

ANGLIA CIRCUITS (HOLDINGS) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 1996



ANGLIA CIRCUITS (HOLDINGS) LIMITED

DIRECTORS

Mr N B Kember
Mrs A Kember
Mr M W Kember ACA

SECRETARY

Mr M W Kember ACA

REGISTERED OFFICE

Burrel Road
St Ives
Huntingdon
Cambs
PE17 4LE

REGISTERED NUMBER

948086 (England Wales)

AUDITORS

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

BANKERS

Midland Bank plc
Market Hill
St Ives
Huntingdon
Cambs
PE17 4AP

ANGLIA CIRCUITS (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 30 June 1996.

Business Review

The principal activity of the Company is that of a management company, controlling the activities of its subsidiary, the principal activity of which is the manufacture of electronic printed circuit boards.

The directors consider the state of the group's affairs to be satisfactory and two interim dividends of 50p per share were paid on 31 March 1996 and 30 June 1996. The directors do not recommend payment of a final dividend.

Directors

The Directors of the Company during the year and their interests in its share capital were:

	<u>At beginning of year or on appointment</u>	<u>At end of year</u>
Mr N B Kember	27,600	27,600
Mrs A Kember	30,000	30,000
Mr M W Kember (appointed 2.12.95)	800	800

Statement of Directors' Responsibilities

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 period. 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;
- 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 to 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.

Auditors

Peters Elworthy & Moore have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

M. Kember

M Kember
Secretary

Date 7 October 1996

ANGLIA CIRCUITS (HOLDINGS) LIMITEDAUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

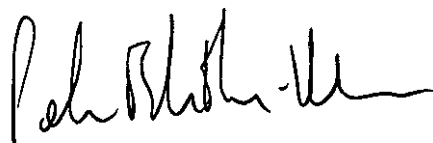
Basis of Opinion

We conducted our audit in accordance with 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 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 of the state of the Company's affairs as at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PETERS ELWORTHY AND MOORE
Chartered Accountants and
Registered Auditor

Date 10 October 1996

ANGLIA CIRCUITS (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1996

	<u>Notes</u>	<u>£</u>	<u>1995</u> <u>£</u>
Turnover	2	2,035,039	1,982,980
Cost of sales		(1,226,518)	(1,517,066)
Gross Profit		808,521	835,914
Administrative and other expenses		(554,260)	(660,689)
		254,261	175,225
Other operating income	3	<u>13,032</u>	<u>13,032</u>
Operating profit	4	267,293	188,257
Exceptional item	7	-	82,433
Interest payable	8	(40,886)	(52,416)
Profit on Ordinary Activities before Taxation		226,407	217,274
Tax on profit on ordinary activities	9	(56,069)	(35,212)
Profit on Ordinary Activities after Taxation		170,338	182,062
Dividend paid		(60,000)	(18,432)
Retained profit for the year		110,338	163,630
Retained profit brought forward		<u>769,722</u>	<u>606,092</u>
Retained profit carried forward		<u>880,060</u>	<u>769,722</u>

There are no recognised gains and losses in the year other than the profit for the year. All items dealt with in arriving at turnover and operating profit for both the current year and previous year relate to continuing operations.

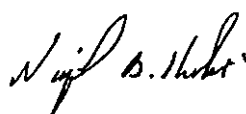
The attached notes form part of these financial statements.

ANGLIA CIRCUITS (HOLDINGS) LTD

CONSOLIDATED BALANCE SHEET 30 JUNE 1996

	Notes	£	£	£ <u>1995</u>	£
Fixed Assets					
Tangible assets	10		1,175,363		1,254,168
Current Assets					
Stocks	12	126,843		128,998	
Debtors	13	461,971		424,573	
Cash at bank and in hand		<u>39,739</u>		<u>58,703</u>	
		628,553		612,274	
Creditors: amounts falling due within one year	14	<u>563,936</u>		<u>685,077</u>	
			<u>64,617</u>		<u>(72,803)</u>
Total Assets less Current Liabilities			1,239,980		1,191,365
Creditors: amounts falling due after more than one year	15		(284,120)		(344,143)
Provision for Liabilities and Charges	16		<u>(15,800)</u>		<u>(17,500)</u>
Net Assets			<u>940,060</u>		<u>892,722</u>
Capital and Reserves					
Called up share capital	17		60,000		60,000
Profit and loss account			<u>880,060</u>		<u>769,722</u>
			<u>940,060</u>		<u>829,722</u>

ON BEHALF OF THE BOARD



N B Kember
Director

Approved by the Board on 07/10/1996

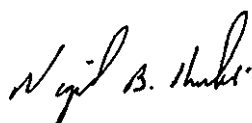
The attached notes form part of these financial statements

ANGLIA CIRCUITS (HOLDINGS) LIMITED

BALANCE SHEET 30 JUNE 1996

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u> ¹⁹⁹⁵	<u>£</u>
Fixed Assets					
Tangible assets	10	847,473		862,595	
Investments	11	<u>2</u>		<u>2</u>	
			847,475		862,597
Current Assets					
Debtors	13	261,087		457,598	
Creditors: amounts falling due within one year	14	<u>137,676</u>	<u>123,411</u>	<u>333,384</u>	<u>124,214</u>
Total Assets less Current Liabilities			970,886		986,811
Creditors: amounts falling due after more than one year	15		(269,601)		(297,457)
Net Assets			<u>701,285</u>		<u>588,517</u>
Capital and Reserves					
Called up share capital	17		60,000		60,000
Profit and loss account			<u>641,285</u>		<u>629,354</u>
			<u>701,285</u>		<u>689,354</u>

ON BEHALF OF THE BOARD



N B Kember
Director

Approved by the Board on 07/10/ 1996

The attached notes form part of these financial statements

ANGLIA CIRCUITS (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 1996

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>1995</u> <u>£</u>	<u>£</u>
Net cash inflow from operating activities	19		400,321		233,172
Returns on investments and servicing of finance					
Interest paid		(35,893)		(44,372)	
Dividends paid		(60,000)		(18,432)	
Interest element of hire purchase rentals		<u>(6,209)</u>		<u>(8,044)</u>	
Net cash outflow from returns on investments and servicing of finance			(102,102)		(70,848)
Taxation					
Corporation tax paid		(41,138)		(17,519)	
Corporation tax received		<u>13,195</u>		<u>-</u>	
			(27,943)		(17,519)
Investing Activities					
Payments to acquire tangible fixed assets		(40,930)		(225,402)	
Receipts from sales of tangible fixed assets		<u>19,050</u>		<u>132,841</u>	
Net cash outflow from investing activities			(21,880)		(92,561)
Net cash inflow before financing			248,396		52,244
Financing					
New secured loans		-		38,950	
Loan repayments		(45,151)		(35,627)	
Capital element of hire purchase rentals on inception of lease		-		27,524	
Capital repayments of hire purchase rentals		<u>(42,142)</u>		<u>(47,405)</u>	
Net cash outflow from financing			(87,293)		(16,558)
Increase in cash and cash equivalents			<u>161,103</u>		<u>35,686</u>

ANGLIA CIRCUITS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

1 Accounting Policies

- a) Basis of accounting -
The financial statements have been prepared under the historical cost convention.
- b) Accounting Standards -
The financial statements have been prepared in accordance with applicable accounting standards.
- c) Basis of Consolidation -
The consolidated financial statements incorporate the financial statements of Anglia Circuits (Holdings) Limited and its subsidiary undertaking, Anglia Circuits Limited made up to 30 June 1996. As provided by Section 230(4) of the Companies Act 1985, no profit and loss account is presented for Anglia Circuits (Holdings) Limited for the year ended 30 June 1996.
- d) Turnover -
Turnover represents net invoiced sales of goods, excluding value added tax.
- e) Depreciation -
Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments at the following rates:

Motor vehicles	-	25% on cost
Office equipment	-	15% on cost
Plant and machinery	-	15% on cost
Freehold property:		
Piling at marina	-	4% on cost
Buildings	-	Nil

No depreciation is provided on freehold buildings since, in the opinion of the directors, their residual value exceeds their book value and the company is committed to maintaining them fully.
- f) Stocks -
Stocks and work in progress are stated at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items. Cost includes direct expenditure and an appropriate proportion of fixed and variable overheads.
- g) Deferred taxation -
Provision is made for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.
- h) Pensions-
The Company operates a defined contribution and defined benefit scheme, the assets of both schemes are held separately from those of the Company. The Company's contributions are written off in the year in which they are incurred.

ANGLIA CIRCUITS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

Accounting Policies (continued)

- i) Assets acquired under hire purchase contracts are capitalised and the resulting hire purchase obligation included in creditors net of finance charges. Interest is charged to profit and loss account over the period each agreement.

2 Turnover

Turnover all arises in the United Kingdom.

3 Other Operating Income

	<u>£</u>	<u>1995</u> <u>£</u>
Rental income	<u>13,032</u>	<u>13,032</u>

4 Operating Profit

	<u>£</u>	<u>1995</u> <u>£</u>
Operating profit is shown after charging:		
Depreciation of tangible fixed assets	118,439	118,345
Operating lease charges	9,590	9,590
Staff costs (note 5)	779,761	879,402
Auditors' remuneration	<u>4,000</u>	<u>5,000</u>

The operating profit and profit on ordinary activities before taxation includes £129,429 attributable to the parent company.

5 Staff Costs

Staff costs, including directors' remuneration comprise:

	<u>£</u>	<u>1995</u> <u>£</u>
Wages and salaries	684,492	739,813
Social security costs	53,305	59,528
Other pension costs	<u>41,964</u>	<u>80,061</u>
	<u>779,961</u>	<u>879,402</u>

The average number of employees during the year was	<u>Number</u>	<u>Number</u>
Office and management	13	13
Manufacturing and sales	<u>42</u>	<u>42</u>
	<u>55</u>	<u>55</u>

ANGLIA CIRCUITS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

6 Directors' Emoluments

		<u>1995</u>
	£	£
Fees	-	-
Other emoluments	<u>81,551</u>	<u>109,611</u>
	<u>81,551</u>	<u>109,611</u>

Emoluments (excluding pension contributions) were:

		<u>1995</u>
	£	£
Chairman	<u>22,024</u>	<u>20,134</u>
Ranges for other directors:		
	<u>Number</u>	<u>Number</u>
£5,001 - £10,000	1	1
£20,001 - £25,000	<u>1</u>	<u>1</u>

7 Exceptional Item

The exceptional item in 1995 comprises the profit on disposal of land which was sold during the year at market value to The Kember Trust, a self administered pension scheme of which the directors of the company are trustees.

8 Interest Payable

		<u>1995</u>
	£	£
On bank loans repayable wholly or partly in more than five years	27,310	29,329
On bank overdraft	3,958	13,919
On other loans	3,409	1,124
Hire purchase interest	<u>6,209</u>	<u>8,044</u>
	<u>40,886</u>	<u>52,416</u>

9 Tax on Profit on Ordinary Activities

		<u>1995</u>
	£	£
Corporation tax on the taxable profit	57,767	32,265
Deferred taxation	(1,700)	3,000
Adjustment for prior years	<u>2</u>	<u>(53)</u>
	<u>56,069</u>	<u>35,212</u>

The Company is a close company within the meaning of section 414 of the Taxes Act 1988.

ANGLIA CIRCUITS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

10 Tangible Fixed Assets Group	<u>Land and Buildings</u> £	<u>Motor Vehicles</u> £	<u>Plant and Machinery</u> £	<u>Office Equipment</u> £	<u>Total</u> £
Cost at beginning of year	875,690	91,478	1,263,177	142,581	2,372,926
Additions	6,900	-	7,737	22,495	37,132
Disposals at cost	-	(16,849)	(129,547)	-	(146,396)
Cost at end of year	<u>882,590</u>	<u>74,629</u>	<u>1,141,367</u>	<u>165,076</u>	<u>2,263,662</u>
Accumulated depreciation at beginning of year	31,319	51,178	935,016	91,245	1,108,758
On disposals	-	(10,426)	(128,472)	-	(138,898)
Charge in year	<u>9,820</u>	<u>17,908</u>	<u>75,446</u>	<u>15,265</u>	<u>118,439</u>
Accumulated depreciation at end of year	<u>41,139</u>	<u>58,660</u>	<u>881,990</u>	<u>106,510</u>	<u>1,088,299</u>
Net book value at end of year	<u>841,451</u>	<u>15,969</u>	<u>259,377</u>	<u>58,566</u>	<u>1,175,363</u>
Net book value at beginning of year	<u>844,371</u>	<u>40,300</u>	<u>328,161</u>	<u>51,336</u>	<u>1,264,168</u>

Fixed assets with a net book value of £67,386 (1995: £122,572) have an amount of £23,965 (1995: £66,106) outstanding under hire purchase contracts. The depreciation charge for the year for these assets is £20,470 (1995: £31,075)

Company

	£	£	£	£	£
Cost at beginning of year	875,690	24,616	-	8,207	908,513
Additions	6,900	-	-	-	6,900
Disposals at cost	-	(8,564)	-	-	(8,564)
Cost at end of year	<u>882,590</u>	<u>16,052</u>	<u>-</u>	<u>8,207</u>	<u>906,849</u>
Accumulated depreciation at beginning of year	31,319	10,970	-	3,629	45,918
On disposals	-	(2,141)	-	-	(2,141)
Charge in year	<u>9,820</u>	<u>4,548</u>	<u>-</u>	<u>1,231</u>	<u>15,599</u>
Accumulated depreciation at end of year	<u>41,139</u>	<u>13,377</u>	<u>-</u>	<u>4,860</u>	<u>59,376</u>
Net book value at end of year	<u>841,451</u>	<u>2,675</u>	<u>-</u>	<u>3,347</u>	<u>847,473</u>
Net book value at beginning of year	<u>844,371</u>	<u>13,646</u>	<u>-</u>	<u>4,578</u>	<u>862,595</u>

ANGLIA CIRCUITS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

11 Investments

The investments present the cost of the entire issued share capital of Anglia Circuits Limited which is incorporated in the UK.

12 Stocks

	<u>Group</u>		<u>Company</u>	
	<u>£</u>	<u>1995</u> <u>£</u>	<u>£</u>	<u>1995</u> <u>£</u>
Raw materials and consumables	34,396	35,581	-	-
Work in progress	39,286	51,857	-	-
Finished goods	<u>53,161</u>	<u>41,560</u>	-	-
	<u>126,843</u>	<u>128,998</u>	-	-

13 Debtors

	<u>Group</u>		<u>Company</u>	
	<u>£</u>	<u>1995</u> <u>£</u>	<u>£</u>	<u>1995</u> <u>£</u>
Due within one year				
Trade debtors	435,243	397,363	-	-
Amounts due from subsidiary undertaking	-	-	240,097	443,503
Other debtors	10,290	5,320	5,990	900
Corporation tax recoverable	15,000	13,195	15,000	13,195
Prepayments	<u>1,438</u>	<u>8,695</u>	-	-
	<u>461,971</u>	<u>424,573</u>	<u>261,087</u>	<u>457,598</u>

Other debtors include an amount due from Tidemill Yacht Harbour Limited which is made up as follows:-

	<u>£</u>	<u>1995</u> <u>£</u>
Amount due	31,171	25,658
Less: Provision	<u>25,658</u>	<u>25,658</u>
	<u>5,513</u>	-

ANGLIA CIRCUITS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

14 Creditors: amounts falling due within one year	<u>Group</u>		<u>Company</u>	
		<u>1995</u>		<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loan (note 15)	34,645	38,957	34,645	38,957
Bank overdraft (secured)	29,804	209,871	29,804	209,871
The Kember Trust loan	12,983	12,983	-	-
Trade creditors	279,352	203,341	-	-
Corporation tax	65,267	33,638	31,200	11,605
Other tax and social security costs	69,042	58,575	1,860	3,260
Hire purchase creditor	19,183	42,141	-	4,337
Other	37,825	61,044	37,825	61,044
Accruals	<u>15,835</u>	<u>24,527</u>	<u>2,342</u>	<u>4,310</u>
	<u>563,936</u>	<u>685,077</u>	<u>137,676</u>	<u>333,384</u>

15 Creditors: amounts falling due after more than one year	<u>Group</u>		<u>Company</u>	
		<u>1995</u>		<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loan:-				
Repayable within five years	168,728	186,102	168,728	186,102
Repayable after five years	100,873	111,355	100,873	111,355
The Kember Trust loan	9,738	22,721	-	-
Obligations under hire purchase contracts	<u>4,781</u>	<u>23,965</u>	<u>-</u>	<u>-</u>
	<u>284,120</u>	<u>344,143</u>	<u>269,601</u>	<u>297,457</u>

The current portion of bank loans amounting to £34,645 (1995: £38,957) is shown in current liabilities. Bank loans and overdrafts are at variable rates of interest and are secured by charges on the Company's freehold land and buildings. The bank loan is repayable in instalments by 2003.

The current portion of the Kember Trust loan amounting to £12,983 (1995: £12,983) is shown in current liabilities. The loan is at variable rates of interest and is repayable in instalments by February 1999.

The current portion of obligations under hire purchase contracts of £19,183 (1995: £42,141) is shown in current liabilities.

16 Provision for Liabilities and Charges

	<u>Group</u>		<u>Company</u>	
		<u>1995</u>		<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
The movement on the provision for deferred taxation is as follows:				
Provision at beginning of year	17,500	14,500	-	-
Charged in year	<u>(1,700)</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
	<u>15,800</u>	<u>17,500</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation comprises tax deferred on accelerated capital allowances.

Deferred taxation of £31,000 comprising tax deferred on Industrial Building allowances, is not provided in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

17 Called up Share Capital	<u>£</u>	<u>1995</u> <u>£</u>
Authorised:		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:		
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

18 Pension Costs

The Company operates a money purchase defined contribution pension scheme for the group. The assets of the scheme are held separately from those of the Company in an independently administered fund. In addition the Company operates a separate defined contribution pension scheme for directors. The pension cost charged in the financial statements represents contributions to the employees' scheme of £11,964 (1995 £nil), there was a contributions holiday in 1995, and contributions to the directors' scheme of £30,000 (1995: £77,900). The amount of contributions unpaid for the group scheme at the year end amounted to £2,292 (1995: £nil).

19 Reconciliation of operating profit to net cash inflow from operating activities

	<u>£</u>	<u>1995</u> <u>£</u>
Operating profit	267,293	269,690
Depreciation charges	118,439	118,345
Profit on sale of tangible fixed assets	(12,098)	(86,204)
Decrease in stocks	2,155	(73,847)
Increase in debtors	(35,593)	(7,988)
Increase in creditors	<u>60,125</u>	<u>13,176</u>
	<u>(400,321)</u>	<u>233,172</u>

20 Analysis of changes in cash and cash equivalents during year

	<u>£</u>	<u>1995</u> <u>£</u>
Balance at beginning of year	(151,168)	(186,854)
Net cash inflow/(outflow)	<u>161,103</u>	<u>(35,686)</u>
Balance at end of year	<u>9,935</u>	<u>(151,168)</u>

21 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>	<u>Change</u> <u>in year</u> <u>£</u>
Cash at bank and in hand	39,739	58,703	(18,964)
Bank overdraft	<u>(29,804)</u>	<u>(209,871)</u>	<u>180,067</u>
	<u>9,935</u>	<u>(151,168)</u>	<u>161,103</u>

22 Analysis of changes in financing during year

	<u>Loans</u> <u>£</u>	<u>Hire Purchase</u> <u>Contracts</u> <u>£</u>
Balance at beginning of year	372,118	66,106
Repaid in year	<u>(45,151)</u>	<u>(42,142)</u>
Balance at end of year	<u>326,967</u>	<u>23,964</u>