COMPANY NO: 03633101

Holders Technology UK Limited

Annual Report

Year ended 30 November 2014



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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 Grant Thornton House 202 Silbury Boulevard Milton Keynes MK9 1LW
Bankers	HSBC Bank plc 70 Pall Mall London SW1Y 5EZ

STRATEGIC REPORT

The directors have pleasure in submitting their report and the audited financial statements for the year ended 30 November 2014.

Principal activities
The principal activities of the company are:

- to provide specialised PCB materials, equipment and services,
- to provide LED and energy efficient products and solutions.

Holders Technology UK's strategy is to strengthen its position in the PCB industry whilst increasing sales and profitability in its LED lighting activities.

Business review
The company comprises 3 divisions as follows:

Holders Technology operates in the PCB industry. The PCB industry in the UK is oriented towards the aerospace and defence industries which require a broad range of products. The UK market deteriorated in 2014, which is reflected in a reduction in revenue for the company.

Holders Components specialises in providing LED solutions both to the general lighting market and to other industrial segments. Revenue decreased in the year due to a major customer entering administration. However, during the year, the division focussed on developing bespoke solutions for customers and building long term strategic partnerships, which has resulted in promising opportunities for 2015.

NRGstar offers a range of energy efficient lighting technologies, targeted at the retail and commercial market segments. Revenue has increased in 2014 and there are several large projects being pursued for 2015.

Key performance indicators

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
  Total turnover decreased from £5.8m to £4.2m.

- 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 2014 the operating margin (excluding impairment costs) decreased to a loss of 2.9% compared with a profit of 2.8% in 2013.

STRATEGIC REPORT continued

Principal risks and uncertainties

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

- Economic environment
  Demand in certain PCB industries is sensitive to the level of government spending.
- Competition
  Supply to the PCB and LED industries 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.

Strategic Report

The Strategic Report on pages 3-4 was approved by the Board on 30 April 2015 and signed on its behalf by

P K I Geraghty
Director
30 April 2015

DIRECTORS' REPORT

Results and dividends

The company made a loss after taxation of £88,000 (2013: loss of £23,000). The company paid nil dividend during the year (2013: £nil). The directors have proposed the payment of a final dividend for the current year of £nil (2013: £164,000).

Directors

The directors currently holding office are listed on page 2. All the 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.

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that are sufficient to show and explain the company's transactions and 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT continued

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 2014 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 5, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its loss 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 Strategic Report and 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.

Grant Thornton UK LLP

Jeremy Read
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
14 May 2015

PROFIT AND LOSS ACCOUNT

For the year ended 30 November 2014

	Note	2014 £'000	2013 £'000
Turnover - continuing operations	2	4,178	5,785
Cost of sales		(2,988)	(4,297)
Gross profit		1,990	1,488
Distribution costs		(155)	(147)
Administrative expenses		(1,139)	(1,176)
Impairment costs	4	-	(163)
Other operating expenses		(16)	(4)
Operating loss - continuing operations	5	(120)	(2)
Interest receivable/ (payable)		10	(1)
Loss on ordinary activities before taxation		(110)	(3)
Tax on profit on ordinary activities	6	22	(20)
Loss for the year		(88)	(23)

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 2014

	Note	2014 £'000	2013 £'000
Non-current assets			
Tangible fixed assets	7	90	99
Current assets			
Stocks	8	586	741
Debtors	9	1,665	1,627
Cash at bank and in hand		259	462
		2,510	2,830
Creditors: amounts falling due within one year	10	(539)	(780)
Net current assets		1,971	2,050
Total assets less current liabilities		2,061	2,149
Non-current liabilities			
Provisions for liabilities	11	(12)	(12)
		(12)	(12)
Net assets		2,049	2,137
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	1,949	2,037
Total attributable shareholders' funds	14	2,049	2,137

The financial statements were approved by the Board on 30 April 2015
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

For the year ended 30 November 2014

1. Accounting Policies

Basis of accounting

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

The company has net assets of £2,049,000 at the balance sheet date. Accordingly, 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 and 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2014

1. Accounting Policies continued

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.

Goodwill and amortisation
Capitalised goodwill arising on acquisitions represents the excess of consideration paid as compared to net assets acquired. Negative goodwill represents the excess of assets acquired over the consideration paid. Goodwill is amortised over its useful economic life.

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:

	2014 £'000	2013 £'000
United Kingdom	3,563	4,745
Rest of Europe	615	678
Far East	-	362
	4,178	5,785

3. Employees and employee remuneration

	2014 £'000	2013 £'000
Wages and salaries	599	533
Social security costs	58	55
Other pension costs	4	3
	661	591

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2014

3. Employees and employee remuneration (continued)

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

Average monthly number of employees, including directors

	2014 No	2013 No
Administration and sales	13	15
Service and fabrication	7	6
	20	21
Part-time	-	1
	20	22

Directors

	2014 £'000	2013 £'000
Directors emoluments	47	46
Company contributions to directors' pension schemes	1	1

1 director (2013: 1) made contributions to a pension scheme.

4. Impairment costs

	2014 £'000	2013 £'000
Impairment of receivable from group undertaking	-	163

Impairment costs are in respect of a £162,790 receivable from a sister company Topgrow Technologies Limited. The parent company investment in Topgrow Technologies Limited was disposed of on 3 January 2014 and the receivable was considered to be impaired at the year end.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2014

5. Operating Profit

Operating profit is stated after charging/ (crediting):

	2014 £'000	2013 £'000
Depreciation of tangible fixed assets	45	43
Loss on disposal of tangible fixed assets	2	1
Operating leases - land and buildings	55	50
Exchange (gains)/losses	18	1
Fees payable to the company's auditor for the audit of the financial statements	22	20
Fees payable to the company's auditor for non-audit services: taxation services	4	3

6. Taxation

	2014 £'000	2013 £'000
United Kingdom corporation tax		
Current tax on (loss)/ profit for the year	(22)	25
Adjustment in respect of prior years	-	3
Current taxation	(22)	28
Deferred taxation:		
Origination and reversal of timing differences	-	(8)
Taxation charge for the year	(22)	20

Current taxation reconciliation	2014 £'000	2013 £'000
(Loss)/ Profit on ordinary activities before taxation	(110)	(3)
Theoretical tax at UK corporation tax rate of 20.00% (2013: 23.67%)	(22)	(1)
Effects of:		
Expenses not deductible for taxation purposes	-	38
Group relief	-	(17)
	(22)	20

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2014

7. Tangible Fixed Assets

	Leasehold land and buildings £'000	Motor vehicles £'000	Plant and machinery £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost					
At 1 December 2013	98	16	570	142	826
Additions	-	15	15	9	39
Disposals	(6)	(16)	(165)	(17)	(204)
At 30 November 2014	92	15	420	134	661
Depreciation					
At 1 December 2013	94	13	498	122	727
Provided in year	-	3	27	15	45
Disposals	(2)	(17)	(169)	(17)	(201)
At 30 November 2014	92	3	356	120	727
Net book value					
At 30 November 2014	-	12	64	14	90
At 30 November 2013	4	3	72	20	99

8. Stocks

	2014 £'000	2013 £'000
Goods for resale	586	741

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2014

9. Debtors

	2014 £'000	2013 £'000
Trade debtors	930	1,064
Amounts due from group undertakings	616	496
Prepayments	48	43
Corporation tax recoverable	71	24
	1,665	1,627

10. Creditors: Amounts Falling Due Within One Year

	2014 £'000	2013 £'000
Trade creditors	248	359
Amounts due to group undertakings	15	161
Other taxation and social security	119	143
Accruals	100	102
Other creditors	57	15
	539	780

11. Deferred Taxation

	2014 £'000	2013 £'000
At 1 December	12	20
Transfer to profit and loss account	-	(8)
At 30 November	12	12

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2014.

11. Deferred Taxation (continued)

Deferred taxation comprises the following:

	Amounts provided		Amounts not provided	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Accelerated capital allowances	12	12	-	-
	12	12		

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

12. Share Capital

	2014 £'000	2013 £'000
Allotted and fully paid		
100,000 ordinary shares of £1 each	100	100

13. Reserves

	Profit and loss account £'000
At 1 December 2013	2,037
Loss for the financial year	(88)
At 30 November 2014	1,949

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2014

14. Reconciliation of Movements in Shareholders' Funds

	2014 £'000	2013 £'000
(Loss) for the financial year	(88)	(23)
Dividends	-	(164)
(Decrease) in shareholders' funds	(88)	(187)
Opening shareholders' funds	2,137	2,324
Closing shareholders' funds	2,049	2,137

15. Financial Commitments

Operating lease commitments

The annual commitment for lease payments under non-cancellable operating leases expiring as follows:

	2014 £'000	2013 £'000
Land and buildings, leases expiring		
No later than one year	48	55
Later than one year and no later than five years	40	25
Motor vehicles, leases expiring		
No later than one year	3	3
Later than one year and no later than five years	-	-

16. 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.

17. 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 2 and its financial statements may be obtained from Companies House in Cardiff.