133)</u>
			<u>£724,729</u>		<u>£524,243</u>
CAPITAL AND RESERVES:					
Called up share capital	4		6,579		5,000
Share premium			65,923		-
Capital redemption reserve			3,750		3,750
Profit and loss account			648,477		515,493
Shareholders' funds			<u>£724,729</u>		<u>£524,243</u>

These abbreviated financial statements have 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:

D. Baird

D Baird - DIRECTOR

I Ferguey

I Ferguey - DIRECTOR

Approved by the Board on 31 March 1999

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Turnover represents the value of sales invoiced excluding value added tax, and is derived entirely from activities within the United Kingdom.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land & Buildings	- 2% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

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

Government Grants

Government Grants received in respect of capital items are amortised over the estimated useful life of the assets purchased.

KELVINSIDE ELECTRONICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1998

2. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 December 1997	770,847
Additions	36,796
Disposals	(19,628)
	<u>788,015</u>
At 30 November 1998	
DEPRECIATION:	
At 1 December 1997	128,601
Charge for year	42,543
Eliminated on disposals	(18,810)
	<u>152,334</u>
At 30 November 1998	
NET BOOK VALUE:	
At 30 November 1998	<u>635,681</u>
At 30 November 1997	<u>642,246</u>

3. CREDITORS

The following secured debts are included within creditors:

	1998	1997
	£	£
Bank loans	27,004	87,306
Other loan	50,000	50,000
	<u>77,004</u>	<u>137,306</u>

Creditors include the following debts falling due in more than five years:

	1998	1997
	£	£
Repayable by instalments		
Bank loans	-	34,922
	<u>-</u>	<u>34,922</u>

4. CALLED UP SHARE CAPITAL

Authorised:		Nominal	1998	1997
Number:	Class:	value:	£	£
25,000	Ordinary	£1	<u>25,000</u>	<u>25,000</u>
Allotted, issued and fully paid:		Nominal	1998	1997
Number:	Class:	value:	£	£
6,579	Ordinary	£1	<u>6,579</u>	<u>5,000</u>

1,579 Ordinary shares of £1 each were allotted as fully paid at a premium of £41.75 per share during the year.