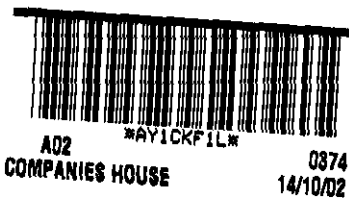


BOURNS (UK) ACQUISITIONS LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2001**

Registered number : 3944613



Bourns (UK) Acquisitions Limited

FINANCIAL STATEMENTS for the year ended 31 December 2001

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Bourns (UK) Acquisitions Limited

REPORT OF THE DIRECTORS

for the year ended 31 December 2001

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity during the year is as an investment company.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to Stg£240,991 (2000: loss Stg£343,274). No dividend has been paid or proposed for the year and the amount of Stg£240,991 has been transferred to accumulated losses.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

Gordon Bourns
William McKenna
Sean O'Sullivan
Gerald Young

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

CHARITABLE AND POLITICAL CONTRIBUTIONS

No political or charitable contributions were made during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

U.K. 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 and of the profit or loss of the company 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;
- 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 which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the U.K. and 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.

Bourns (UK) Acquisitions Limited

REPORT OF THE DIRECTORS for the year ended 31 December 2001

AUDITORS

A resolution to reappoint Ernst & Young, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



W. P. McKenna
Directors

Sept. 30, 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOURNS (UK) ACQUISITIONS LIMITED

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

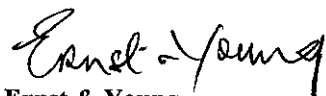
Basis of audit opinion

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 affairs of the company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.



Ernst & Young
Registered Auditor
Stapleton House
89 South Mall
Cork

8 October, 2002

Bourns (UK) Acquisitions Limited

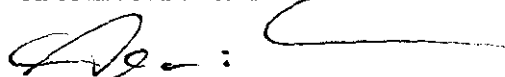
PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2001

	Note	2001 Stg£	2000 Stg£
TURNOVER	2	-	-
Administrative income/(expenses)		52,755	(37,238)
OPERATING PROFIT/(LOSS)	3	52,755	(37,238)
Interest receivable		702,610	645,266
Interest payable and similar charges	4	(514,374)	(951,302)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		240,991	(343,274)
Tax on profit/(loss) on ordinary activities	5	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		240,991	(343,274)
BALANCE BROUGHT FORWARD		(343,274)	-
BALANCE CARRIED FORWARD		(102,283)	(343,274)

There are no recognised gains or losses in either year other than the profit/(loss) attributable to the shareholders of the company.

On behalf of the board



W. P. McKenna
Directors

Sept. 30, 2002

Bourns (UK) Acquisitions Limited

BALANCE SHEET

at 31 December 2001

	Note	2001 Stg£	2000 Stg£
FIXED ASSETS			
Investments	6	19,299,072	19,299,072
CURRENT ASSETS			
Notes receivable	7	11,696,067	9,501,127
Cash at bank and in hand		21,356	881,647
		11,717,423	10,382,774
CREDITORS: amounts falling due within one year	8	(8,757,848)	(7,664,190)
NET CURRENT ASSETS		2,959,575	2,718,584
NET ASSETS		22,258,647	22,017,656
CAPITAL AND RESERVES			
Called up equity share capital	9	20,325,205	20,325,205
Capital reserve	10	2,035,725	2,035,725
Profit and loss account	10	(102,283)	(343,274)
SHAREHOLDERS' FUNDS (all equity interests)	10	22,258,647	22,017,656

On behalf of the board

W. P. McKenna

W. P. McKenna
Directors

Sept. 30, 2002

Bourns (UK) Acquisitions Limited

CASH FLOW STATEMENT

for the year ended 31 December 2001

	<i>Note</i>	<i>2001 Stg£</i>	<i>2000 Stg£</i>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	11 (a)	28,214	383,742
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		702,610	645,266
Interest paid		(803,206)	(516,053)
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(100,596)	129,213
TAXATION			
UK corporation tax paid		-	-
TAX PAID		-	-
CAPITAL EXPENDITURE			
Payments to acquire investments		-	(19,299,072)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		-	(19,299,072)
NET CASH (OUTFLOW) BEFORE FINANCING		(72,382)	(18,786,117)
FINANCING			
<i>As restated:</i>			
Proceeds from issue of shares		-	20,325,205
Capital contributions		-	2,035,725
(DECREASE)/INCREASE IN CASH IN THE YEAR	11(b)	(72,382)	3,574,813

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Foreign exchange

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.

2. TURNOVER

The company did not carry out any trade during the year.

3. OPERATING PROFIT/(LOSS)

2001
Stg£

2000
Stg£

The operating profit/(loss) is stated after charging/(crediting):

Auditors' remuneration

- audit fees

3,000

3,000

Foreign exchange (gain)/loss

(82,264)

27,238

4. INTEREST PAYABLE

2001
Stg£

2000
Stg£

On inter-company loans repayable
within five years, not by instalments

491,821

926,980

Other loans repayable

within five years, not by instalments

22,553

24,322

514,374

951,302

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

There is no charge to corporation tax for the year due to losses carried forward.

Bourns (UK) Acquisitions Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

6. INVESTMENTS

*Unlisted
Stg£*

Cost:

At 31 December 2000 and 31 December 2001

19,299,072

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertakings

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Power Innovations Limited	Ordinary shares	100%	Electronics
Bourns Electronics Limited	Ordinary shares	100%	Electronics

7. DEBTORS

2001

2000

Stg£

Stg£

Inter-company notes receivable

11,696,067

9,501,127

While the inter-company note receivable is repayable on demand, it is the intention of the fellow subsidiary undertaking that the loan be repaid on the due date, 30 September 2002.

8. CREDITORS: amounts falling due within one year

2001

2000

Stg£

Stg£

Inter-company notes payable

6,893,984

6,718,940

Amounts owed to fellow subsidiary undertakings

1,306,042

385,440

Notes payable to related party

546,822

524,270

Accruals and deferred income

11,000

10,000

Amounts owed to ultimate parent company

-

25,540

8,757,848

7,664,190

While the Notes Payable are repayable on demand, it is the company's intention that the loans be repaid on the due dates of 30 May 2002 and 30 September 2002 respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

9. SHARE CAPITAL	2001 Stg£	2000 Stg£
Authorised:		
Ordinary shares of Stg£1 each	30,000,000	30,000,000
		<i>As restated</i>
Allotted, called up and fully paid:		
Ordinary shares of Stg£1 each	20,325,205	20,325,205

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital Stg£	Capital contribution Stg£	Profit and loss account Stg£	Total shareholders' funds Stg£
At 10 March 2000	2	-	-	2
Loss for the year	-	-	(343,274)	(343,274)
Shares allotted, called up and fully paid	22,360,928	-	-	22,360,928
As previously stated	22,360,930	-	(343,274)	22,017,656
Prior period adjustment	(2,035,725)	2,035,725	-	-
At 31 December 2000 as restated	20,325,205	2,035,725	(343,274)	22,017,656
Profit for year	-	-	240,991	240,991
At 31 December 2001	20,325,205	2,035,725	(102,283)	22,258,647

Prior period adjustment

In the period ended 31 December 2000, capital contributions of Stg£2,035,725 were incorrectly classified as shares allotted, called up and fully paid. Prior period figures have been restated to correctly account for the capital contributions received from the parent company.

Bourns (UK) Acquisitions Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

11. CASH FLOW INFORMATION

a)	Reconciliation of operating loss to net cash inflow from operating activities:	2001 Stg£	2000 Stg£	
	Operating profit/(loss) for the year	52,755	(37,238)	
	(Decrease)/increase in creditors	(24,541)	420,980	
		<hr/>	<hr/>	
	Net cash (outflow)/inflow from operating activities	28,214	383,742	
		<hr/>	<hr/>	
b)	Reconciliation of net cash flow to movement in net cash	2001 Stg£		
	Decrease in cash in the year	(72,382)		
	Net cash at 1 January 2001	3,189,374		
		<hr/>		
	Net cash at 31 December 2001	3,116,992		
		<hr/>		
c)	Analysis of changes in net cash	At 31/12/2000 Stg£	Cashflows Stg£	At 31/12/2001 Stg£
	Cash	881,647	(860,291)	21,356
		<hr/>	<hr/>	<hr/>
	Notes payable	(7,193,400)	(1,407,031)	(8,600,431)
	Notes receivable	9,501,127	2,194,940	11,696,067
		<hr/>	<hr/>	<hr/>
		3,189,374	(72,382)	3,116,992

12. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There were no capital commitments at the end of the year.

13. RELATED PARTY DISCLOSURE

The company has taken exemption from the requirement to disclose related party transactions on the basis it is a wholly owned subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

14. CONSOLIDATION

A set of consolidated accounts incorporating Power Innovations Limited and Bourns Electronics Limited have not been prepared as the group has availed of the size exemption.

15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

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.