

Telemetrix Securities Limited

Annual report and financial statements

Year ended 31 December 2006

Registered number 2763030



Telemetrix Securities Limited

Annual report and financial statements for the year ended 31 December 2006

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Directors

H Rohrer
N Hawkins

Secretary and registered office

J Morton, Zetex Technology Park, Chadderton, OL9 9LL

Company number

2763030

Auditors

Ernst & Young LLP, Manchester

Telemetrix Securities Limited

Directors' report for the year ended 31 December 2006

The directors present their report together with the audited financial statements for the year ended 31 December 2006

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year

A final dividend has been paid (note 6)

Principal activities, review of business and future developments

The company acts as an investment holding company

Although the company did not trade in the year, it undertook three significant transactions

- 1 On 17 March the share premium account was cancelled and the whole amount of £29,125,000 was credited to the profit and loss reserve
- 2 On 26 June the company sold its 100% shareholding in Zetex Semiconductors plc to Zetex plc for £10m
- 3 Immediately following this sale, Telemetrix Securities Limited paid a dividend of £30,262,000 to Zetex plc

The directors are satisfied with the position of the company

Directors

The directors of the company during the year were

R D Conway (resigned 1 February 2006)

H Rohrer (appointed 1 February 2006)

J Samuel (resigned 28 February 2006)

N Hawkins (appointed 3 April 2006)

No director had any beneficial interest in the share capital of the company

The interests of the directors in the share capital of Zetex plc, the company's ultimate parent company are disclosed in the financial statements of that company

Telemetrix Securities Limited

Directors' report for the year ended 31 December 2006

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with United Kingdom law and United Kingdom Generally Accepted Accounting Practice

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,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements 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 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

In accordance with Section 234A of the Companies Act 1985, each of the above directors

- is not aware of any relevant audit information of which the company's auditors are unaware, and
- has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Ernst & Young LLP have indicated their willingness to continue as auditors to the company, and an appropriate resolution will be put forward at the Annual General Meeting.

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

By Order of the Board



J Morton
Secretary
10 July 2007

Telemetrix Securities Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TELEMETRIX SECURITIES LIMITED

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

Telemetrix Securities Limited

Independent auditor's report (*Continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Ernst & Young LLP
Registered auditor
Manchester

13 July 2007

Telemetrix Securities Limited**Profit and loss account for the year ended 31 December 2006**

	Notes	2006 £'000	2005 £'000
Loss on disposal of subsidiary		<u>-</u>	<u>(589)</u>
Loss on ordinary activities before interest and other income		-	(589)
Dividend received		<u>-</u>	<u>2,400</u>
Profit on ordinary activities before taxation		-	1,811
Taxation on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the financial year	11	-	1,811
Dividend	6	<u>(30,262)</u>	<u>(2,400)</u>
Retained loss		<u>(30,262)</u>	<u>(589)</u>

All amounts relate to continuing activities

Statement of total recognised gains and losses for the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Profit for the financial year		-	1,811
Share premium cancellation	10	<u>29,125</u>	<u>-</u>
Total recognised gains and losses for the financial year		<u>29,125</u>	<u>1,811</u>

The notes on pages 7 to 11 form part of these financial statements

Telemetrix Securities Limited

Balance sheet at 31 December 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Investments	7	<u>-</u>	<u>10,000</u>
Current assets			
Debtors	8	-	20,262
Net current assets		<u>-</u>	<u>20,262</u>
Total assets less current liabilities		<u>-</u>	<u>30,262</u>
Capital and reserves			
Called up share capital	9	-	-
Share premium	10	-	29,125
Profit and loss account	10	<u>-</u>	<u>1,137</u>
Shareholders' funds	11	<u>-</u>	<u>30,262</u>

The financial statements were approved by the board on 10 July 2007



N Hawkins
Director

The notes on pages 7 to 11 form part of these financial statements

Telemetrix Securities Limited

Notes forming part of the financial statements for the year ended 31 December 2006

1. Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following accounting policies have been applied

Investments

Investments are valued at cost less any provisions for diminution in value

Consolidated financial statements

In preparing these financial statements the company has taken advantage of the exemption conferred by section 228 of the Companies Act 1985 not to produce consolidated financial statements as the group it heads is included within the consolidated financial statements of Zetex plc, the company's ultimate parent undertaking. The financial statements contain information about Telemetrix Securities Limited as an individual company

Cash flow statement

In preparing these financial statements the company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash flow statements' not to produce a cash flow statement as the company is included within the consolidated financial statements of Zetex plc, the company's ultimate parent undertaking

Taxation

The provision for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold, and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Telemetrix Securities Limited

Notes forming part of the financial statements for the year ended 31 December 2006

2. Operating profit

The audit fee is borne by the parent company

3. Employees

There were no employees, other than directors, during the year

4. Directors' remuneration

No director received any remuneration from the company during the year

5. Taxation on profit on ordinary activities

	2006 £'000	2005 £'000
UK corporation tax	<u>-</u>	<u>-</u>

The tax assessed on the profit on ordinary activities for the year differ to the standard rate of corporation tax in the UK, as explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	<u>-</u>	<u>1,811</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 30%)	-	543
Capital gains tax relief	-	-
Timing difference on prior year adjustments	<u>-</u>	<u>(543)</u>
Total current tax charge	<u>-</u>	<u>-</u>

Telemetrix Securities Limited

Notes forming part of the financial statements for the year ended 31 December 2006

6. Dividends

	2006 £'000	2005 £'000
<i>Equity shares ordinary shares</i>		
Final dividend for the year 2006 £1,973 14 (2004 £1 56) per share	<u>30,262</u>	<u>2,400</u>

Final dividend for 2004 paid in 2005 No dividend relating to 2005 was paid in that year

7. Investments

	£'000
Cost	
At 1 January 06	10,300
Disposals	(10,300)
At 31 December 06	-
Provision	
At 1 January 06	300
Disposals	(300)
At 31 December 06	-
Net Book Value	
At 31 December 2006	-
At 31 December 2005	<u>10,000</u>

During the year the company disposed of its 100% holding in the ordinary share capital of Zetex Semiconductors plc to Zetex plc for a consideration of £10m No gain or loss arose on the sale

Subsidiary undertakings

At the year end the company held a 100% interest in Component Trading Limited, a dormant company that operates and is incorporated in England

Telemetrix Securities Limited

Notes forming part of the financial statements for the year ended 31 December 2006

8. Debtors

Amounts receivable within one year

	2006 £'000	2005 £'000
Amounts due from ultimate parent undertaking	<u>-</u>	<u>20,262</u>

9. Share Capital

	Authorised 2006 £	2005 £	Allotted, called up and fully paid 2006 £	2005 £
<i>Equity share capital</i>				
20,000 (issued 15,337) ordinary shares of 1p each	<u>200</u>	<u>200</u>	<u>153</u>	<u>153</u>

10. Reserves

	Share premium £'000	Profit and loss account £'000
At 1 January 2006	29,125	1,137
Profit for the financial year	-	-
Reclassification of share premium	(29,125)	29,125
Dividend	<u>-</u>	<u>(30,262)</u>
At 31 December 2006	<u><u>-</u></u>	<u><u>-</u></u>

As discussed in the Directors' Report, on 17 March the share premium account was cancelled and the whole amount of £29,125,000 was credited to the profit and loss reserve. Immediately following the sale of Zetex Semiconductors plc, Telemetrix Securities Limited paid a dividend of £30,262,000 to Zetex plc.

Telemetrix Securities Limited

Notes forming part of the financial statements for the year ended 31 December 2006

11. Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000
Profit for the financial year	-	1,811
Dividends	<u>(30,262)</u>	<u>(2,400)</u>
Net reduction to shareholders' funds	<u>(30,262)</u>	<u>(589)</u>
Opening shareholders' funds	<u>30,262</u>	<u>30,851</u>
Closing shareholders' funds	<u>-</u>	<u>30,262</u>

12. Ultimate and immediate parent company

At 31 December 2006 the company's ultimate and immediate parent company was Zetex plc. Copies of the consolidated financial statements of Zetex plc are available from Companies House.

13. Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with members of the group headed by Zetex plc on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.