

COMPANY NO 03633101

Holders Technology UK Limited

Annual Report

Year ended 30 November 2011

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Contents

Section	Page
Company Information	1
Directors Report	2
Report of the Independent Auditor to the Members of Holders Technology UK Limited	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

Company Information

Directors	V M Blaisdell P K I Geraghty G A Herriot R W Weinreich
Secretary	P K I Geraghty
Registered office	Elstree House Elstree Way Borehamwood Hertfordshire WD6 1SD
Registered number	03633101
Auditor	Grant Thornton UK LLP 101 Cambridge Science Park Milton Road Cambridge CB4 0FY
Bankers	HSBC Bank plc

Directors Report

The directors have pleasure in submitting their report and the audited financial statements for the year ended 30 November 2011

Principal activities

The principal activity of the company is to provide specialised materials, equipment finished goods and services for the electronics and lighting sectors

Business review and key performance indicators

The PCB industry in the UK is oriented towards the aerospace and defence industries which require a broad range of products. The UK market was broadly flat in 2011 with revenue was virtually unchanged at £5.2m

The company will continue to invest in the PCB-related business and has been developing the LED lighting products business, which was started in 2010

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 group's product range and coverage. In 2011, the company's turnover increased by 0.5% to £5,201,000
- **Operating margin**
Profitability is largely a function of 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 2011 the operating margin decreased to 6.2% compared with 9.8% in 2010

Principal risks and uncertainties

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

- **Economic environment**
Demand in the aerospace and defence industries is sensitive to the level of government spending
- **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 £74,000 (2010: £336,000). The company paid an interim dividend of £70,000 during the year (2010: £160,000). The directors have not proposed the payment of a final dividend for the current year (2010: nil)

Directors

The directors currently holding office are listed on page 1. Paul Geraghty was appointed on 21 October 2011 in place of Jim Shawyer who resigned on the same date. The other directors served throughout the year. 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.

Post-balance sheet event

On 1st December 2011, the company acquired the business of Holders Components Limited, a fellow subsidiary of Holders Technology plc, for a consideration of £10,000. Holders Components' principal activity is the sale of components and lighting solutions to the lighting industry. In the year to 30 November 2011, the Holders Components business had revenue of £1,769,000 and made a profit before tax of £186,000.

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 adequate 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 2006. 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

Directors' indemnity arrangements

The company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of its directors. The directors also have the benefit of the indemnity provision contained in the company's Articles of Association. These provisions, which are qualifying third party indemnity provisions as defined by the Companies Act, were in force since 30 April 2007, when the Articles of Association were approved by the shareholders, and are currently in force.

Auditor

The auditors Grant Thornton UK LLP are willing to continue in office and a resolution to reappoint them as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board



P K I Geraghty
Secretary

Report of the Independent Auditor to the Members of Holders Technology UK Limited

We have audited the financial statements of Holders Technology UK Limited for the year ended 30 November 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Paul Naylor
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge

28 August 2012

Profit and Loss Account

For the year ended 30 November 2011

	Note	2011 £'000	2010 £'000
Turnover - continuing operations	2	5,207	5,179
Cost of sales		(3,661)	(3,632)
Gross profit		<u>1,546</u>	<u>1,547</u>
Distribution costs		(85)	(74)
Administrative expenses		(985)	(955)
Other operating expenses		(151)	(12)
Operating profit - continuing operations	5	<u>325</u>	<u>506</u>
Interest receivable		-	-
Profit on ordinary activities before taxation		<u>325</u>	<u>506</u>
Tax on profit on ordinary activities	6	(251)	(170)
Profit for the year		<u><u>74</u></u>	<u><u>336</u></u>

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 2011

	Note	2011 £'000	2010 £'000
Non-current assets			
Tangible fixed assets	8	130	130
Current assets			
Stocks	9	683	707
Debtors	10	1,926	1,510
Cash at bank and in hand		8	215
		2,617	2,432
Creditors amounts falling due within one year	11	(757)	(590)
Net current assets		2,617	1,842
Total assets less current liabilities		1,860	1,972
Non-current liabilities			
Provisions for liabilities	12	(16)	(2)
Net assets		1,974	1,970
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	1,874	1,870
Total attributable shareholders' funds	15	1,974	1,970

The financial statements were approved by the Board on 30 July 2012
and signed on its behalf by

V. Blaisdell

V M Blaisdell
Director

Company number: 03633101

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

Notes to the Financial Statements

30 November 2011

1. Accounting Policies

Basis of accounting

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

The directors have every expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the annual financial statements

Turnover

Turnover comprises the value of sale of goods and services supplied in the period, net of value added tax

Turnover on the sale of goods is recognised when substantially all of the risks and rewards in the product have passed to the customer, which is usually upon delivery to the customer. Services are recorded as they are delivered

Turnover is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the company

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 land & buildings	- over the period of the lease
Motor vehicles	- 20% on either cost or 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

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided using the balance sheet liability method, providing for timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the asset is realised or the liability settled

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

A deferred tax asset is recognised only when it is probable that suitable taxable profits will be available in the foreseeable future from which the reversal of the temporary differences can be deducted

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

Notes to the Financial Statements

30 November 2011

1 Accounting Policies (continued)

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

2. Turnover

An analysis of turnover by geographical market is as follows

	2011 £'000	2010 £'000
United Kingdom	4,320	4,176
Rest of Europe	887	1,003
	5,207	5,179

3. Employees

	2011 £'000	2010 £'000
Wages and salaries	313	390
Social security costs	39	34
Other pension costs	3	3
	355	427

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

Average monthly number of employees, including directors

	2011 No	2010 No
Administration and sales	13	12
Service and fabrication	7	6
	20	18
Part-time	1	1
	21	19

Notes to the Financial Statements

30 November 2011

4. Directors

	2011 £'000	2010 £'000
Directors emoluments	42	35
Company contributions to directors' pension schemes	1	-

1 director (2010 nil) made contributions to a pension scheme

5. Operating Profit

Operating profit is stated after charging/(crediting)

	2011 £'000	2010 £'000
Depreciation of tangible fixed assets	29	36
Loss/(profit) on disposal of tangible fixed asset	(14)	-
Operating leases - land buildings	50	50
Exchange (gains)/losses	4	7
Fees payable to the company's auditor for the audit of the financial statements	10	12
Fees payable to the company's auditor for non-audit services	3	4
taxation services	-	-
Research and development expense	-	-

6. Taxation

	2011 £'000	2010 £'000
United Kingdom corporation tax		
Current tax on profit for the year	235	203
Adjustment in respect of prior years	2	(27)
Current taxation	237	176
Deferred taxation	14	(6)
Origination and reversal of timing differences		
Taxation charge for the year	251	170

Notes to the Financial Statements

30 November 2011

Current taxation reconciliation

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	325	506
Theoretical tax at UK corporation tax rate of 26.67% (2010: 28%)	87	142
Effects of		
Accelerated capital allowances	6	-
Expenses not deductible for taxation purposes	44	2
Adjustments in respect of prior years	4	(27)
Group relief	(42)	(56)
Non-taxable income	156	111
Other timing differences	(4)	(2)
	251	170

7. Dividends

	2011 £'000	2010 £'000
Paid		
Ordinary dividend of £0.70 per share (2010: £1.60)	70	160

Notes to the Financial Statements

30 November 2011

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 2010	90	16	589	120	815
Additions	-	-	30	5	35
Disposals	-	-	(30)	-	(30)
At 30 November 2011	90	16	589	125	820
Depreciation					
At 1 December 2010	90	3	492	100	685
Provided in year	-	2	22	5	29
Disposals	-	-	(24)	-	(24)
At 30 November 2011	90	5	490	105	690
Net book value					
At 30 November 2011	-	11	99	20	130
At 30 November 2010	-	13	97	20	130

9. Stocks

	2011 £'000	2010 £'000
Goods for resale	683	707

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

10. Debtors

	2011 £'000	2010 £'000
Trade debtors	1,000	936
Amounts due from group undertakings	872	516
Prepayments	30	26
Corporation tax recoverable	24	-
Other debtors	-	32
	1,926	1,510

Notes to the Financial Statements

30 November 2011

11. Creditors: Amounts Falling Due Within One Year

	2011 £'000	2010 £'000
Bank overdraft	239	-
Trade creditors	279	383
Amounts due to group undertakings	13	22
Corporation tax	-	20
Other taxation and social security	155	94
Accruals	59	58
Other creditors	12	13
	<u>518</u>	<u>590</u>

12. Deferred Taxation

	2011 £'000	2010 £'000
At 1 December	2	8
Transfer to profit and loss account	14	(6)
	<u>16</u>	<u>2</u>
At 30 November	16	2

Deferred taxation comprises the following

	Amounts provided		Amounts not provided	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Accelerated capital allowances	<u>16</u>	<u>2</u>	<u>-</u>	<u>-</u>

The provided deferred tax amounts will be released when the accelerated capital allowances and depreciation are equal

13. Share Capital

	2011 £'000	2010 £'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 2011

14. Reserves

	Profit and loss account £'000
At 1 December 2010	1,870
Profit for the financial year	74
Dividends	(70)
At 30 November 2011	1,874

15. Reconciliation of Movements in Shareholders' Funds

	2011 £'000	2010 £'000
Profit for the financial year	74	336
Dividends	(70)	(160)
Increase in shareholders' funds	4	176
Opening shareholders' funds	1,970	1,794
Closing shareholders' funds	1,974	1,970

16. Financial Commitments

Operating lease commitments

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

	2011 £'000	2010 £'000
Land and buildings, leases expiring		
No later than one year	55	55
Later than one year and no later than five years	190	55
Motor vehicles, leases expiring		
No later than one year	4	-
Later than one year and no later than five years	-	9

17. Related Party Transactions

The company has taken advantage of the disclosure exemption in relation to transactions with group companies 100% owned by the parent company

Notes to the Financial Statements

30 November 2011

18. Parent Company

The ultimate parent and controlling 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.

19. Post-balance sheet event

On 1st December 2011, the company acquired the business of Holders Components Limited, a fellow subsidiary of Holders Technology plc, for a consideration of £10,000. Holders Components' principal activity is the sale of components and lighting solutions to the lighting industry. In the year to 30 November 2011, the Holders Components business had revenue of £1,769,000 and made a profit before tax of £186,000.