

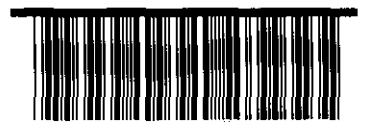
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BUCKLAND INVESTMENTS PLC

Report and financial statements

for the year ended

31 December 1999



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# **BUCKLAND INVESTMENTS PLC**

## **Report and financial statements for the year ended 31 December 1999**

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# **BUCKLAND INVESTMENTS PLC**

## **Report and financial statements for the year ended 31 December 1999**

### **Directors**

Patrick CRC Rogers BA, executive chairman  
Phillip E Palmer, non-executive director  
Leon K Sharples PhD, non-executive director

Lindsay KA Mair ACA, non-executive director (resigned 31<sup>st</sup> August 1999)

### **Secretary and registered office**

Christopher Stenning, McFadden, Pilkington & Ward, 40 Basinghall Street, London EC2V 5DB

### **Company number**

3148295

### **Auditors**

Grant Thornton, Ashdown House, 125 High Street, Crawley, West Sussex RH10 1DQ

### **Nominated advisor**

Nabarro Wells and Co Limited, Saddlers House, Gutter Lane, Cheapside,  
London EC2V 6BR

### **Nominated broker**

W H Ireland Limited, 11 St James's Square, Manchester M2 6WH

### **Registrars**

Connaught St Michaels Limited  
PO Box 30, Victoria Street, Luton, Bedfordshire LU1 2PZ

# BUCKLAND INVESTMENTS PLC

## Chairman's Statement for the year ended 31 December 1999

I present the financial results for Buckland for the year ended 31<sup>st</sup> December 1999. These results include for the first time a full twelve months' contribution from Connectic Metallo SA ('CM') and Euro Asia Connectors Co Ltd ('EAC') which were acquired in March 1998 and continue to be our only two operating subsidiaries. The results show a loss before tax of £355,537 (£132,216 - 11 months to 31.12.98) on sales of £6,928,953 (£6,646,601). After crediting tax and minority interests of £116,377, there was an attributable loss of £239,160, equivalent to 1.44 pence (1998 - 1.12 pence) per share. Cash flow over the year was positive and the group's net bank indebtedness over the period fell in sterling terms by £ 632,254. No dividend is proposed.

### Trading

In 1999 CM and EAC together increased their unit sales by over 5% to in excess of 60 million ("m") components. However, further price erosion, albeit at a reduced rate compared to 1998, resulted in a reduction in consolidated sales of some 10% in 1999 compared with calendar 1998. Continuing cost reductions and favourable exchange rate movements between the French franc, the Thai baht, the US dollar and sterling, enabled us to largely offset the squeeze on revenues, producing a consolidated operating profit for CM and EAC for 1999 of FFr 1.1 m (FFr 2.2m). This figure would have been some FFr 0.9 m higher had we not incurred exceptional airfreight charges, mainly relating to the disruption to production caused by the restructuring of the business in the closing quarter of the year.

Sales in 1999 consisted of CRT sockets for colour televisions and computer monitors, and of single and double SCART connectors for colour TVs, VCRs, DVDs and satellite decoders. The particular feature of the year was the rapid growth in demand for SCARTS for the European decoder market in the last two quarters.

### Restructuring

The main emphasis of our efforts at CM and EAC last year was directed towards closing down the French manufacturing operations and expanding those in Thailand to accept the transfer of the stamping and bending processes from France and the establishment of in-house surface treatment facilities; to reorganising and strengthening the management teams in both countries; and to consolidating our control over the businesses by buying out the minority shareholders in both companies.

In September last year we took possession of a second factory on the outskirts of Bangkok, near the first unit. Completion of fitting out works was completed by the year end, and during the first half of 2000 all our injection moulding, stamping and bending operations have been progressively relocated to this modern, efficient unit. Our experience to date indicates that we can achieve greater operating efficiencies in Thailand and also higher overall output, due to the absence of unduly restrictive legislation over working hours. The manufacturing operations in France were finally closed in the middle of June.

In April this year, we commissioned our own surface treatment plant in the new factory, bringing a significant part of our demand for this process in-house for the first time. We are pleased with the progress made to date with this operation and expect significant cost savings during the second half of 2000 and beyond.

We have strengthened the day to day management of EAC by appointing Andy Sims as production director last autumn and Davina Lee as finance director this spring. Andy worked previously for GEC and Dowty and Davina for TT Group. In France, Jean Francois Ragault has recently joined us from Sumitomo as commercial manager and Fabrice Durand-Cochet has joined us from Groupe Labinal as manager of the design and development department.

We have also made important middle management changes at EAC, strengthening our expertise in injection moulding production and in tool repair and maintenance.

With the closure of manufacturing in France, we will be relocating our remaining operations there (commercial, design and development, and accounts) to much smaller, more efficient and cheaper rented premises. Part of the old site was sold in April 2000 for a consideration of FFr 1.0m and the sale of the remainder is due to be completed by 31<sup>st</sup> July for FFr 1.4m. Although this realises a profit over the historical cost to CM, it represents a book loss of £60,000 compared to the fair value in the group's balance sheet. This amount has therefore been charged to the 1999 profit and loss account. The closure of manufacturing in France has resulted in seven further redundancies in recent weeks and with related early retirements also being taken this autumn, the total cost of redundancies is likely to exceed FFr 3m. Under current UK accounting standards, the majority of this will be charged to the 2000 P&L account. In cash terms, it will be funded largely from the sale of the freehold site mentioned above.

## BUCKLAND INVESTMENTS PLC

Last November, we acquired the 10% minority interest in EAC previously owned by our Thai partner. When the company was set up in 1990, Thai law prohibited 100% foreign ownership of such enterprises. However, recent legislative changes now permit full foreign ownership and prior to the consolidation of all our manufacturing operations in Thailand, we were keen to move to full ownership. The 10% interest was acquired for Baht 5.6m, equivalent to about £ 90,000.

Last December, we acquired the 20% beneficial interest in CM owned by former senior managers. The total consideration paid for the 20% interest was FFr 1.45m equivalent to £ 140,000.

### Financing

The working capital employed in the group was reduced during the year and additional funds of £ 300,000, before issue expenses, were raised last December by the issue of 3 million new ordinary Buckland shares at 10p each. After financing the various transactions described above, the group ended 1999 with overall net bank debt reduced by £ 632,254 compared to the end of 1998.

### Outlook

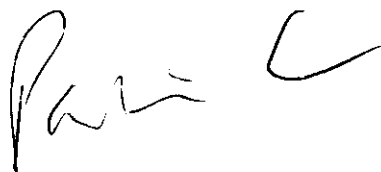
The first half of 2000 has seen sales overall running ahead of budget. However, costs have also been higher than anticipated as a result of short term logistical problems relating mainly to the transfer of manufacturing to Thailand. These have only been overcome with the unexpectedly heavy use of airfreight to and from Thailand, amounting to some £ 300,000 in the first half. This has clearly impacted on our profitability in the year to date but is not expected to recur in the second half.

With the transfer now complete and the stamping, bending and surface treatment operations running satisfactorily, we expect to see a stronger performance in the second half of this year. Primarily this should arise from sales of the existing range of CRT sockets and SCART connectors from a significantly reduced cost base. Further impetus should come from the introduction of new products, with first production deliveries of a range of power input sockets due to be made to customers this August.

Compared to our expectations when we acquired a controlling interest in CM and EAC two years ago, it has been a much longer and harder path than we had anticipated not least because of the severe price erosion following the Asian crisis. However, our original strategy for the two companies still looks sound; namely, transferring all production to an efficient, low cost manufacturing base in the Far East and then developing it by feeding through additional volume, both by organic growth and by complementary acquisitions of European businesses which need to transfer production to a lower cost region. As soon as we are fully satisfied that the new management team and manufacturing facilities are ready to cope, we will seek to make further acquisitions which are consistent with that strategy.

Patrick Rogers  
Chairman

11 July 2000



# **BUCKLAND INVESTMENTS PLC**

## **Report of the directors for the year ended 31 December 1999**

The directors present their report together with the audited financial statements for the year ended 31 December 1999.

### **Results and dividends**

The profit and loss account is set out on page 9 and shows the result of the group for the year ended 31 December 1999.

The directors do not recommend the payment of a dividend.

### **Principal activities, trading review and future developments**

The principal activity of the company is that of holding investments in group companies which manufacture components used in colour televisions, PC monitors, VCRs and satellite decoders. On 6 March 1998 Buckland acquired controlling interests in Connectic Metallo SA and Euro Asia Connectors Company Limited. Buckland's interest in Connectic Metallo SA is held via its 100 per cent share holding in a Dutch holding company, Sparkle Investments BV, whose wholly owned French subsidiary in turn owns 100 per cent of the shares in Connectic Metallo SA. Connectic Metallo owns 100 per cent of the shares in Euro Asia Connectors Co. Ltd in Thailand and 100 per cent of the shares in Euro Asia Connectors Co. (Hong Kong) Limited.

On 30<sup>th</sup> November 1999 Connectic Metallo increased its interest in Euro Asia Connectors to 100 per cent by acquiring a 10 per cent stake previously owned by its Thai partner for a consideration of Thai Baht 5.6m.

On 27<sup>th</sup> December 1999 Buckland increased its interest in Sparkle to 100 per cent by acquiring the 20 per cent previously owned by senior managers of Connectic Metallo, for a total consideration of FFr. 1.45m.

In March 1999, the company entered into a loan agreement with Groupe Industriel Electronique SA ("GIE") for the making of a loan to the company of FFr. 1.350m with a repayment date of November 1999. The terms of the loan include that in the event that the loan principal of FFr. 1.350m is not repaid by 30 November 1999, then GIE will have the right to require the company to sell to GIE, 10% of the issued ordinary share capital of its subsidiary undertaking, Sparkle Investments BV, for a consideration of FFr. 1.350 million. This option shall be available for exercise by GIE at any time between 15 December 1999 and 30 November 2000. The loan was still outstanding as at 31 December 1999 and discussions continue with GIE about rescheduling payment. GIE have indicated at present that they do not wish to exercise the option to acquire 10% of Sparkle.

A review of the group's activities during the period together with an indication of future developments is given in the Chairman's statement on pages 2 and 3.

### **Research and development**

Research and development in the electronics businesses is concentrated on the development of new products capable of maintaining and increasing sales.

### **Events since the balance sheet date**

On 25<sup>th</sup> April 2000, Connectic Metallo completed the sale of an unoccupied freehold property in Vitry for FFr.1.0m. Contracts for the sale of Connectic Metallo's freehold factory premises in Vitry were exchanged in November 1999 and the sale (for FFr. 1.4m) is due to be completed by 31<sup>st</sup> July 2000.

In April 2000 Euro Asia Strip Tinning Company Limited was incorporated as a wholly owned subsidiary of Connectic Metallo. Euro Asia Strip Tinning will start trading in the summer of 2000 and will provide metal surface treatment services to group companies.

# BUCKLAND INVESTMENTS PLC

## Report of the directors for the year ended 31 December 1999 (continued)

### Market value of land and buildings

The directors are of the opinion that there is no material difference between the market values of the group's land and buildings and the amounts at which they are shown in the financial statements.

### Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

		Ordinary shares of 10p each	
		31 December 1999	31 December 1998
Patrick CRC Rogers	(note 1)	1,908,334	1,908,334
Lindsay KA Mair	(resigned 31 <sup>st</sup> August 1999)	66,668	66,668
Phillip E Palmer	(note 2)	1,666,666	1,666,666
Leon K Sharples	(note 1)	1,908,334	1,908,334

Notes:

(1) Held by Wharton Holdings Corporation jointly on behalf of discretionary trusts, the beneficiaries of which include the families of Mr Rogers and Dr Sharples.

(2) Held by C I Law Trustees Limited on behalf of a discretionary trust the beneficiaries of which include the family of Mr Palmer.

Details of directors' interests in options to acquire ordinary shares are shown in note 18.

### Substantial shareholdings

At 31 December 1999, those shareholders other than directors, which have notified the company of disclosable interest of 3 per cent or more in the ordinary share capital of the company were as set out below;

Holder	Ordinary shares of 10 p each	Percentage
Wharton Holdings Corporation	1,908,334	12.55%
CI Law Trustees Limited	1,666,667	10.96%
Groupe Industriel Electronique SA	1,666,667	10.96%

### Going concern

After making enquiries, the directors have a reasonable expectation that the company and group have adequate resources to continue operations for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### Creditor payment policy and practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

## BUCKLAND INVESTMENTS PLC

### Report of the directors for the year ended 31 December 1999 (continued)

#### Year 2000 compliance

The company reviewed its computer systems for the impact of the Year 2000 date change, prepared an action plan to address the issue and carried out all necessary measures. All systems have continued to operate properly over the Year 2000 date change and through any roll-over procedure that occurred at a later date.

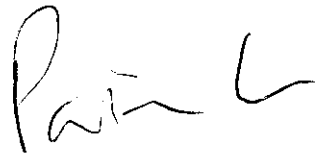
The issue is complex, and no business can guarantee that there will be no Year 2000 problems. As all businesses are dependent on the compliance of their major customers, suppliers and other trading partners, any impact that has occurred on their systems will affect the company's business to a greater or lesser extent.

#### Auditors

Grant Thornton were appointed auditors on 28 March 2000 to fill a vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton as auditors will be proposed at the Annual General meeting to be held on 4 August 2000.

#### By order of the Board

Patrick Rogers  
Director



11 July 2000

## **BUCKLAND INVESTMENTS PLC**

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 subject to any material departures disclosed and explained in the financial statements; and ,
- prepare the accounts on a 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 safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# BUCKLAND INVESTMENTS PLC

## Report of the auditors

To the shareholders of Buckland Investments Plc

We have audited the financial statements on pages 9 to 28 which have been prepared under the accounting policies set out on pages 14 and 15.

### *Respective responsibilities of directors and auditors*

As described on page 7 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

### *Basis of 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 group'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 and of the group as at 31 December 1999 and of the group's results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON  
Registered Auditors  
Crawley, West Sussex

*11 July 2000*

## BUCKLAND INVESTMENTS PLC

### Consolidated profit and loss account for the year ended 31 December 1999

	Note	Continuing operations Total 1999 £	11 months ended 31 December 1998 £
Turnover	2	6,928,953	6,646,601
Cost of sales		(4,191,306)	(4,313,351)
<b>Gross profit</b>		<u>2,737,647</u>	<u>2,333,250</u>
Administrative expenses		(2,968,105)	(2,315,626)
Other operating income		19,224	13,207
<b>Operating (loss)/profit</b>	5	(211,234)	30,831
Interest receivable		1,977	19,571
Interest payable and similar charges	6	(146,280)	(182,618)
<b>Loss on ordinary activities before taxation</b>		(355,537)	(132,216)
Tax on loss on ordinary activities	7	53,631	0
Minority interests		62,746	2,765
<b>Retained loss transferred from reserves</b>	19	<u>(239,160)</u>	<u>(129,451)</u>
<b>Loss per ordinary share</b>			
Basic	8	(1.87)p	(1.12)p

The accompanying notes form an integral part of these financial statements.

## BUCKLAND INVESTMENTS PLC

### Consolidated statement of total recognised gains and losses and consolidated reconciliation of movements in shareholders' funds for the year ended 31 December 1999

	Year ended 31 December 1999 £	11 months ended 31 December 1998 £
<b>Consolidated statement of total recognised gains and losses</b>		
Loss for the period	(239,160)	(129,451)
Exchange translation (loss)/gain on foreign currency net investments in subsidiary undertakings	(127,704)	102,409
Total recognised gains and losses for the period	<u>(366,864)</u>	<u>(27,042)</u>
<b>Consolidated reconciliation of movements in shareholders' funds</b>		
Total recognised gains and losses	(366,864)	(27,042)
New ordinary share capital subscribed for and allotted in the period, including share premium (net of expenses)	<u>283,975</u>	<u>1,117,707</u>
Net addition to equity shareholders' funds	(82,889)	1,090,665
Opening equity shareholders' funds	<u>1,626,086</u>	<u>535,421</u>
Closing equity shareholders' funds	<u>1,543,197</u>	<u>1,626,086</u>

The accompanying notes form an integral part of these financial statements.

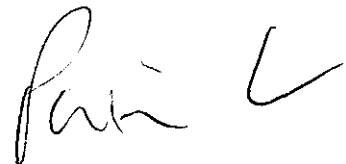
# BUCKLAND INVESTMENTS PLC

## Consolidated balance sheet at 31 December 1999

	Note	At 31 December 1999		At 31 December 1998	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		590,815		638,568
Tangible assets	11		<u>1,480,470</u>		<u>1,812,946</u>
			<u>2,071,285</u>		<u>2,451,514</u>
<b>Current assets</b>					
Stocks	13	1,148,819		1,387,239	
Debtors	14	2,283,887		1,671,947	
Cash at bank and in hand		<u>294,872</u>		<u>168,770</u>	
		<u>3,727,578</u>		<u>3,227,956</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(4,034,684)</u>		<u>(3,097,175)</u>	
<b>Net current (liabilities)/assets</b>			<u>(307,106)</u>		<u>130,781</u>
<b>Total assets less current liabilities</b>			<u>1,764,179</u>		<u>2,582,295</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(220,982)</u>		<u>(710,321)</u>
			<u>1,543,197</u>		<u>1,871,974</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,520,900		1,220,900
Share premium account	19		449,993		466,018
Profit and loss account	19		<u>(427,696)</u>		<u>(60,832)</u>
<b>Equity shareholders' funds</b>			<u>1,543,197</u>		<u>1,626,086</u>
Equity minority interests			<u>0</u>		<u>245,888</u>
<b>Capital employed</b>			<u>1,543,197</u>		<u>1,871,974</u>

The financial statements were approved by the Board on 11 July 2000.

Patrick C R C Rogers  
Director



The accompanying notes form an integral part of these financial statements.

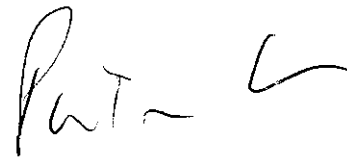
# BUCKLAND INVESTMENTS PLC

## Company balance sheet at 31 December 1999

	Note	At 31 December 1999		At 31 December 1998	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		7,960		2,445
Investments	12		<u>1,022,822</u>		<u>885,008</u>
			<u>1,030,782</u>		<u>887,453</u>
<b>Current assets</b>					
Debtors	14				
- falling due within one year		211,419		190,436	
- falling due after more than one year		380,177		399,645	
Cash at bank and in hand		<u>238,536</u>		<u>11,321</u>	
		<u>830,132</u>		<u>601,402</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(365,959)</u>		<u>(89,157)</u>	
<b>Net current assets</b>			<u>464,173</u>		<u>512,245</u>
<b>Total assets less current liabilities</b>			<u>1,494,955</u>		<u>1,399,698</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,520,900		1,220,900
Share premium account	19		449,993		466,018
Profit and loss account	19		<u>(475,938)</u>		<u>(287,220)</u>
<b>Equity shareholders' funds</b>			<u>1,494,955</u>		<u>1,399,698</u>

The financial statements were approved by the Board on 11 July 2000.

Patrick Rogers  
Director



The accompanying notes form an integral part of these financial statements.

# BUCKLAND INVESTMENTS PLC

## Consolidated cash flow statement for the year ended 31 December 1999

	Note	Year ended 31 December 1999 £	11 months ended 31 December 1998 £
Net cash inflow from operating activities (see below)		861,740	851,014
Returns on investments and servicing of finance	21a	(143,155)	(163,047)
Capital Expenditure	21a	(277,330)	(316,156)
Acquisitions	21a	(233,999)	(2,221,859)
Cash outflow before management of liquid resources and financing		207,256	(1,850,048)
Management of liquid resources	21a	0	(93,580)
Financing	21a	15,204	1,211,683
Increase/(Decrease) in cash		222,460	(731,945)
Reconciliation of net cash flow to movement in net funds	21b		
Increase/(Decrease) in cash in the period		222,460	(731,945)
Cash outflow from decrease in debt		268,770	106,600
Cash outflow from increase in liquid resources		0	93,580
Change in net debt resulting from cash flows		491,230	(531,765)
Inception of finance leases		(84,192)	0
Loans and finance leases acquired with subsidiary		0	(2,182,635)
Exchange movement		270,384	(208,496)
Movement in net debt in the period		677,422	(2,922,896)
Opening net funds		(2,419,963)	502,933
Closing net debt		(1,742,541)	(2,419,963)
Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operating activities			
Operating (loss)/profit		(211,234)	30,831
Depreciation		626,778	401,446
Amortisation of goodwill		31,282	26,000
Profit on sale of fixed assets		(18,816)	(2,150)
Decrease in stocks		178,912	441,901
(Increase)/Decrease in debtors		(644,400)	301,156
Increase/(Decrease) in creditors		899,218	(348,170)
Net cash inflow from operating activities		861,740	851,014

The accompanying notes form an integral part of these financial statements.

# BUCKLAND INVESTMENTS PLC

## Notes forming part of the financial statements for the year ended 31 December 1999

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards, except as stated below. The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents sales of components used in colour televisions, PC monitors, VCRs and satellite decoders to third parties, excluding Value Added Tax or local sales tax where appropriate.

#### *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of Buckland Investments PLC and all of its subsidiary undertakings made up to 31 December 1999. The group has used the acquisition method of accounting to consolidate the results of subsidiary undertakings. The results of subsidiary undertakings are included in the group results from the date of acquisition.

#### *Goodwill*

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years from the date of acquisition.

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any amounts written off in respect of permanent diminution in value.

#### *Depreciation*

Depreciation is provided to write off the cost less estimated residual value, on a straight line basis, of all fixed assets, except freehold land, evenly over their expected useful lives. The freehold land has been subsequently sold for an amount equal to the costs shown in the notes and therefore no depreciation has been charged, in accordance with FRS 15. Asset lives are as follows:

Freehold buildings	- 20 years
Freehold improvements	- 5 years
Leasehold improvements	- 5 years
Machines and equipment	- Between 3 and 5 years
Fixtures and fittings	- Between 3 and 10 years
Motor vehicles	- 4 years

#### *Financial Instruments*

The group does not use derivative financial instruments.

Financial assets and liabilities are recognised in the balance sheet at the lower of cost and net realisable value.

Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the profit and loss account in the financial period to which it relates.

#### *Foreign currency*

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

# BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

## 1 Accounting policies (continued)

### *Foreign currency (continued)*

The profit and loss accounts of foreign subsidiary undertakings are translated into sterling at the average rate of exchange for the period. Assets and liabilities of foreign subsidiary undertakings are translated into sterling at the rates of exchange ruling at the balance sheet date. Differences on exchange arising from the translation of the net assets and results of those subsidiaries are taken directly to reserves.

Other exchange differences are taken to the consolidated profit and loss account.

This accounting policy is as prescribed by Statement of accounting Standard No 20. It may involve reporting unrealised exchange gains on unsettled long-term monetary items as part of the profit or loss for the period. This policy represents a departure from the statutory accounting principles, which only allow profits realised at the balance sheet date to be included in the profit and loss account. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view. Deferral of exchange gains whilst recognising exchange losses would inhibit the fair measurement of the performance of the group in the year.

If this departure had not been made, the loss for the financial year would have been increased by £156,000 (1998: £nil).

### *Product research and development*

Product research and development costs are charged to profit and loss account in the period in which the expenditure is incurred.

### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials	- purchase cost on a first in, first out basis.
Work in Progress and finished goods	- cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less additional costs to completion and disposal.

### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

### *Leased assets*

Assets acquired under hire purchase contracts and finance leases are capitalised in the balance sheet. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease period.

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 2 Turnover, profit and net assets

Turnover is wholly related to the manufacture of components used in colour televisions, PC Monitors, VCRS and satellite decoders.

An analysis by geographical market follows:-

Geographical area by origin:	Turnover Year ended 31 December 1999 £	Turnover 11 months ended 31 December 1998 £	Net assets Year ended 31 December 1999 £	Net assets 11 months ended 31 December 1998 £
Europe	3,172,274	3,658,282	3,928,512	1,340,447
Asia	3,756,679	2,988,319	1,790,256	2,312,922
	<u>6,928,953</u>	<u>6,646,601</u>	<u>5,718,768</u>	<u>3,653,369</u>

Turnover by destination:	Year ended 31 December 1999 £	11 months ended 31 December 1998 £
Europe	3,457,009	3,773,476
Asia	3,094,919	2,469,849
Rest of the World	377,025	403,276
	<u>6,928,953</u>	<u>6,646,601</u>

Profit before tax relating to each major geographical market is not disclosed as, in the opinion of the directors, its disclosure would be seriously prejudicial to the interests of the group.

### 3 Employees

Staff costs excluding directors consist of:	Year ended 31 December 1999 £	11 months ended 31 December 1998 £
Wages and salaries	1,234,214	1,170,550
Social security costs	352,709	389,047
	<u>1,586,923</u>	<u>1,559,597</u>

The average monthly number of employees of the group, excluding directors, during the year was as follows:

	Number 1999	Number 1998
Manufacturing	359	335
Sales	7	9
Administration	25	46
Research and development	4	4
	<u>395</u>	<u>394</u>

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 4 Directors emoluments

	Year ended 31 December 1999 £	11 months ended 31 December 1998 £
Fees	<u>121,000</u>	<u>117,000</u>

The fees of Mr P Rogers were paid to Islandjet Limited, and the fees of Mr L Mair were paid to Mair Associates Limited.

No director receives contributions to a pension scheme.

### 5 Operating (loss)/profit

	Year ended 31 December 1999 £	11 months ended 31 December 1998 £
This has been arrived at after charging / (crediting) :		
Depreciation		
- own assets	507,724	305,551
- leased assets	119,054	95,895
Amortisation of goodwill	31,282	26,000
Operating lease rentals:		
- plant and machinery	-	126,562
- other	55,163	53,227
Auditors' remuneration:		
- audit services	26,000	25,000
- non-audit services	2,000	19,891
Research and development expenditure	238,301	190,352
Profit on disposal of fixed assets	(18,816)	(2,150)
Net loss/(profit) on foreign exchange	<u>67,129</u>	<u>(130,971)</u>

### 6 Interest payable and similar charges

	Year ended 31 December 1999 £	11 months ended 31 December 1998 £
Interest on bank loans and overdrafts	139,092	168,180
Finance charges payable under finance leases and hire purchase contracts	<u>7,188</u>	<u>14,438</u>
	<u>146,280</u>	<u>182,618</u>

### 7 Taxation

The tax refund of £53,631 (1998: £nil) arose from the overseas operations.

The group had unrelieved tax losses at 31 December 1999 amounting to £785,000 (1998: £502,000).

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 8 Loss per share

The calculation of basic loss per share for the 12 month period ended 31 December 1999 is based on the loss for the period attributable to ordinary shareholders of £239,160 (year ended 31 December 1998: £129,451) and a weighted average number of shares in issue during the year of 12,787,238 (year ended 31 December 1998: 11,538,341).

### 9 Loss for the financial period

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group loss for the year includes a loss after tax of £188,718 (31 December 1998: loss £253,430) which is dealt with in the financial statements of the parent company.

### 10 Intangible assets

Group	Purchased goodwill on:			Total Purchased Goodwill
	Acquisition of 80% of Sparkle Investments BV	Acquisition of 20% of Sparkle Investments BV	Acquisition of 10% of Euro Asia Connectors Co. Limited	
Cost	£	£	£	£
At 1 January 1999	664,568	-	-	664,568
Arising on acquisition of minority interests during the year	-	(46,901)	92,668	45,767
Exchange differences	(62,257)		19	(62,238)
At 31 December 1999	<u>602,311</u>	<u>(46,901)</u>	<u>92,687</u>	<u>648,097</u>
<i>Amortisation</i>				
At 1 January 1999	26,000	-	-	26,000
Provision for the period	33,228	(2,345)	399	31,282
At 31 December 1999	<u>59,228</u>	<u>(2,345)</u>	<u>399</u>	<u>57,282</u>
<i>Net book value</i>				
At 31 December 1999	<u>543,083</u>	<u>(44,556)</u>	<u>92,288</u>	<u>590,815</u>
At 31 December 1998	<u>638,568</u>	-	-	<u>638,568</u>

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 11 Tangible assets

Group	Freehold land and buildings	Leasehold improvements	Plant, machinery and motor vehicles	Fixtures, fittings and equipment	Total £
	£	£	£	£	
<i>Cost</i>					
At 1 January 1999	323,902	66,547	1,829,858	60,431	2,280,738
Additions during the period	-	27,302	333,556	20,826	381,684
Disposals	-	-	(8,806)	(6,240)	(15,046)
Exchange differences	(37,786)	(2,387)	(110,943)	(4,158)	(155,274)
At 31 December 1999	<u>286,116</u>	<u>91,462</u>	<u>2,043,665</u>	<u>70,859</u>	<u>2,492,102</u>
<i>Depreciation</i>					
At 1 January 1999	-	17,417	440,376	9,999	467,792
Provided for in the period	64,910	17,340	523,927	20,601	626,778
Disposals	-	-	(7,506)	(6,193)	(13,699)
Exchange differences	-	(3,513)	(63,226)	(2,500)	(69,239)
At 31 December 1999	<u>64,910</u>	<u>31,244</u>	<u>893,571</u>	<u>21,907</u>	<u>1,011,632</u>
<i>Net book value</i>					
At 31 December 1999	<u>221,206</u>	<u>60,218</u>	<u>1,150,094</u>	<u>48,952</u>	<u>1,480,470</u>
At 31 December 1998	<u>323,902</u>	<u>49,130</u>	<u>1,389,482</u>	<u>50,432</u>	<u>1,812,946</u>

The net book value of tangible fixed assets included within plant, machinery and motor vehicles, includes an amount of £74,262 (1998:£121,906) in respect of assets held under finance leases and hire purchase contracts.

Company	Fixtures fittings and equipment £
<i>Cost</i>	
At 1 January 1999	3,025
Additions at cost	11,160
At 31 December 1999	<u>14,185</u>
<i>Depreciation</i>	
At 1 January 1999	580
Provided for in the period	5,645
At 31 December 1998	<u>6,225</u>
<i>Net book value</i>	
At 31 December 1999	<u>7,960</u>
At 31 December 1998	<u>2,445</u>

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

12 Fixed asset investment	Subsidiary undertakings £
Company	
At 1 January 1999	885,008
Additions	<u>137,814</u>
At 31 December 1999	<u>1,022,822</u>

At 31 December 1999 the group and the company held 100% of the ordinary share capital of Sparkle Investments BV, an intermediate holding company incorporated in The Netherlands. The company's interest in Sparkle was increased from 80% to 100% in December 1999.

At 31 December 1999 the group, via Sparkle Investments BV held 100% of the ordinary share capital of Connectic Metallo Investissement SA, an intermediate holding company incorporated in France.

At 31 December 1999 the group, via C.M. Investissement SA held 100% of the ordinary share capital of Connectic Metallo SA, a manufacturing company incorporated in France.

At 31 December 1999 the group held 100% (1998: 90%) of the equity share capital of Euro Asia Connectors Co, Limited, a manufacturing company incorporated in Thailand. Connectic Metallo SA held 99% of the equity share capital of Euro Asia Connectors Co, Limited, having acquired the 10% interest of its local Thai partner in November 1999. The remaining 1% is held by 1999 C.M. Investissement SA.

At 31 December 1999 the group, via Connectic Metallo SA held 100% of the equity share capital of Euro Asia Connectors Co, (Hong Kong) Limited, a dormant company incorporated in Hong Kong.

All of the subsidiary undertakings have been consolidated in the group financial statements.

### 13 Stocks

	31 December 1999 £	31 December 1998 £
Group		
Raw materials	669,709	651,603
Work in progress	111,605	47,665
Finished goods	<u>367,505</u>	<u>687,971</u>
	<u>1,148,819</u>	<u>1,387,239</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 14 Debtors

	Group		Company	
	31 December 1999 £	31 December 1998 £	31 December 1999 £	31 December 1998 £
Trade debtors	1,658,852	1,226,490	-	-
Amounts owed by group undertakings	-	-	574,663	469,243
Other debtors	560,677	414,416	12,933	116,158
Prepayments and accrued income	64,358	31,041	4,000	4,680
	<u>2,283,887</u>	<u>1,671,947</u>	<u>591,596</u>	<u>590,081</u>

Of the amounts included in amounts owed by group undertakings, £380,177 (1998:£399,645) is due after more than one year.

At the 31 December 1999 £1,125,573 (1998: £913,688) of the trade debtors have been factored without recourse.

### 15 Creditors: amounts falling due within one year

	Group		Company	
	31 December 1999 £	31 December 1998 £	31 December 1999 £	31 December 1998 £
Bank loans	1,586,385	1,462,001	-	-
Bank overdrafts	186,675	310,321	-	14,286
Trade creditors	1,748,619	925,328	181,364	-
Amounts owed to group undertakings	-	-	12,323	17,516
Other creditors including taxation and social security	359,211	177,235	144,346	-
Obligations under finance leases and hire purchase contracts	43,371	106,090	-	-
Accruals	110,423	116,200	27,926	57,355
	<u>4,034,684</u>	<u>3,097,175</u>	<u>365,959</u>	<u>89,157</u>

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 16 Creditors: amounts falling due after more than one year

	Group		Company	
	31 December 1999 £	31 December 1998 £	31 December 1999 £	31 December 1998 £
Bank loans	190,089	696,979	-	-
Obligations under finance leases and hire purchase contracts	30,893	13,342	-	-
	<u>220,982</u>	<u>710,321</u>	<u>-</u>	<u>-</u>

Further details of the terms of the loans are shown in note 17.

### 17 Financial Instruments

The company's treasury policy is to avoid transactions of a speculative nature. The main risks arising from the group financial instruments are interest rate risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below.

These policies include the matching of borrowings against receivables by currency and the review of interest rates geographically.

During the year under review, there was no trading in financial instruments.

#### *Short term debtors and creditors*

Short term debtors and creditors have been excluded from all the following disclosures, other than the currency risk disclosures.

#### *Interest rate risk*

The group finances its operations through a mixture of retained profits and bank borrowings. The group exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities. At the year end 32% per cent of the borrowings were at fixed rates.

Bank loans amounting to £380,177 (1998: £645,578) are secured by a charge over the group's shareholdings in Connectic Metallo SA and Sparkle Investments NV. This loan is repayable by two remaining equal annual instalment ending on 18 March 2001. This loan carries a fixed interest rate of 6.05%.

Bank loans amounting to £204,288 (1998: £241,658) are secured over specific machinery and tools of the business. This amount relates to a number of loans, repayable by equal monthly instalments. Loans amounting to £135,388 carry a fixed interest rate of an of 5.6% and the remaining £68,900 carries a floating rate of PIBOR plus 1.5% .

Bank loans amounting to £63,948 (1998: £234,145) are secured by floating charges over the business of Connectic Metallo S.A. This loan carries a fixed interest rate of 5%.

Other borrowings amounting to £1,125,573 (1998: £913,688), relating to factored book debts, are secured by a fixed charge over book debts.

#### *Liquidity risk*

The group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably managing the liquidity through the use of overdraft and factoring facilities.

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### Maturity of financial liabilities

The group financial liabilities analysis at 31<sup>st</sup> December 1999 was as follows:

Group	1999 £	1998 £
Borrowings are repayable as follows:		
Within one year		
Bank and other borrowings	1,586,385	1,462,001
Finance leases	43,371	106,090
Between one and two years		
Bank and other borrowings	190,089	390,635
Finance leases	30,893	13,342
Between two and five years		
Bank and other borrowings	-	306,344
Finance leases	-	-
	<u>1,850,738</u>	<u>2,278,412</u>

### Borrowing facilities

At the 31 December 1999, the group had various undrawn committed borrowing facilities totalling £ 3,413.

### Currency risk

The group does not hedge its exposure of foreign investments held in foreign currencies.

The group is exposed to translation and transaction foreign exchange risk. In relation to translation risk the proportion of assets held in the foreign currency is matched to an appropriate level of borrowings in the same currency.

The group has overseas subsidiaries operating in Thailand and France whose revenues and expenses are denominated in US dollars and local currencies. The directors protect the group's sterling balance sheet from movements in the US dollar / local currency exchange rates, by financing its net investments in its subsidiaries, with the exception of Thailand, by means of local currency borrowings.

The majority of the group sales are to Europe (including the United Kingdom) and Asia. These sales are invoiced primarily in US dollars, Euros or Sterling.

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

Currency risk (continued)

The tables below show the extent to which group companies have monetary assets and liabilities in currencies other than their local currency. Foreign exchange differences on retranslation of these assets are taken to the profit and loss account of the group companies and the group.

Functional currency of operation	Net foreign currency monetary assets / (liabilities)					Total
	Sterling	French franc	US dollar	Euro	Other currencies	
<i>31<sup>st</sup> December 1999</i>						
Sterling	-	(135,108)	-	-	-	(135,108)
French Franc	283,477	-	-	687,946	66,011	1,037,434
Thailand baht	8,859	(176,022)	27,776	153,573	2,365	16,551
Netherland Guilders	-	(33,225)	-	-	-	(33,225)
	<u>292,336</u>	<u>(344,355)</u>	<u>27,776</u>	<u>841,519</u>	<u>68,376</u>	<u>885,652</u>

*Fair Values*

The fair value of short term deposits, long term borrowings, loans, overdraft and other financial assets approximates to the carrying amount because of the short maturity of these instruments.

### 18 Called up share capital

	31 December 1999		31 December 1998	
	Number	£	Number	£
<i>Authorised</i>				
Ordinary shares 10p each	<u>28,000,000</u>	<u>2,800,000</u>	<u>28,000,000</u>	<u>2,800,000</u>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of 10p each	<u>15,209,000</u>	<u>1,520,900</u>	<u>12,209,000</u>	<u>1,220,900</u>

On 30<sup>th</sup> November 1999 3,000,000 new 10p ordinary shares were issued at a price of 10p each.

An aggregate of 3,575,000 of the 10p ordinary shares were held by Wharton Holdings Corporation and C I Law Trustees Limited on behalf of discretionary trusts, the beneficiaries of which include the families of Mr Rogers and Dr Sharples, and Mr Palmer. These shares do not carry the right to receive a warrant.

*Warrants*

At 31 December 1999, there were 771,165 warrants in issue. Each warrant entitles the holder thereof to subscribe for one ordinary share at the price of 15p per share at any time in the period to 30 September 2004.

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 18 Called up share capital (continued)

#### Options

The company has entered into the following option arrangements under which the holders are entitled to subscribe for a percentage of the company's share capital from time to time.

Holder	Options outstanding at 31 December 1999	Percentage
Wharton Holdings Corporation	2,041,955 at 15p 501,750 at 10p	13.38
C I Law Trustees Limited	1,010,295 at 15p 248,250 at 10p	7.62

The options held by Wharton Holdings Corporation are held on behalf of discretionary trusts, the beneficiaries of which include the families of Mr Rogers and Dr Sharples. Those held by C I Law Trustees Limited are held on behalf of a discretionary trust, beneficiaries of which include the family of Mr Palmer.

The following is a summary of the principal terms of the options.

- (a) The price at which the option holders are entitled to subscribe for ordinary shares is 15p in respect of the rights which accrued to the option holders on 19 September 1997, and 15p per ordinary share in respect of the rights which accrued to the option holders on 6 March 1998. The exercise price in respect of rights which accrued to option holders in December 1999 is 10p per share.
- (b) In respect of any ordinary shares for which the holder is entitled to subscribe as a result of a rights issue, placing, open offer or similar the exercise price shall be the price at which such ordinary shares are issued.
- (c) In respect of any ordinary shares for which the holder is entitled to subscribe as a result of any capitalisation of reserves or profits, or a capital reduction or otherwise or on the making of an exempt distribution by virtue of Chapter II Part VI of the Income and Corporation Taxes Act 1998, the exercise price may be varied.
- (d) In respect of any ordinary shares for which the option holder is entitled to subscribe as a result of the exercise by any other person, firm or corporation of any rights granted to subscribe for ordinary shares (whether by way of option, warrant or otherwise), the exercise price per ordinary share shall be equal to the average market price of the ordinary shares on each of the five business days preceding the date of the exercise of the said rights, as derived from the Stock Exchange Daily Official List.
- (e) The option may be exercised in whole or in part on any one or more occasions at any time between 1 October 1998 and 30 September 2004.
- (f) The ordinary shares allotted to the option holder shall rank *pari passu* in all respects with the ordinary shares of the company then in issue and shall carry the right to receive all dividends and other distributions declared, made or paid by the company in respect of the ordinary shares on and after the date of the exercise of any of the options.

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 19 Reserves

Group	Share premium account £	Profit and loss account £	Total £
At 1 January 1999	466,018	(60,832)	405,186
Share issue costs	(16,025)	-	(16,025)
Loss for the period	-	(239,160)	(239,160)
Exchange differences	-	(127,704)	(127,704)
At 31 December 1999	<u>449,993</u>	<u>(427,696)</u>	<u>22,297</u>
<b>Company</b>			
At 1 January 1999	466,018	(287,220)	178,798
Share issue costs	(16,025)	-	(16,025)
Loss for the period	-	(188,718)	(188,718)
At 31 December 1999	<u>449,993</u>	<u>(475,938)</u>	<u>(25,945)</u>

### 20 Commitments under operating leases

As at 31 December 1999, the group had annual commitments under non-cancellable operating leases as set out below.

	31 December 1999		31 December 1998	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	38,062	-	-	101,860
In two to five years	10,216	-	55,163	58,115
	<u>48,278</u>	<u>-</u>	<u>55,163</u>	<u>159,975</u>

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the period ended 31 December 1999 (continued)

### 21 Note to the cash flow statement

#### (a) Gross cash flows

	Year ended 31 December 1999 £	11 months ended 31 December 1998 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,977	19,571
Interest paid	(145,132)	(182,618)
	<u>(143,155)</u>	<u>(163,047)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(297,491)	(402,848)
Receipts from sale of tangible fixed assets	20,161	86,692
	<u>(277,330)</u>	<u>(316,156)</u>
<b>Acquisitions</b>		
Purchase of subsidiary undertaking	-	(2,137,889)
Purchase of minority interests	(233,999)	-
Net overdrafts acquired on purchase of subsidiary	-	(83,970)
	<u>(233,999)</u>	<u>(2,221,859)</u>
<b>Management of liquid resources</b>		
Increase in deposits	-	93,580
	<u>-</u>	<u>93,580</u>
<b>Financing</b>		
Issue of ordinary share capital	300,000	1,200,000
Contribution from minority shareholders in subsidiary undertakings	-	200,576
Expenses paid in connection with share issue	(16,025)	(82,293)
(Decrease)/increase in bank loans and other borrowings	(147,750)	15,952
Repayment of finance leases	(121,021)	(122,552)
	<u>15,204</u>	<u>1,211,683</u>

## BUCKLAND INVESTMENTS PLC

Notes forming part of the financial statements for the year ended 31 December 1999 (continued)

### 21 Note to the cash flow statement (continued)

(b)	At 1 January 1999 £	Cash Flow £	Inception of finance leases £	Exchange movement £	At 31 December 1999 £
Cash in hand and at bank	75,190	226,929	-	(7,247)	294,872
Bank overdrafts	(310,321)	89,111	-	34,535	(186,675)
	(235,131)	316,040	-	27,288	108,197
Bank deposits	93,580	(93,580)	-	-	-
Bank loans and other borrowings	(2,158,980)	147,749	-	234,757	(1,776,474)
Finance leases	(119,432)	121,021	(84,192)	8,339	(74,264)
Net funds / (debt)	(2,419,963)	491,230	(84,192)	270,384	(1,742,541)

### 22 Group companies

<i>Subsidiary undertaking</i>		<i>Date of acquisition</i>
Sparkle Investment B V	Holland	6 March 1998
C M Investments S A	France	6 March 1998
Connectic Metallo S A	France	6 March 1998
Euro Asia Connectors Limited	Thailand	6 March 1998
Euro Asia Connectors Limited	Hong Kong	19 March 1999

### 23 Related party transactions

Mr L Mair was a director of the company during the period to 31<sup>st</sup> August 1999 and of Corporate Synergy Plc, who were the company's joint financial adviser until 31 December 1998 and previously held 33,334 ordinary shares and 16,667 warrants. The company paid £nil (1998: £22,693) to Corporate Synergy PLC in respect of fees and services rendered during the period ended 31 December 1999.

During the year the company paid a total of £3,120 (1998: £20,280) to No 3 Draycott Place Limited in respect of the rental of office accommodation. Mr Rogers is a director and shareholder of No 3 Draycott Place Limited. The rental paid was at the open market rate.

### 24 Post balance sheet events

The group has restructured the trading operations of its subsidiaries. After the year end the French manufacturing operation ceased and all the remaining manufacturing plant was transferred to Thailand. This restructuring will result in additional costs in the year ended 31 December 2000. These costs include redundancy costs of at least £285,000 and the cost of shipping equipment to Thailand.

## **BUCKLAND INVESTMENTS PLC**

### **Notice of Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the above company will be held at the offices of McFadden, Pilkington & Ward, City Tower, 40 Basinghall Street, London EC2V 5DB on 4 August 2000 at 11.00 a.m. when the following ordinary business will be transacted:

- 1, To receive and consider the report of the directors and the statement of accounts for the year ended 31 December 1999 with the auditor's report thereon.
2. Mr P Palmer retires by rotation and being eligible offers himself for re-election.
- 3, To elect the auditors for the ensuing year.
4. To fix the remuneration of the auditors.
- 5, To transact any other business which may be properly transacted at an annual general meeting.

DATED

By Order of the Board  
Christopher Stenning  
Secretary

### **Notes**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the company. Forms of proxy should be returned, by no later than 48 hours before the meeting to

Connaught St Michaels Limited, PO Box 30, Victoria Street, Luton, Bedfordshire LW1 2PL.