

Company Registration No. 2713611

**FIBROPTIC INDUSTRY ASSOCIATION
LIMITED**

(Company limited by guarantee)

Report and Financial Statements

31 August 2002

**Deloitte & Touche
Leeds**

FIBROPTIC INDUSTRY ASSOCIATION LIMITED
(Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS 2002

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FIBROPTIC INDUSTRY ASSOCIATION LIMITED
(Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M J Phillips
P J Thompsett
A R Watson
P F Bateson
S E Strange
M C Gilmore
J Cupitt
S Smith

SECRETARY

J E Morrison

REGISTERED OFFICE

The Manor House
Buntingford
Hertfordshire
SG9 9AB

BANKERS

HSBC Bank PLC
1 Prospect Place
Darlington
County Durham
DL3 7LQ

AUDITORS

Deloitte & Touche
Chartered Accountants
Leeds

FIBREOPTIC INDUSTRY ASSOCIATION LIMITED
(Company limited by guarantee)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 August 2002.

ACTIVITIES

The principal activity of the company is the promotion of co-operation between members of the association engaged in the UK as manufacturers, traders, servicing agents, distributors and consultants in respect of Fibreoptic products.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Details of the results for the year are set out on page 5. The surplus has been transferred to reserves.

The directors consider the state of the company's affairs to be satisfactory and expect this to continue in future periods.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1.

The directors who served during the year were as follows:

M J Phillips
P J Thompsett
A R Watson
P F Bateson
S E Strange
M C Gilmore
J Cupitt
S Smith

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

FIBROPTIC INDUSTRY ASSOCIATION LIMITED
(Company limited by guarantee)

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

J E Morrison
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FIBROPTIC INDUSTRY ASSOCIATION LIMITED
(Company limited by guarantee)**

We have audited the financial statements of Fibreoptic Industry Association Limited for the year ended 31 August 2002, which comprise the income and expenditure account, the balance sheet and the related notes 1 to 8. These financial statements have been prepared under 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 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 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 at 31 August 2002 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Chartered Accountants
and Registered Auditors
Leeds

FIBREOPTIC INDUSTRY ASSOCIATION LIMITED
(Company limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT
Year ended 31 August 2002

| | Note | 2002 | 2001 |
|---|------|---------------|---------------|
| | | £ | £ |
| INCOME: continuing operations | | | |
| Members' fees | | | |
| Renewals | | 48,474 | 46,650 |
| New members | | 7,100 | 9,455 |
| Overseas | | 826 | 2,825 |
| Code of practice and seminars | | 4,721 | 2,794 |
| Buyer's guide advertising | | 5,500 | - |
| Internet project revenue | | 1,300 | 2,525 |
| Other | | 1,757 | 2,878 |
| | | <u>69,678</u> | <u>67,127</u> |
| ADMINISTRATIVE EXPENSES | | | |
| Secretariat fees | | 17,083 | 16,703 |
| Postage, stationery and telephone | | 3,779 | 3,757 |
| Advertising and promotion | | 17,279 | 9,099 |
| Accountancy, book-keeping and legal fees | | 6,203 | 5,270 |
| Audit fee | | 1,200 | 1,179 |
| Other expenses | | 23,396 | 19,783 |
| RQD Project | | - | 1,450 |
| | | <u>68,940</u> | <u>57,241</u> |
| OPERATING SURPLUS: continuing operations | | | |
| | | 738 | 9,886 |
| Bank interest received | | 213 | 370 |
| | | <u>951</u> | <u>10,256</u> |
| Surplus on ordinary activities for the year before taxation | | 951 | 10,256 |
| Tax on surplus for the year | 5 | 7 | 1,063 |
| | | <u>944</u> | <u>9,193</u> |
| Surplus for the year transferred to reserves | 6 | <u>944</u> | <u>9,193</u> |

There are no further recognised gains or losses for the current and prior years other than as stated above.

FIBROPTIC INDUSTRY ASSOCIATION LIMITED
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BALANCE SHEET
31 August 2002

| | Note | £ | 2002 £ | £ | 2001 £ |
|--|------|--------|---------------|---------------|---------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 2 | | 2,772 | | 194 |
| CURRENT ASSETS | | | | | |
| Debtors | 3 | 12,134 | | 9,458 | |
| Cash at bank and in hand | | 28,242 | | 30,898 | |
| | | | <u>40,376</u> | <u>40,356</u> | |
| CREDITORS: amounts falling due | | | | | |
| Within one year | 4 | 10,775 | | 9,121 | |
| NET CURRENT ASSETS | | | | | |
| | | | <u>29,601</u> | | <u>31,235</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | | <u>32,373</u> | | <u>31,429</u> |
| CAPITAL AND RESERVES | | | | | |
| Income and expenditure account | 6 | | <u>32,373</u> | | <u>31,429</u> |

These financial statements have been prepared in accordance with the provisions relating to small companies under Section 246 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

M J Phillips

Director

FIBREOPTIC INDUSTRY ASSOCIATION LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 August 2002

1. ACCOUNTING POLICIES

As described by section 226 of the Companies Act 1985, in order to give a true and fair view, the income and expenditure account is not prepared in accordance with Schedule 4 of the Companies Act 1985. This is prepared in a different format to give a better understanding of the entity to the reader of the accounts and to reflect the special nature of the company's operations.

Accounting convention

The financial statements are prepared under the historical cost convention.

Membership fees

Membership fees are accounted for in the period in which they fall due for payment.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rate of depreciation is as follows:

Fixtures and fittings 25% per annum

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

2. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ |
|---------------------------------|--|
| Cost | |
| At 1 September 2001 | 2,302 |
| Additions | 3,599 |
| Disposals | - |
| | <hr/> |
| At 31 August 2002 | 5,901 |
| | <hr/> |
| Accumulated depreciation | |
| At 1 September 2001 | 2,108 |
| Charge for the year | 1,021 |
| Disposals | - |
| | <hr/> |
| At 31 August 2002 | 3,129 |
| | <hr/> |
| Net book value | |
| At 31 August 2002 | 2,772 |
| | <hr/> <hr/> |
| At 31 August 2001 | 194 |
| | <hr/> <hr/> |

FIBREOPTIC INDUSTRY ASSOCIATION LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 August 2002

3. DEBTORS

| | 2002 | 2001 |
|--------------------------------|---------------|--------------|
| | £ | £ |
| Trade debtors | 11,854 | 9,458 |
| Prepayments and accrued income | 280 | - |
| | <u>12,134</u> | <u>9,458</u> |

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2002 | 2001 |
|------------------------------|---------------|--------------|
| | £ | £ |
| Trade creditors | 6,897 | 5,694 |
| Other creditors and accruals | 3,871 | 3,427 |
| Taxation and social security | 7 | - |
| | <u>10,775</u> | <u>9,121</u> |

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2002 | 2001 |
|--|-------------|--------------|
| | £ | £ |
| United Kingdom corporation tax at 20% (2001: 20%) based on the profit for the year | 7 | 1,063 |
| | <u>7</u> | <u>1,063</u> |

Adoption of FRS 19 has required a change in the method of accounting for deferred tax. However, no deferred tax arises in either year.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20%. The actual tax charge for the current year and the previous year is less than the standard rate for the reasons set out in the following reconciliation.

FIBREOPTIC INDUSTRY ASSOCIATION LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 August 2002

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

| | 2002 | 2001 |
|---|-------------|--------------|
| | £ | £ |
| Profit on ordinary activities before tax | 951 | 10,256 |
| Tax on profit on ordinary activities at standard rate | 190 | 2,051 |
| Adjustment in respect of small companies tax rate | (134) | (991) |
| Capital allowances for period in excess of depreciation | (166) | 5 |
| Other timing differences | 117 | (2) |
| Rounding | - | - |
| Total actual amount of current tax | <u>7</u> | <u>1,063</u> |

6. COMBINED RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

| | 2002 | 2001 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Balance at 1 September 2001 | 31,429 | 22,236 |
| Surplus for the year | 967 | 9,193 |
| Balance at 31 August 2002 | <u>32,396</u> | <u>31,429</u> |

7. STATUS OF COMPANY

At 31 August 2002, there were 206 members of the company. The liability of the members is limited and each has undertaken to contribute a sum not exceeding £25 in the event of the winding up of the company.

8. TRANSACTIONS WITH DIRECTORS

During the year the company reimbursed meeting expenses to The Cabling Partnership, a business in which a director of this company (M C Gilmore) is a partner. The amount reimbursed totalled £23,899 (2001: £16,957) and was transacted on an arm's length basis. Of this amount, £1,654 (2001: £3,349) was outstanding at the year end.