

**POWER MAGNETICS AND ELECTRONIC  
SYSTEMS LIMITED**

**Report and Financial Statements**

**31 December 2004**



# **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2004**

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# **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2004**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

J. Blogh  
D. L. Sammons  
D. Jeffcoat  
A. Freer

#### **REGISTERED OFFICE**

Armitage Road  
Rugeley  
Staffordshire  
WS15 1DR

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report for the year ended 31 December 2004.

## PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company did not have any trading activity in either the current or prior year and consequently no profit and loss account is presented.

## DIRECTORS AND THEIR INTERESTS

The directors who served during the year are listed on page 1.

The directors who held office at the end of the financial year had no interests in the shares of the company requiring disclosure under Schedule 7 of the Companies Act 1985.

The interests of J. Blogh and D. Jeffcoat in the shares of the company's ultimate parent company, Ultra Electronics Holdings plc, are disclosed in the financial statements of that company.

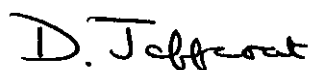
At the end of the year the share options held by the directors in Ultra Electronics Holdings plc, which are not disclosed in the Directors' Report of the financial statements of that company, are as follows:

|               | At 31<br>December<br>2003<br>No. | At 31<br>December<br>2004<br>No. |
|---------------|----------------------------------|----------------------------------|
| D. L. Sammons | 28,100                           | 25,033                           |
| A. Freer      | 11,373                           | 16,230                           |

## AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



D. Jeffcoat  
Director

18 Aug 2005

# **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; and
- 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 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

We have audited the financial statements of Power Magnetics and Electronic Systems Limited for the year ended 31 December 2004 which comprise the balance sheet and the related notes numbered 1 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of Directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

*18 August* 2005

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## BALANCE SHEET

For the year ended 31 December 2004

|   | Note | 2004<br>£'000 | 2003<br>£'000 |
|---|------|---------------|---------------|
| <b>CURRENT ASSETS</b>                       |      |               |               |
| Debtors                                     | 3    | 5,538         | 5,538         |
| <b>NET CURRENT ASSETS, BEING NET ASSETS</b> |      | <u>5,538</u>  | <u>5,538</u>  |
| <b>CAPITAL AND RESERVES</b>                 |      |               |               |
| Called up share capital                     | 4    | 1,835         | 1,835         |
| Share premium account                       | 5    | 5,979         | 5,979         |
| Profit and loss account                     | 5    | (2,276)       | (2,276)       |
| <b>EQUITY SHAREHOLDERS' FUNDS</b>           | 6    | <u>5,538</u>  | <u>5,538</u>  |

A statement of movement on reserves is given in note 5. The results for the prior year derive from discontinued activities.

These financial statements were approved by the Board of Directors on 18/8/2005.

Signed on behalf of the Board of Directors



D Jeffcoat

Director

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

### 1. ACCOUNTING POLICIES

A summary of the principal accounting policy, all of which has been applied consistently throughout the year and the preceding year, is set out below.

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and law. These financial statements present information about the company as an individual undertaking and not about its group.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985, because it is a wholly owned subsidiary of Ultra Electronics Holdings plc which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirements of FRS 1 to present a cash flow statement.

The company did not have any trading activity in either current or prior year and consequently no profit and loss account is presented.

### 2. OPERATING PROFIT

Auditors' remuneration for both the current and prior year have been borne by another group company. The company had no employees during either year other than directors. The directors received no remuneration for their services to the company in either year.

### 3. DEBTORS

|                                     | 2004<br>£'000 | 2003<br>£'000 |
|-------------------------------------|---------------|---------------|
| Amounts due from group undertakings | 5,538         | 5,538         |

### 4. CALLED UP SHARE CAPITAL

|  | 2004<br>£'000 | 2003<br>£'000 |
|--|---------------|---------------|
| Authorised<br>1,860,667 ordinary shares of £1 each                         | 1,861         | 1,861         |
| Called up, allotted and fully paid<br>1,835,667 ordinary shares of £1 each | 1,835         | 1,835         |

### 5. RESERVES

| 2004                      | Share<br>premium<br>account<br>£'000 | Profit and<br>loss<br>account<br>£'000 |
|---------------------------|--------------------------------------|--|
| Beginning and end of year | 5,979                                | (2,276)                                |
| 2003                      | Share<br>premium<br>account<br>£'000 | Profit and<br>loss<br>account<br>£'000 |
| Beginning and end of year | 5,979                                | (2,276)                                |



# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

### 6. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

|  | 2004<br>£'000 | 2003<br>£'000 |
|--|---------------|---------------|
| Opening and closing equity shareholders' funds | <u>5,538</u>  | <u>5,538</u>  |

### 7. RELATED PARTIES

Advantage has been taken of the exemption in FRS 8 concerning Related Party Disclosures.

### 8. ULTIMATE PARENT COMPANY

The ultimate parent undertaking of the company is Ultra Electronics Holdings plc, which is incorporated in Great Britain, and registered in England and Wales. The smallest and largest group in which the results of the company are consolidated is that headed by Ultra Electronics Holdings plc, and copies of these financial statements are available from 417 Bridport Road, Greenford, Middlesex, UB6 8UA.