

COMPANY NO: 3633101

HOLDERS TECHNOLOGY UK LIMITED

ANNUAL REPORT

◆ *Year ended 30 November 2000* ◆



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HOLDERS TECHNOLOGY UK LIMITED

COMPANY INFORMATION

Directors	R W Weinreich S A Brown M McKemmie
Secretary	M McKemmie
Registered office	Northway House 1379 High Road Whetstone London N20 9LP
Website	www.holders.co.uk
Registered number	3633101
Auditors	RSM Robson Rhodes Chartered Accountants Daedalus House Station Road Cambridge CB1 2RE
Bankers	Barclays Bank plc
Solicitors	Osmond, Gaunt & Rose Osbourne Clarke

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements for the year ended 30 November 2000.

Principal activities

The principal activity of the company is to provide specialised materials, equipment and services for the electronics and telecommunications industries.

Business review and future developments

In 2000, turnover rose by 17% to £5,455,000. The success of laminate sales, which is a very competitive segment, caused the overall gross margin to reduce slightly. Nevertheless, costs were sufficiently contained to enable the company to increase profits at the operating level.

The addition of standard laminate to Holders' range of products has opened the door to new customers and provided an impetus to sales. The company will continue this approach in 2001.

Results and dividends

The company made a profit on ordinary activities after taxation of £265,000 (1999: £190,000). The directors do not recommend the payment of a dividend (1999: £Nil).

Euro

The company has a policy of considering and when appropriate reducing its exposure to potential major currency fluctuations. The euro for the moment is considered as any other major currency.

Directors

The directors currently holding office are listed on page 1. All of the directors served throughout the period. The directors had no interest in the share capital of the company at the period end. Where the directors of the company are directors of the holding company any interests in the share capital of the holding company are disclosed in the accounts of that company. S Brown and M McKemmie had no interests in the share capital of the holding company.

REPORT TO THE DIRECTORS (continued)

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

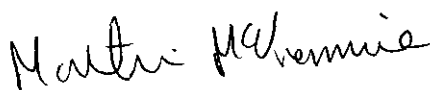
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Auditors

The auditors, RSM Robson Rhodes, are willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

The report of the directors was approved by the Board on 26 February 2001 and signed on its behalf by:



M McKemmie
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOLDERS
TECHNOLOGY UK LIMITED**

We have audited the financial statements on pages 5 to 15.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and the 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 information contained in the Annual Report and consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

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 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 30 November 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes

**RSM Robson Rhodes
Chartered Accountants and Registered Auditors
Cambridge
England**

26/2/2001

HOLDERS TECHNOLOGY UK LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30 November 2000

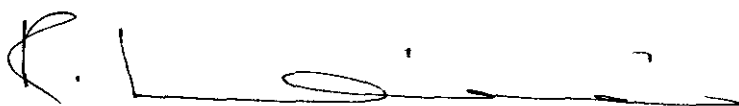
	Note	2000 £'000	1999 £'000
Turnover - continuing operations	2	5,455	4,658
Cost of sales		(4,123)	(3,406)
Gross profit		1,332	1,252
Distribution costs		(109)	(105)
Administrative expenses		(812)	(861)
Other operating income		(55)	(13)
Operating profit - continuing operations	5	356	273
Interest receivable		-	1
Interest payable	6	(8)	(1)
Profit on ordinary activities before taxation		348	273
Tax on profit on ordinary activities	7	(83)	(83)
Retained profit for the year	15	265	190

There were no other recognised gains or losses other than those reported above.

HOLDERS TECHNOLOGY UK LIMITED**BALANCE SHEET**
at 30 November 2000

	Note	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	8	265	329
Current assets			
Stocks	9	978	863
Debtors	10	1,927	1,280
Cash at bank and in hand		84	72
		2,989	2,215
Creditors: Amounts falling due within one year	11	(2,683)	(2,224)
Net current assets/(liabilities)		306	(9)
Total assets less current liabilities		571	320
Creditors: Amounts falling due after more than one year	12	(5)	(15)
Provision for liabilities and charges	13	(11)	(15)
		555	290
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	455	190
Equity shareholders' funds	16	555	290

The financial statements were approved by the Board on 26 February 2001 and signed on its behalf by:



R W Weinreich
Director

NOTES TO THE FINANCIAL STATEMENTS

30 November 2000

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover comprises amounts invoiced during the year for goods and services supplied to third parties net of value added tax.

Depreciation

Depreciation is calculated to write off assets by equal instalments over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Depreciation is calculated at the following rates:

Leasehold buildings	- over the period of the lease
Motor vehicles	- 20% on written down value
Plant and machinery	- 20% - 33% on written down value
Office equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in first-out basis. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Research expenditure

Expenditure on pure and applied research is written off in the year it is incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made.

NOTES TO THE FINANCIAL STATEMENTS**30 November 2000****1. ACCOUNTING POLICIES (Continued)****Foreign currencies**

Assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at each period-end. All other currency differences are taken to the profit and loss account. Profits and losses on forward exchange contracts are recognised when the contracts mature.

Leased assets

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the periods of the leases.

Assets held under finance leases are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Cash flow statement

The company is exempt from publishing a cash flow statement as it is a wholly owned subsidiary of Holders Technology plc, which publishes a consolidated cash flow statement.

2. TURNOVER

A segmental analysis by class of business is not disclosed as the directors consider it all attributable to the principal activity of the company.

Turnover by geographical market	2000	1999
	£'000	£'000
United Kingdom	4,712	4,080
Other EC countries	624	438
Switzerland	84	134
Other	35	6
	5,455	4,658

HOLDERS TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 November 2000

3. EMPLOYEES AND STAFF COSTS

	2000 £'000	1999 £'000
Wages and salaries	339	416
Social security costs	31	38
	<u>370</u>	<u>454</u>

Average monthly number of permanent employees, including directors:

	2000 Number	1999 Number
Administration and sales	8	7
Service and fabrication	11	15
	<u>19</u>	<u>22</u>
Part-time	2	2
	<u>21</u>	<u>24</u>

4. DIRECTORS' REMUNERATION

	2000 £'000	1999 £'000
Emoluments	47	67

The company make no contributions to any pension scheme. R W Weinreich is the Chairman of Holders Technology plc. His remuneration is shown in that company's accounts. S Brown was appointed a director of Justfone Limited (a fellow group undertaking) in the year. His remuneration from date of this appointment is shown in that company's accounts.

HOLDERS TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 November 2000****5. OPERATING PROFIT**

	2000 £'000	1999 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets - owned	70	70
- leased	6	6
Loss on disposal of fixed assets	2	7
Research and development costs	3	100
Operating leases - land buildings	50	48
Exchange differences	55	13
Auditors remuneration	8	8
	<u> </u>	<u> </u>

6. INTEREST PAYABLE

	2000 £'000	1999 £'000
On bank overdraft	6	-
On finance lease	2	1
	<u> </u>	<u> </u>
	8	1
	<u> </u>	<u> </u>

7. TAXATION

	2000 £'000	1999 £'000
United Kingdom corporation tax		
Current tax on income for the year at 30 % (1999: 30%)	112	85
Adjustment in respect of prior year	(25)	-
	<u> </u>	<u> </u>
	87	85
Deferred taxation	(4)	(2)
	<u> </u>	<u> </u>
Taxation charge for the year	83	83
	<u> </u>	<u> </u>

The company paid £55,000 to fellow group subsidiaries for taxation losses of £182,000.

NOTES TO THE FINANCIAL STATEMENTS

30 November 2000

8. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Motor vehicles £'000	Plant and machinery £'000	Office equipment £'000	Total £'000
Cost					
At 1 December 1999	94	71	389	126	680
Additions at cost	-	10	14	1	25
Disposals	-	(10)	(6)	(1)	(17)
Transferred to group undertakings	-	-	(12)	(3)	(15)
At 30 November 2000	94	71	385	123	673
Depreciation					
At 1 December 1999	5	15	271	60	351
Provided in year	8	13	30	25	76
Eliminated on disposals	-	(5)	(4)	(1)	(10)
Transferred to group undertakings	-	-	(8)	(1)	(9)
At 30 November 2000	13	23	289	83	408
Net book value					
At 30 November 2000	81	48	96	40	265
At 30 November 1999	89	56	118	66	329

The net book value of tangible fixed assets includes £27,000 (1999: £34,000) in respect of assets held under finance leases. Depreciation charged in the year on those assets amounted to £6,000 (1999: £6,000).

HOLDERS TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 November 2000

9. STOCKS

	2000 £'000	1999 £'000
Goods for resale	978	863

The replacement cost of the above stocks would not be significantly different from the values stated.

10. DEBTORS

	2000 £'000	1999 £'000
Trade debtors	1,428	1,178
Amounts due from group undertakings	485	62
Other debtors	14	40
	1,927	1,280

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £'000	1999 £'000
Bank overdraft	27	6
Finance lease obligations	11	23
Borrowing due within 1 year	38	29
Trade creditors	568	420
Amounts due to group undertakings	1,902	1,647
Corporation tax	57	54
Other taxation and social security	31	10
Accruals	87	64
	2,683	2,224

The bank overdraft is secured by a multi-lateral guarantee between the parent company and the other main trading subsidiaries. Finance and lease obligations are secured on the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS**30 November 2000****12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2000	1999
	£'000	£'000
Finance lease obligations - due between one and two years	5	15
	<u> </u>	<u> </u>

13. PROVISION FOR LIABILITIES AND CHARGES

	Deferred taxation £'000
At 1 December 1999	15
Transfer to profit and loss account	(4)
	<u> </u>
At 30 November 2000	11
	<u> </u>

Deferred tax is fully provided in the accounts and is analysed as follows:

	2000	1999
	£'000	£'000
Accelerated capital allowances	11	15
	<u> </u>	<u> </u>

14. SHARE CAPITAL

	2000	1999
	£'000	£'000
Authorised		
100,000 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted and fully paid		
100,000 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS**30 November 2000****15. RESERVES**

	Profit and loss account £ '000
At 1 December 1999	190
Retained profit for the financial year	265
At 30 November 2000	455

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £'000	1999 £'000
Profit for the financial year	265	190
Net proceeds of share issue	-	100
Increase in shareholders' funds	265	290
Opening shareholders' funds	290	-
Closing shareholders' funds	555	290

17. FINANCIAL COMMITMENTS**Operating lease commitments**

The annual commitments under operating leases are analysed according to the period in which each lease expires, as follows:

	2000 £'000	1999 £'000
Land and buildings		
- within one to five years	39	22
Vehicles		
- within one to five years	11	11

NOTES TO THE FINANCIAL STATEMENTS

30 November 2000

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the disclosure exemption in relation to transactions with group companies due to it being a wholly owned subsidiary of Holders Technology plc.

19. ULTIMATE PARENT COMPANY

The ultimate parent company is Holders Technology plc, a company incorporated in England and Wales. It is situated at the address shown on page 1 and its financial statements may be obtained from Companies House in Cardiff.