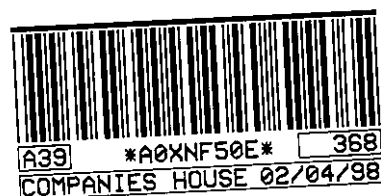


ALANS CIRCUITS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997



ALANS CIRCUITS LIMITED

COMPANY INFORMATION

Directors	Mr P.A.W. Grainge Mr D. Gilbert
Secretary	Mr D. Gilbert
Company Number	2683998
Registered Office	Unit 11, 15 Bickford Road, Witton, Birmingham B6 7EE
Auditors	E.R.Grove & Co., 4 Halesowen Street, Rowley Regis, Warley, West Midlands, B65 0HG
Accountants and Financial Advisers	W.H.Audit Limited Station Road, West Hagley, West Midlands. DY9 0NU
Bankers	T.S.B. Bank p.l.c. Sapphire West, 550 Streets Brook Road, Solihull, West Midlands. B91 1QY

ALANS CIRCUITS LIMITED

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The following pages do not form part of the statutory accounts:

Management Profit and Loss Account	9 to 10
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ALANS CIRCUITS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1997

The directors present their report together with the audited accounts for the year ended 31st March 1997.

Principal Activities

The company's principal activity continued to be that of printed circuit manufacturers.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

Ordinary Shares

	<u>31st March</u> <u>1997</u>	<u>1st April</u> <u>1996</u>
Mr P.A.W. Grainge	80	85
Mr D. Gilbert	20	15

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts 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 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 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.

Auditors

A resolution to reappoint E.R.Grove & Co. Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

Advantage is taken in the preparation of the Directors' Report of the special exemptions applicable to small companies conferred by Part 2 of schedule 8 to the Companies Act 1985.



Mr D. Gilbert, Secretary
13th March 1998

AUDITORS' REPORT TO THE DIRECTORS OF ALANS CIRCUITS LIMITED

We have audited the accounts on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

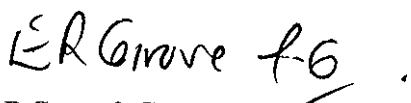
Basis of Opinion

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 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



E.R. Grove & Co.

**Chartered Accountants
and Registered Auditors**

4, Halesowen Street,

Rowley Regis,

Warley,

West Midlands,

B65 0HG.

Date: 13th March 1998

ALANS CIRCUITS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	Notes	1997 £	1996 £
Turnover	2	520,684	458,016
Cost of sales		330,403	272,313
Gross Profit		190,281	185,703
Administrative expenses		140,168	126,338
Operating Profit	3	50,113	59,365
Interest receivable		190	183
Interest payable and similar charges		(799)	(2,681)
Profit on Ordinary Activities before Taxation		49,504	56,867
Tax on profit on ordinary activities	5	11,796	13,607
Profit for the Financial Year		37,708	43,260
Dividends		55,000	24,000
Retained Loss/Profit for the Year		(17,292)	19,260
Retained Profit Brought Forward		58,330	39,070
Retained Profit Carried Forward		41,038	58,330

All amounts relate to continuing activities.

There were no recognised gains and losses for 1997 or 1996 other than those included in the profit and loss account.

ALANS CIRCUITS LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1997

	Notes	1997	1996
		£	£
Fixed Assets			
Tangible assets		42,871	44,042
Current Assets			
Stocks	7	20,999	22,566
Debtors	8	159,684	149,003
Cash at bank and in hand		92	114
		<u>180,775</u>	<u>171,683</u>
Creditors: Amounts Falling Due Within One Year	9	<u>164,871</u>	<u>144,168</u>
Net Current Assets		<u>15,904</u>	<u>27,515</u>
Total Assets Less Current Liabilities		<u>58,775</u>	<u>71,557</u>
Creditors: Amounts Falling Due After More Than One Year	10	<u>17,637</u>	<u>13,127</u>
		<u>41,138</u>	<u>58,430</u>
Capital and Reserves			
Share capital - equity	11	100	100
Profit and loss account		<u>41,038</u>	<u>58,330</u>
Shareholders' funds	15	<u>41,138</u>	<u>58,430</u>

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions.

These accounts were approved by the board on 13th March 1998 and signed on its behalf.

Mr P.A.W. Grainge
Director



ALANS CIRCUITS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

1 Accounting Policies

Basis of Accounting

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

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments by reducing balance method over their expected useful lives. The rates and periods generally applicable are:

Plant and machinery	10%
Fixtures and fittings	10%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating Profit

The operating profit is stated after charging or crediting:

	1997	1996
	£	£
Depreciation of owned assets	4,357	4,438
Hire of Equipment	-	6,741
Auditors' remuneration	750	750

4 Directors

	1997	1996
	£	£
Directors' remuneration	35,717	30,254

ALANS CIRCUITS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

5 Taxation

	1997 £	1996 £
Based on the profit for the year		
UK corporation tax	12,000	13,500
Under / (Over) Provision in earlier year	(204)	107
	<u>11,796</u>	<u>13,607</u>

6 Tangible Fixed Assets

	Leasehold Property	Plant and Machinery	Fixtures and Fittings	Total
Cost	£	£	£	£
At 1st April 1996	3,657	46,893	3,869	54,419
Additions	-	3,000	186	3,186
At 31st March 1997	3,657	49,893	4,055	57,605
Depreciation				
At 1st April 1996	-	9,756	621	10,377
Charge for the year	-	4,014	343	4,357
At 31st March 1997	-	13,770	964	14,734
Net Book Value				
At 31st March 1997	3,657	36,123	3,091	42,871
<i>At 31st March 1996</i>	<i>3,657</i>	<i>37,137</i>	<i>3,248</i>	<i>44,042</i>

7 Stocks

	1997 £	1996 £
Raw materials	19,599	16,866
Work in progress	1,400	5,700
	<u>20,999</u>	<u>22,566</u>

8 Debtors

	1997 £	1996 £
Trade debtors	159,684	149,003
	<u>159,684</u>	<u>149,003</u>

ALANS CIRCUITS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

9	Creditors: Amounts Falling Due Within One Year	1997	1996
		£	£
	Bank loans and overdrafts	27,287	15,356
	Trade creditors	65,726	68,583
	Other creditors	28,199	40,170
	Directors' loan accounts	43,659	20,059
		<u>164,871</u>	<u>144,168</u>

The Bank Overdraft facility is secured by a mortgage debenture dated 11th October 1993 covering all the fixed and floating assets of the Company.

'Other creditors' include £23,697 (1996 - £36,288) in respect of taxation and social security.

10	Creditors: Amounts Falling Due After One Year	1997	1996
		£	£
	Loans	16,500	1,500
	Bank loans and overdrafts	1,137	6,952
	Trade creditors	-	4,675
		<u>17,637</u>	<u>13,127</u>

11	Share Capital	1997	1996
		£	£
	Authorised		
	Equity Shares		
	Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted		
	Equity Shares		
	Allotted, called up and fully paid ordinary shares of £1 each	<u>100</u>	<u>100</u>

12 Deferred Taxation

Deferred tax of approximately £4,500 (1996:£4700) arising from accelerated capital allowances has not been provided as it is not expected that the liability will crystallise.

13 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of the directors and staff.

ALANS CIRCUITS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

14 Transactions with Directors

The company trades with Grainge and Hodder Limited, a company in which P.A.W.Grainge is a director and shareholder. Goods and services were purchased in the year to the value of £4,886.

At the Balance Sheet date an amount of £1,666 due to Grainge and Hodder Limited was contained within the Trade Creditors and a loan of £16,500 was contained within Creditors, amounts falling due after one year.

The company premises are owned by P.A.W.Grainge, and a rent was paid to him for £13,338.

15 Reconciliation of Shareholders' Funds

	1997 £	1996 £
Profit for the financial year	37,708	43,260
Dividends	(55,000)	(24,000)
Decrease/Increase in the shareholders' funds	(17,292)	19,260
Opening shareholders' funds	58,430	39,170
Closing shareholders' funds	41,138	58,430