

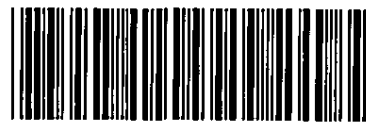
COMPANY NO 3633101

Holdings Technology UK Limited

Annual Report

Year ended 30 November 2007

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Company Information

Directors	R W Weinreich J S Shawyer J F McGhee G A Herriot (appointed 1 January 2008)
Secretary	J S Shawyer
Registered office	Devonshire House Manor Way Borehamwood Hertfordshire WD6 1QQ
Registered number	3633101
Auditors	Grant Thornton UK LLP Byron House Cambridge Business Park Cambridge CB4 0WZ
Bankers	Barclays Bank plc Fortis Bank S A /N V

Report of the Directors

The directors have pleasure in submitting their report and the audited financial statements for the year ended 30 November 2007

Principal activities

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

Business review and key performance indicators

Trading results for 2007 showed satisfactory growth over 2006, with a healthy demand for specialist laminates

The directors believe that the following key performance indicators are of most significance to the assessment of the company's performance and financial position

- **Turnover**
In a relatively mature industry, the level of turnover gives an important view of the strength of the company's product range and coverage. In 2007, the company's turnover grew 18% to £5,394,000
- **Operating margin**
Profitability is determined by the gross margins achieved and management's success in containing administrative expenses in relation to turnover. These give rise to the operating margin, measured as operating profit divided by turnover. In 2007 the operating margin improved to 14.6% compared with 8.7% in 2006

Principal risks and uncertainties

The directors believe that the following are the principal risks and uncertainties faced by the company

- **Competition**
Supply to the PCB industry is highly competitive and the company faces competition from a wide range of companies
- **Customers**
The company closely monitors any customers with liquidity problems. The company insures its debtors, where possible, and maintains appropriate credit limits where insurance is not available
- **Suppliers**
The company has a number of key suppliers. As in any distributor business, there is a dependency on maintaining supply

Results and dividends

The company made a profit on ordinary activities after taxation of £562,000 (2006 £279,000). The directors have paid a dividend of £6 per ordinary share in the current year, no further dividend has been proposed (2006 £3 per ordinary share)

Single European currency

The company continues its 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. J F McGhee, J S Shawyer and R W Weinreich served throughout the year. G A Herriot was appointed to the board on 1 January 2008. The directors had no interest in the share capital of the company at the year end or at the previous year 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

Statement of directors' responsibilities for the financial statements

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 are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

RSM Robson Rhodes LLP ('Robson Rhodes') merged its audit practice with that of Grant Thornton UK LLP ('Grant Thornton') with effect from 2 July 2007, with the successor firm being Grant Thornton. Robson Rhodes resigned as auditors on 30 July 2007, creating a casual vacancy, which the directors filled by appointing Grant Thornton. A resolution to reappoint Grant Thornton as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board on 2 April 2008


J S Shawyer
Secretary

Report of the Independent Auditors to the Members of Holders Technology Limited

We have audited the financial statements of Holders Technology Limited for the year ended 30 November 2007 which comprise the profit and loss account, the balance sheet and notes 1 to 20. 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 Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2007 and of its profit 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.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
Cambridge, England

9 April 2008

Profit and Loss Account

For the year ended 30 November 2007

	Note	2007 £'000	2006 £'000
Turnover - continuing operations	2	5,394	4,577
Cost of sales		(3,727)	(3,308)
Gross profit		1,667	1,269
Distribution costs		(78)	(75)
Administrative expenses		(802)	(794)
Operating profit - continuing operations	5	787	400
Interest receivable		21	22
Interest payable	6	(2)	(4)
Profit on ordinary activities before taxation		806	418
Tax on profit on ordinary activities	7	(244)	(139)
Profit for the year		562	279

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

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

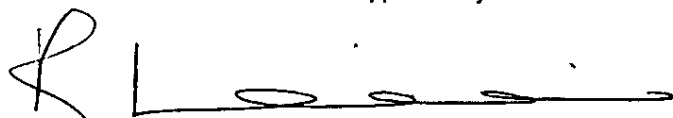
The accompanying accounting policies and notes form part of these financial statements

Balance Sheet

At 30 November 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	9	133	128
Current assets			
Stocks	10	429	414
Debtors	11	1,367	1,484
Cash at bank and in hand		214	584
		2,010	2,482
Creditors amounts falling due within one year	12	(708)	(1,137)
Net current assets		1,302	1,345
Net assets		1,435	1,473
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	1,335	1,373
Equity shareholders' funds	16	1,435	1,473

The financial statements were approved by the Board on 2 April 2008 and signed on its behalf by



R W Weinreich
Director

The accompanying accounting policies and notes form part of these financial statements

Notes to the Financial Statements

30 November 2007

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.

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. The company and certain subsidiaries are able to relieve their taxable losses by surrendering them where capacity to utilise losses exists. Full provision for deferred taxation is made without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

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.

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.

Research expenditure

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

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.

Notes to the Financial Statements

30 November 2007

2. Turnover

An analysis of turnover by geographical market is as follows

	2007 £'000	2006 £'000
United Kingdom	4,830	3,797
Rest of Europe	562	751
Rest of World	2	29
	5,394	4,577

3. Employees

	2007 £'000	2006 £'000
Wages and salaries	269	326
Social security costs	28	33
Other pension costs	3	5
	300	364

Other pension costs represent company contributions to certain employees' stakeholder pension plans

Average monthly number of employees, including directors

	2007 No	2006 No
Administration and sales	6	6
Service and fabrication	6	5
	12	11
Part-time	3	3
	15	14

Notes to the Financial Statements

30 November 2007

4. Directors

	2007 £'000	2006 £'000
Directors' emoluments	84	84
Company contributions to directors pension schemes	1	2
	<u> </u>	<u> </u>

During the year no (2006 one) directors exercised options over 10p shares of Holders Technology plc

5. Operating Profit

Operating profit is stated after charging/(crediting)

	2007 £'000	2006 £'000
Depreciation of tangible fixed assets	33	34
Loss/(profit) on disposal of tangible fixed asset	3	(1)
Operating leases - land buildings	62	62
Exchange (gains)/losses	(4)	1
Fees payable to the company's auditor for the audit of the financial statements	6	7
	<u> </u>	<u> </u>

6. Interest Payable

	2007 £'000	2006 £'000
Interest payable on bank overdraft	2	4
	<u> </u>	<u> </u>

Notes to the Financial Statements

30 November 2007

7. Taxation

	2007 £'000	2006 £'000
United Kingdom corporation tax		
Current tax on profit for the year at 30% (2006: 30%)	241	124
Adjustment in respect of prior years	1	9
Current taxation	242	133
Deferred taxation:		
Origination and reversal of timing differences	2	6
Taxation charge for the year	<u>244</u>	<u>139</u>

Current taxation reconciliation

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	806	418
Theoretical tax at UK corporation tax rate of 30% (2006: 30%)	242	126
Effects of:		
Accelerated capital allowances	(3)	(3)
Expenses not deductible for taxation purposes	2	1
Adjustments in respect of prior years	1	9
	<u>242</u>	<u>133</u>

8. Dividends

	2007 £'000	2006 £'000
Paid		
Ordinary dividend of £6 per share (2006: £3 per share)	600	300

Notes to the Financial Statements

30 November 2007

9. Tangible Fixed Assets

	Leasehold land and buildings £'000	Motor vehicles £'000	Plant and machinery £'000	Office equipment £'000	Total £'000
Cost					
At 1 December 2006	94	12	579	133	818
Additions	-	17	24	7	48
Disposals	-	(12)	(102)	(36)	(150)
At 30 November 2007	94	17	501	104	716
Depreciation					
At 1 December 2006	64	6	504	116	690
Provided in year	9	3	17	4	33
Disposals	-	(6)	(98)	(36)	(140)
At 30 November 2007	73	3	423	84	583
Net book value					
At 30 November 2007	21	14	78	20	133
At 30 November 2006	30	6	75	17	128

10. Stocks

	2007 £'000	2006 £'000
Goods for resale	429	414

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

11. Debtors

	2007 £'000	2006 £'000
Trade debtors	1,076	1,076
Amounts due from group undertakings	208	381
Other debtors (including deferred taxation – note 13)	83	27
	1,367	1,484

Notes to the Financial Statements

30 November 2007

12. Creditors: Amounts Falling Due Within One Year

	2007 £'000	2006 £'000
Trade creditors	358	341
Amounts due to group undertakings	17	508
Corporation tax	58	83
Other taxation and social security	161	132
Accruals	114	73
	<u>708</u>	<u>1,137</u>

13. Deferred Taxation

	£'000
At 1 December 2006	(5)
Transfer to profit and loss account	2
	<u>(3)</u>
At 30 November 2007	<u>(3)</u>

Deferred taxation (assets) are included within other debtors (note 11). Deferred taxation comprises the following (assets) / liabilities

	Amounts provided		Amounts not provided	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Accelerated capital allowances	<u>(3)</u>	<u>(5)</u>	<u>-</u>	<u>-</u>

14. Share Capital

	2007 £'000	2006 £'000
Authorised		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Notes to the Financial Statements

30 November 2007

15. Reserves

	Profit and loss account £'000
At 1 December 2006	1,373
Retained profit for the financial year	562
Dividends (note 8)	(600)
At 30 November 2007	1,335

16. Reconciliation of Movements in Shareholders' Funds

	2007 £'000	2006 £'000
Profit for the financial year	562	279
Dividends	(600)	(300)
Decrease in shareholders funds	(38)	(21)
Opening shareholders' funds	1,473	1,494
Closing shareholders' funds	1,435	1,473

17. Financial Commitments

Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases were as follows

	2007 £'000	2006 £'000
Land and buildings, leases expiring within one to five years	60	60

18. Related Party Transactions

The company has taken advantage of the disclosure exemption in relation to transactions with group companies that are 90% or more owned by the parent company

19. Contingent liabilities

The company is party to a multi-lateral guarantee between the parent company and the other main trading subsidiaries

Notes to the Financial Statements

30 November 2007

20. Parent Company

The 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.

The following pages do not form part of the
Audited statutory financial statements and are for
Management purposes only

Detailed Profit And Loss Account

For directors' use only

For the year ended 30 November 2007

	2007		2006	
	£	£	£	£
Turnover		5,393,663		4,576,720
Cost of sales		(3,726,936)		(3,308,430)
Gross profit		1,666,727		1,268,290
Distribution costs				
Carriage & packing	77,759		74,669	
		(77,759)		(74,669)
Administrative expenses				
Salaries	299,921		289,991	
Rent & rates	91,020		93,246	
Power	18,482		14,545	
Repairs	33,815		18,859	
Insurance	29,802		30,790	
Depreciation	33,251		33,694	
Waste disposal	5,079		5,990	
Travel	17,323		15,606	
Telephones/postage	7,905		9,355	
Entertaining gifts	1,682		589	
Vehicle expense	12,001		15,774	
Exhibitions/marketing	341		5,416	
Canteen	2,918		2,105	
Office supplies	6,019		4,059	
Legal & Professional	11,947		10,831	
Management charges	180,532		122,255	
Donations	1,300		200	
Computer costs	10,851		23,902	
Sundries	5,937		5,324	
Loss / (profit) on sale of assets	2,677		-	
Cleaning	936		4,605	
Bad debts	(11,899)		23,605	
Bank charges	4,289		6,255	
Accountancy and taxation	10,340		6,660	
Exchange (gains)/losses	(4,460)		2,208	
Redundancy costs	-		49,785	
Provision for discount	30,000		-	
		(802,009)		(795,649)
Operating profit		786,959		397,972
Interest receivable		21,403		21,711
Interest payable		(1,664)		(3,706)
Profit before tax		806,698		415,977