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BOURNS (UK) ACQUISITION LIMITED

FINANCIAL STATEMENTS

31st DECEMBER 2009

COMPANY REGISTRATION NUMBER 3944613

BOURNS (UK) ACQUISITION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2009

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BOURNS (UK) ACQUISITION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

| | |
|-------------------------------|--|
| The board of directors | William McKenna Gordon Bourns Gerald Young |
| Company secretary | Juhasz Imre |
| Registered office | Manton Lane Bedford MK41 7BJ United Kingdom |
| Auditor | Grant Thornton Chartered Accountants & Statutory Auditor 24 - 26 City Quay Dublin 2 Ireland |
| Bankers | Royal Bank of Scotland Unit 9 Bay Centre Regents Way Dalgety Bay Fife KY11 5YD United Kingdom |
| Solicitors | Herbert Smith Exchange House Primrose Street London EC2A 2HS United Kingdom |

BOURNS (UK) ACQUISITION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st DECEMBER 2009

The directors present their report and the financial statements of the company for the year ended 31st December 2009

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to act as an investment holding company. There has been no significant change in the company's activities during the year. The company will continue as an investment holding company for the foreseeable future.

DIRECTORS

The directors who served the company during the year were as follows:

William McKenna
Gordon Bourns
Gerald Young

The directors do not have any interests required to be disclosed under Section 2 of Schedule 7 of the Companies Act, 1985.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Grant Thornton are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

BOURNS (UK) ACQUISITION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2009

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the directors



Julianusz Imre
Company Secretary

Approved by the directors on

22/9/2010

BOURNS (UK) ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BOURNS (UK) ACQUISITION LIMITED FOR THE YEAR ENDED 31st DECEMBER 2009

We have audited the financial statements of Bourns (UK) Acquisition Limited for the year ended 31st December 2009. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

BOURNS (UK) ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BOURNS (UK) ACQUISITION LIMITED FOR THE YEAR ENDED 31st DECEMBER 2009 *(continued)*

ADVERSE OPINION ON GROUP FINANCIAL STATEMENTS

As more fully explained in Note 1 to the financial statements, the directors have not prepared group financial statements consolidating the company's subsidiaries as required by Companies Act 2006 and Financial Reporting Standard No 2 'Accounting for Subsidiary Undertakings' as a consequence of administration of a number of the company's subsidiaries following the year end

In view of the failure to prepare group financial statements, in our opinion the group financial statements

do not give a true and fair view of the state of the group's affairs as at 31 December 2009 and of its result for the year then ended,

have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,

have not been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON COMPANY FINANCIAL STATEMENTS

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31st December 2009 and of its loss for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

Notwithstanding our adverse opinion on the view given by the financial statements, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the company financial statements

BOURNS (UK) ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BOURNS (UK) ACQUISITION LIMITED FOR THE YEAR ENDED 31st DECEMBER 2009 *(continued)*

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

24 - 26 City Quay
Dublin 2
Ireland

22nd September 2010

JAMES A MURPHY (Senior Statutory Auditor)
For and on behalf of
GRANT THORNTON
Chartered Accountants
& Statutory Auditor

BOURNS (UK) ACQUISITION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2009

| | Note | 2009 £ | 2008 £ |
|--|------|-----------|-------------|
| TURNOVER | | - | - |
| Administrative expenses | | (10,136) | (9,246) |
| OPERATING LOSS | 2 | (10,136) | (9,246) |
| Interest receivable | | - | 29 |
| Amounts written off investments | 3 | - | (4,999,605) |
| Interest payable and similar charges | | (6) | - |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (10,142) | (5,008,822) |
| Tax on loss on ordinary activities | 4 | - | - |
| LOSS FOR THE FINANCIAL YEAR | | (10,142) | (5,008,822) |

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 12 form part of these financial statements.

BOURNS (UK) ACQUISITION LIMITED

BALANCE SHEET

31st DECEMBER 2009

| | Note | £ | 2009 £ | £ | 2008 £ |
|---|------|------------------|---------------------|------------------|---------------------|
| FIXED ASSETS | | | | | |
| Investments | 5 | | 24,225,660 | | 24,225,660 |
| CURRENT ASSETS | | | | | |
| Cash at bank | | 18,862 | | 21,001 | |
| CREDITORS: Amounts falling due within one year | 6 | <u>1,281,590</u> | | <u>1,273,587</u> | |
| NET CURRENT LIABILITIES | | | <u>(1,262,728)</u> | | <u>(1,252,586)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>22,962,932</u> | | <u>22,973,074</u> |
| CAPITAL AND RESERVES | | | | | |
| Called-up equity share capital | 8 | | 32,641,030 | | 32,641,030 |
| Other reserves | 9 | | 2,035,725 | | 2,035,725 |
| Profit and loss account | 9 | | <u>(11,713,823)</u> | | <u>(11,703,681)</u> |
| SHAREHOLDERS' FUNDS | 9 | | <u>22,962,932</u> | | <u>22,973,074</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 22/9/10, and are signed on their behalf by

W. P. McKenna
William McKenna
Director

The notes on pages 9 to 12 form part of these financial statements.

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Consolidation

Bourns (UK) Acquisition Limited is a parent company and has not prepared consolidated financial statements dealing with the group comprising of the company and its subsidiary undertakings as required by financial reporting standards. Consolidated financial statements are not prepared as the directors consider that preparation of consolidated financial statements would involve disproportionate expense and delay to the value to members of the company

Cash flow statement

The directors have availed of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Foreign currencies

The financial statements are expressed in pounds sterling (STG£)

Normal trading activities denominated in foreign currencies are recorded in the local currency at actual exchange rate as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. OPERATING LOSS

Operating loss is stated after charging/(crediting)

| | 2009 £ | 2008 £ |
|---|--------------|----------------|
| Directors' remuneration | - | - |
| Auditor's fees | 8,172 | 6,856 |
| Net loss/(profit) on foreign currency translation | <u>1,964</u> | <u>(5,310)</u> |

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2009

3. AMOUNTS WRITTEN OFF INVESTMENTS

| | 2009 £ | 2008 £ |
|--------------------------------|-----------|------------------|
| Amount written off investments | <u>-</u> | <u>4,999,605</u> |

In 2008, the company wrote down its investment in Bourns Limited by €4,999,605. This write down is a result of an impairment review of goodwill carried out by Bourns Limited.

4. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 28.50%)

| | 2009 £ | 2008 £ |
|---|-----------------|--------------------|
| Loss on ordinary activities before taxation | <u>(10,142)</u> | <u>(5,008,822)</u> |
| Loss on ordinary activities by rate of tax | (2,840) | (1,427,514) |
| Utilisation of tax losses | - | 2,627 |
| Expenses not deductible for tax purposes | - | 1,424,887 |
| Group relief surrendered | <u>2,840</u> | <u>-</u> |
| Total current tax | <u>-</u> | <u>-</u> |

5. INVESTMENTS

Investments in subsidiary undertakings and trade investment

| | £ |
|--|-------------------|
| COST | |
| At 1st January 2009 and 31st December 2009 | <u>31,042,465</u> |
| AMOUNTS WRITTEN OFF | |
| At 1st January 2009 and 31st December 2009 | <u>6,816,805</u> |
| NET BOOK VALUE | |
| At 31st December 2009 and 31st December 2008 | <u>24,225,660</u> |

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2009

5. INVESTMENTS *(continued)*

In the opinion of the directors the value of the unquoted investments is not less than the amount shown above

The company owns 100% of the issued share capital of Bourns Electronics Limited. As at 31 December 2009, Bourns Electronics Limited had accumulated reserves of Stg £2,222,275 (2008 Stg £2,178,664) and a profit for the year of Stg £61,062 (2008 Stg £105,864)

The company also owns 100% of the share capital of Bourns Limited. As at the balance sheet date, Bourns Limited had accumulated net assets of Stg £8,920,000 (2008 Stg £6,775,000) and a profit for the year of Stg £2,145,000 (2008 Profit Stg £1,334,000). Both companies are registered in England and Wales.

At the balance sheet date, Bourns (UK) Acquisition Limited also held 1 ordinary share in Bourns Luxembourg.

6. CREDITORS: Amounts falling due within one year

| | 2009 £ | 2008 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 1,277,419 | 1,265,487 |
| Accruals and deferred income | 4,171 | 8,100 |
| | <u>1,281,590</u> | <u>1,273,587</u> |

7. RELATED PARTY TRANSACTIONS

The company has availed of the exemptions in FRS8 paragraph 3 (c) which allows non disclosure of transactions with other group companies.

8. SHARE CAPITAL

Authorised share capital:

| | 2009 £ | 2008 £ |
|--|-------------------|-------------------|
| 40,000,000 Ordinary shares of STG£1 each | <u>40,000,000</u> | <u>40,000,000</u> |

Allotted, called up and fully paid:

| | 2009 No | £ | 2008 No | £ |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| Ordinary shares of STG£1 each | <u>32,641,030</u> | <u>32,641,030</u> | <u>32,641,030</u> | <u>32,641,030</u> |

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2009

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

| | Share capital £ | Capital contribution reserve £ | Profit and loss account £ | Total share- holders' funds £ |
|-------------------------|--------------------|---|---------------------------------|-------------------------------------|
| Balance brought forward | 32,641,030 | 2,035,725 | (6,694,859) | 27,981,896 |
| Loss for the year | - | - | (5,008,822) | (5,008,822) |
| Balance brought forward | 32,641,030 | 2,035,725 | (11,703,681) | 22,973,074 |
| Loss for the year | - | - | (10,142) | (10,142) |
| Balance carried forward | <u>32,641,030</u> | <u>2,035,725</u> | <u>(11,713,823)</u> | <u>22,962,932</u> |

10. POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end

11. ULTIMATE PARENT COMPANY

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Bourns Incorporated, a company incorporated in the State of California, United States of America

The smallest and largest group in which the results of the company are consolidated is Bourns Incorporated. Copies of the consolidated financial statements of Bourns Incorporated are not generally available to the public

BOURNS (UK) ACQUISITION LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31st DECEMBER 2009

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 6**

BOURNS (UK) ACQUISITION LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2009

| | 2009 £ | 2008 £ |
|------------------------------------|-----------------|--------------------|
| OVERHEADS | | |
| Administrative expenses | (10,136) | (9,246) |
| OPERATING LOSS | (10,136) | (9,246) |
| Bank interest receivable | <u>-</u> | <u>29</u> |
| | (10,136) | (9,217) |
| Amounts written off investments | - | (4,999,605) |
| Bank interest payable | <u>(6)</u> | <u>-</u> |
| LOSS ON ORDINARY ACTIVITIES | <u>(10,142)</u> | <u>(5,008,822)</u> |

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2009

| | £ | 2009 £ | £ | 2008 £ |
|--------------------------------|--------------|---------------|--------------|----------------|
| ADMINISTRATIVE EXPENSES | | | | |
| General expenses | | | | |
| Accountancy fees | — | | 7,700 | |
| Auditors remuneration | <u>8,172</u> | | <u>6,856</u> | |
| | | 8,172 | | 14,556 |
| Financial costs | | | | |
| Foreign currency gains/losses | | <u>1,964</u> | | <u>(5,310)</u> |
| | | <u>10,136</u> | | <u>9,246</u> |
| INTEREST RECEIVABLE | | | | |
| Bank interest receivable | | <u>—</u> | | <u>29</u> |