

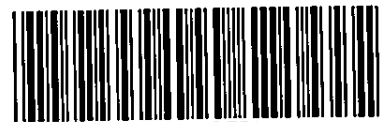
CO HOOSIE

Registered number: 06526542

**AWS GROUP HOLDINGS LIMITED**  
**(formerly Broomco (4139) Limited )**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2009**

TUESDAY



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# **AWS GROUP HOLDINGS LIMITED**

## **COMPANY INFORMATION**

### **DIRECTORS**

J P Weston  
A S Keane  
D Tucker  
P Deehan

### **SECRETARY**

A S Keane

### **COMPANY NUMBER**

06526542

### **REGISTERED OFFICE**

Unit 2  
Offerton Barns Business Centre  
Offerton Lane  
Hindlip  
Worcestershire  
WR3 8SX

### **AUDITORS**

PKF (UK) LLP  
New Guild House  
45 Great Charles Street  
Queensway  
Birmingham  
B3 2LX

# **AWS GROUP HOLDINGS LIMITED**

## **CONTENTS**

	<b>Page</b>
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 27

# **AWS GROUP HOLDINGS LIMITED**

## **DIRECTORS' REPORT for the period ended 30 June 2009**

The directors present their report and the financial statements for the period ended 30 June 2009.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual 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 law). The financial statements are required to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 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 group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **PRINCIPAL ACTIVITY**

The company was incorporated on 6 March 2008 as Broomco (4139) Limited. On 15 September 2008 the company acquired the entire share capital of AWS Electronics Group Holdings Limited, company number 06548022, which subsequently changed its name to AWS Electronics GH (2008) Limited. On 10 October 2008 the company changed its name to AWS Group Holdings Limited.

The principal activity of the group for the period under review was that of the manufacture of electronic equipment.

### **BUSINESS REVIEW**

On 15 September 2008 the company acquired the entire share capital of AWS Electronics Group Holdings Limited which subsequently changed its name to AWS GH (2008) Limited. The previous shareholders and management substantially remained in place with a reduced equity stake in the company. The results cover the post acquisition period commencing 15 September 2008 ending 30 June 2009.

The economic climate has resulted in activity within the operating subsidiaries of the group remaining broadly flat year on year, this behind the expectations set out at the point of investment noted above on 15 September 2008. Despite this the group enjoys the support of its investors and bank and sees a positive outlook for the business going forward.

The forward strategic intention of the group is to continue to grow by a combination of acquisition and market penetration.

In assessing the performance of the business the directors consider a number of KPIs are key and monitor performance against them. These include turnover, prime and gross margin, EBITDA, working capital turn (debtors, stock and creditors), cash against facilities, order book and employment levels.

## **AWS GROUP HOLDINGS LIMITED**

### **DIRECTORS' REPORT for the period ended 30 June 2009**

#### **RISKS AND UNCERTAINTIES FACING THE GROUP**

- Our success is dependent on the success of our customers. The group has a broad range of customers serving a wide range of market sectors.
- Our ability to maintain and grow the customer base is closely linked to the quality of the manufacturing service provided. The group takes all reasonable steps to ensure quality standards are maintained.
- The general economic climate within the UK.

#### **RESULTS AND DIVIDENDS**

The group loss for the period after taxation amounted to £1,571,088.

#### **DIRECTORS**

The directors who served during the year were:

J P Weston (appointed 2 October 2008)  
P Deehan (appointed 6 March 2008)  
A S Keane (appointed 6 March 2008)  
D Tucker (appointed 15 September 2008)

#### **FINANCIAL INSTRUMENTS**

The group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to finance working capital and acquisitions through retained earnings, fixed rate borrowings through shareholder and vendor loan notes and bank borrowings at prevailing market rates and to fix the sterling value of export sales when a contract is signed and forward purchase currency, as necessary, to cover the cost of imported raw materials. The group does not use hedge accounting. Its policy is, in the main, to finance fixed assets through its cash resources and lease finance.

The group's exposure to the price risk of financial instruments is therefore minimal. As the counterparty to all financial instruments is its bankers, it is also exposed to minimal credit and liquidity risks in respect of these instruments. Its cash flow risk in respect of forward currency purchases is also minimal as it aims to pay suppliers in accordance with their stated terms, matching the maturity of the currency purchases. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

# **AWS GROUP HOLDINGS LIMITED**

## **DIRECTORS' REPORT for the period ended 30 June 2009**

### **RESEARCH AND DEVELOPMENT ACTIVITIES**

The group undertakes product design and development activities when required for its customers. In such cases the intellectual property arising is generally the sole property of the customer. The group does not undertake product design and development for its own purposes. It does, however, in the normal course of its business undertake the development and refinement of its manufacturing processes.

### **EMPLOYEES**

The group recognises that a loyal and highly skilled workforce is essential to the future of the business. During the period, the policy of providing employees with information about the group has continued and employees are encouraged to present their suggestions. Regular meetings are held between management and employee representatives and committees to allow a free flow of information.


The group recognises its obligations towards disabled people. Our policy is to give full and fair consideration to every employment application from disabled persons, having regard to their particular aptitudes and abilities and to give equal opportunities to disabled employees, with other employees, for training, career development and promotion. Every practicable effort is made to continue the employment of, or arrange appropriate training for employees who become disabled.

### **PROVISION OF INFORMATION TO AUDITORS**

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the group's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board, and signed on its behalf, on 22/12/2009



P Deehan  
Director

## **AWS GROUP HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AWS GROUP HOLDINGS LIMITED**

We have audited the group and parent company financial statements ('the financial statements') of AWS Group Holdings Limited for the period ended 30 June 2009 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement, the reconciliation of net cash flow to movement in net debt and the related notes. The financial statements have been prepared under the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with sections 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 annual report and the financial statements in accordance with applicable law and United Kingdom 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 have been 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, 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 Audit 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 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.

**AWS GROUP HOLDINGS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AWS GROUP HOLDINGS LIMITED**

**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 group's and the parent company's affairs as at 30 June 2009 and of the group's loss for the period 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.

*PKF(UK)LLP*

**PKF (UK) LLP**

Registered auditors  
Birmingham, UK

*22 December 2009*

**AWS GROUP HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the period ended 30 June 2009

		Before exceptional item	Exceptional item	Period ended 30 June
	Note	£	£	£
<b>TURNOVER</b>	1, 2	<b>25,675,903</b>	-	<b>25,675,903</b>
Cost of sales		<u>(18,985,833)</u>	-	<u>(18,985,833)</u>
<b>GROSS PROFIT</b>		<b>6,690,070</b>	-	<b>6,690,070</b>
Administrative expenses		<u>(6,047,969)</u>	-	<u>(6,047,969)</u>
Exceptional administrative expenses	3	-	<u>(578,433)</u>	<u>(578,433)</u>
Total administrative expenses		<u>(6,047,969)</u>	<u>(578,433)</u>	<u>(6,626,402)</u>
<b>OPERATING PROFIT</b>	4, 5	<b>642,101</b>	<b>(578,433)</b>	<b>63,668</b>
Interest receivable		<u>6,186</u>	-	<u>6,186</u>
Interest payable	8	<u>(1,606,577)</u>	-	<u>(1,606,577)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>(958,290)</b></u>	<u><b>(578,433)</b></u>	<u><b>(1,536,723)</b></u>
Tax on loss on ordinary activities	9			<u><b>(34,365)</b></u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	19			<u><b>(1,571,088)</b></u>

All amounts relate to acquired operations.

There were no recognised gains and losses other than those included in the profit and loss account.

The notes on pages 10 to 27 form part of these financial statements.

CONSOLIDATED BALANCE SHEET  
as at 30 June 2009

		2009	(PRO-FORMA)
	Note	£	2009 £
<b>FIXED ASSETS</b>			
Intangible fixed assets	10	17,946,810	17,946,810
Tangible fixed assets	11	964,025	964,025
		<b>18,910,835</b>	<b>18,910,835</b>
<b>CURRENT ASSETS</b>			
Stocks	13	3,436,730	3,436,730
Debtors	14	5,528,144	5,528,144
Cash at bank and in hand		1,103,708	514,450
		<b>10,068,582</b>	<b>9,479,324</b>
<b>CREDITORS: amounts falling due within one year</b>	15	<b>(8,520,678)</b>	<b>(8,110,911)</b>
<b>NET CURRENT ASSETS</b>		<b>1,547,904</b>	<b>1,368,413</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>20,458,739</b>	<b>20,279,248</b>
<b>CREDITORS: amounts falling due after more than one year</b>	16	<b>(21,966,848)</b>	<b>(18,101,502)</b>
<b>NET LIABILITIES</b>		<b>(1,508,109)</b>	<b>2,177,746</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	51,098	3,736,953
Share premium account	19	11,881	11,881
Profit and loss account	19	(1,571,088)	(1,571,088)
<b>SHAREHOLDERS' DEFICITS</b>	20	<b>(1,508,109)</b>	<b>2,177,746</b>

The pro-forma balance sheet shows the effect of the capital reorganisation which took place subsequent to the year end whereby certain loan notes and accrued interest were converted into shares as detailed in note 29.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/12/2009



P Deehan  
Director

The notes on pages 10 to 27 form part of these financial statements.

## AWS GROUP HOLDINGS LIMITED

## COMPANY BALANCE SHEET

as at 30 June 2009

		(PRO-FORMA)	
	Note	2009 £	2009 £
<b>FIXED ASSETS</b>			
Fixed asset investments	12	14,043,818	14,043,818
<b>CURRENT ASSETS</b>			
Debtors	14	6,864,590	6,864,590
Cash in hand		597,970	8,712
		<u>7,462,560</u>	<u>6,873,302</u>
<b>CREDITORS: amounts falling due within one year</b>	15	(2,016,388)	(1,606,621)
<b>NET CURRENT ASSETS</b>		<u>5,446,172</u>	<u>5,266,681</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>19,489,990</b>	<b>19,310,499</b>
<b>CREDITORS: amounts falling due after more than one year</b>	16	(20,753,728)	(16,888,382)
<b>NET LIABILITIES</b>		<u>(1,263,738)</u>	<u>2,422,117</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	51,098	3,736,953
Share Premium	19	11,881	11,881
Profit and loss account	19	(1,326,717)	(1,326,717)
<b>SHAREHOLDERS' DEFICITS</b>	20	<u>(1,263,738)</u>	<u>2,422,117</u>

The pro-forma balance sheet shows the effect of the capital reorganisation which took place subsequent to the year end whereby certain loan notes and accrued interest were converted into shares as detailed in note 29.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/12/2009



P Deehan  
Director

The notes on pages 10 to 27 form part of these financial statements.

**AWS GROUP HOLDINGS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
for the period ended 30 June 2009**

		Period ended 30 June 2009 £
Net cash flow from operating activities	22	1,640,151
Returns on investments and servicing of finance	23	(542,294)
Taxation		(433,478)
Capital expenditure and financial investment	23	38,320
Acquisitions and disposals	23	<u>(13,502,992)</u>
<b>CASH OUTFLOW BEFORE FINANCING</b>		<b>(12,800,293)</b>
Financing	23	<u>13,904,001</u>
<b>INCREASE IN CASH IN THE PERIOD</b>		<b><u>1,103,708</u></b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT  
for the period ended 30 June 2009**

		Period ended 30 June 2009 £
Increase in cash in the period		1,103,708
Cash inflow from increase in debt and lease financing		<u>(14,375,600)</u>
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>		<b>(13,271,892)</b>
New finance leases		(280,600)
Other non-cash movements		(6,728,248)
Loans and finance leases acquired with subsidiary		<u>(2,259,688)</u>
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>		<b>(22,540,428)</b>
<b>NET DEBT AT 30 JUNE 2009</b>	24	<b><u>(22,540,428)</u></b>

The notes on pages 10 to 27 form part of these financial statements.

# **AWS GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the period ended 30 June 2009**

### **1. ACCOUNTING POLICIES**

#### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

#### **1.2 BASIS OF CONSOLIDATION**

The financial statements consolidate the accounts of AWS Group Holdings Limited and all of its subsidiary undertakings ('subsidiaries').

The acquisition method of accounting has been adopted. Under this method the results of subsidiary undertakings acquired or disposed of during the year are included from the effective date of acquisition or up to the date of disposal. The difference between the consideration given for a subsidiary undertaking and the fair value of the assets and liabilities acquired is capitalised as goodwill and amortised over its expected useful life.

#### **1.3 TURNOVER**

Turnover comprises revenue recognised by the group in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Income is recognised on despatch of goods or provision of services.

#### **1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account on a straight line basis over its estimated economic life of 20 years.

#### **1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property improvement	-		over term of lease
Plant and machinery	-	25%	straight line
Motor vehicles	-	25%	straight line
Furniture, fittings and equipment	-	25-33%	straight line
Computer equipment	-	33%	straight line

#### **1.6 INVESTMENTS**

Investments in subsidiaries are valued at cost less provision for impairment.

# **AWS GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the period ended 30 June 2009**

### **1. ACCOUNTING POLICIES (continued)**

#### **1.7 LEASING AND HIRE PURCHASE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **1.8 OPERATING LEASES**

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### **1.9 STOCKS AND WORK IN PROGRESS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### **1.10 DEFERRED TAXATION**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### **1.11 FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

# **AWS GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the period ended 30 June 2009**

### **1. ACCOUNTING POLICIES (continued)**

#### **1.12 PENSIONS**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the period.

#### **1.13 RESEARCH AND DEVELOPMENT**

Research and development costs are expensed to the profit and loss account as incurred.

#### **1.14 FINANCE COSTS**

Finance costs of debt are recognised in the profit and loss account over the term of the debt at a constant rate on the carrying amount. The related debt is stated net of finance costs.

### **2. TURNOVER**

A geographical analysis of turnover is as follows:

	<b>Period ended 30 June 2009 £</b>
United Kingdom	<b>24,431,598</b>
Rest of world	<b>1,244,305</b>
	<b><u>25,675,903</u></b>

### **3. ADMINISTRATIVE EXPENSES**

Included within administrative expenses for the period ended 30 June 2009 were reorganisation costs of £578,433 covering redundancy and moving costs incurred following a rationalisation undertaken during the period.

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 30 June 2009**

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>Period ended 30 June 2009 £</b>
Amortisation – intangible fixed assets	<b>767,092</b>
Depreciation of tangible fixed assets:	
- owned by the company	<b>377,071</b>
- held under finance leases	<b>69,892</b>
Operating lease rentals:	
- other operating lease	<b>317,672</b>
Difference on foreign exchange	<b>5,881</b>

**5. AUDITORS' REMUNERATION**

	<b>Period ended 30 June 2009 £</b>
<b>Fees payable to the company's current auditor:</b>	
For the audit of the parent company's annual accounts	<b>6,000</b>
For the audit of the subsidiary companies' accounts	<b>42,000</b>
Other services relating to tax services	<b>15,530</b>
Other assurance services	<b>36,000</b>

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**6. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	Period ended 30 June 2009 £
Wages and salaries	6,680,706
Social security costs	506,450
Other pension costs	62,874
	<u>7,250,030</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 30 June 2009 No.
Management	82
Production	308
	<u>390</u>

**7. DIRECTORS' REMUNERATION**

	Period ended 30 June 2009 £
Emoluments	<u>300,207</u>

The highest paid director received remuneration of £133,746.

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 30 June 2009**

**8. INTEREST PAYABLE**

	Period ended 30 June 2009 £
On bank loans and overdrafts	695,740
On other loans	876,551
On finance leases and hire purchase	7,655
Other interest payable	26,631
	<u>1,606,577</u>

**9. TAXATION**

	Period ended 30 June 2009 £
<b>ANALYSIS OF TAX CHARGE IN THE PERIOD</b>	
<b>CURRENT TAX</b> (see note below)	
UK corporation tax charge on profit for the period	75,000
<b>TOTAL CURRENT TAX</b>	<u>75,000</u>
<b>DEFERRED TAX</b> (see note 17)	
Origination and reversal of timing differences	<u>(40,635)</u>
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	<u>(34,365)</u>

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**9. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE PERIOD**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	<b>Period Ended 30 June 2009 £</b>
Loss on ordinary activities before tax	<u>(1,536,723)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	<u>(430,282)</u>
<b>EFFECTS OF:</b>	
Expenses not deductible for tax purposes	45,430
Depreciation for year in excess of capital allowances	103,506
Amortisation of goodwill	217,795
Losses carried forward	2,332
Other timing differences	136,219
<b>CURRENT TAX CHARGE FOR THE PERIOD (see note above)</b>	<u><u>75,000</u></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**10. INTANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Purchased goodwill £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>COST</b>			
On acquisition of subsidiaries	<u>806,350</u>	<u>17,907,552</u>	<u>18,713,902</u>
At 30 June 2009	<u>806,350</u>	<u>17,907,552</u>	<u>18,713,902</u>
<b>AMORTISATION</b>			
Charge for the period	<u>58,251</u>	<u>708,841</u>	<u>767,092</u>
At 30 June 2009	<u>58,251</u>	<u>708,841</u>	<u>767,092</u>
<b>NET BOOK VALUE</b>			
At 30 June 2009	<u><u>748,099</u></u>	<u><u>17,198,711</u></u>	<u><u>17,946,810</u></u>

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**11. TANGIBLE FIXED ASSETS – GROUP**

	<b>Leasehold property improv'ts £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Furniture, fittings and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST</b>						
On acquisitions	189,572	3,658,127	56,914	427,353	373,564	4,705,530
Additions	5,000	171,645	-	39,565	119,822	336,032
Disposals	(35,196)	(411,819)	(42,329)	-	-	(489,344)
At 30 June 2009	<u>159,376</u>	<u>3,417,953</u>	<u>14,585</u>	<u>466,918</u>	<u>493,386</u>	<u>4,552,218</u>
<b>DEPRECIATION</b>						
On acquisitions	136,387	2,770,286	41,494	302,919	278,048	3,529,134
Charge for the period	34,834	308,631	2,039	31,992	69,467	446,963
On disposals	(35,196)	(318,316)	(34,392)	-	-	(387,904)
At 30 June 2009	<u>136,025</u>	<u>2,760,601</u>	<u>9,141</u>	<u>334,911</u>	<u>347,515</u>	<u>3,588,193</u>
<b>NET BOOK VALUE</b>						
At 30 June 2009	<u>23,351</u>	<u>657,352</u>	<u>5,444</u>	<u>132,007</u>	<u>145,871</u>	<u>964,025</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2009</b>
	<b>£</b>
Plant and machinery	<u>122,868</u>

**12. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £</b>
<b>COMPANY</b>	
Cost	-
Additions	14,043,818
At 30 June 2009	<u>14,043,818</u>

Details of additions can be found at note 21.

Details of the principal subsidiaries can be found under note number 27.

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**13. STOCKS**

	<b>GROUP</b>	<b>COMPANY</b>
	<b>2009</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Raw material	2,084,750	-
Work in progress	1,351,980	-
	<u>3,436,730</u>	<u>-</u>

**14. DEBTORS**

	<b>GROUP</b>	<b>COMPANY</b>
	<b>2009</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	5,165,248	-
Amounts owed by group undertakings	-	6,860,840
Other debtors	52,800	-
Prepayments and accrued income	310,096	3,750
	<u>5,528,144</u>	<u>6,864,590</u>

**15. CREDITORS:  
amounts falling due within one year**

	<b>GROUP</b>	<b>COMPANY</b>
	<b>2009</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Unsecured loan notes	698,173	263,173
Bank loans and overdrafts	1,219,770	1,219,770
Corporation tax	75,000	-
Net obligations under finance leases and hire purchase contracts	112,768	-
Trade creditors	3,875,381	-
Social security and other taxes	668,584	-
Other creditors	904,921	533,445
Accruals and deferred income	966,081	-
	<u>8,520,678</u>	<u>2,016,388</u>

Finance leases are secured over the assets to which they relate.

Bank loans and overdraft of the group and company are secured by fixed and floating charges over all current and future assets of the group and cross guarantees between UK based group companies.

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**16. CREDITORS:**  
amounts falling due after more than one year

	<b>GROUP</b>	<b>COMPANY</b>
	<b>2009</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Unsecured loan notes	13,211,745	12,221,745
Bank loans	8,131,560	8,131,560
Hire purchase contracts	223,120	-
Other creditors	353,423	353,423
'A' Ordinary shares treated as debt	47,000	47,000
	<u>21,966,848</u>	<u>20,753,728</u>

Bank loans and overdraft of the group and company are secured by fixed and floating charge over all current and future assets of the group and cross guarantees between UK based group companies. Included within bank loans is £3,500,000 revolving credit facility repayable no later than September 2014. Interest is payable quarterly in arrear at a variable rate of 4.25% above LIBOR.

Included above in unsecured loan notes are creditors amounting to £7,962,329 which are repayable by instalments and fall due for repayment in over 5 years. The creditors are repayable between September 2014 and September 2017 and bear interest at 9% per annum. For loans amounting to £3,681,493 interest is accrued and is payable in September 2017. Interest on £4,280,836 is payable quarterly in arrears in certain circumstances.

'A' Ordinary shares are entitled to a cumulative participating dividend commencing in respect of the accounting period ending 30 June 2013.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<b>GROUP</b>
	<b>2009</b>
	<b>£</b>
Between one and five years	<u>223,120</u>

Finance leases are secured over the assets to which they relate.

**17. DEFERRED TAXATION**

	<b>GROUP</b>
	<b>2009</b>
	<b>£</b>
On acquisition of subsidiary undertakings year	9,004
Credit for the period	(40,635)
At 30 June 2009	<u>(31,631)</u>

The deferred tax debtor is included within other debtors.

**AWS GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period ended 30 June 2009**

**17. DEFERRED TAXATION (continued)**

The deferred taxation debtor is made up as follows:

	<b>GROUP</b>
	<b>2009</b>
	<b>£</b>
Accelerated capital allowances	<b>31,010</b>
Short term timing differences	<b>621</b>
	<b><u>31,631</u></b>

In addition the group and company has a deferred tax debtor amounting to £210,000 which has not been recognised in accordance with the group accounting policy.

**18. SHARE CAPITAL**

**GROUP AND COMPANY**

**SHARES CLASSIFIED AS EQUITY**

<b>AUTHORISED</b>	<b>Number</b>	<b>£</b>
'B' Ordinary shares of 1p each	5,626,087	<b>56,261</b>
Deferred shares of 1p each	591,016,400	<b>5,910,164</b>
		<b><u>5,966,425</u></b>

**ALLOTTED, CALLED UP AND FULLY PAID**

	<b>Number</b>	<b>£</b>
On incorporation at 6 March 2008		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>
On 15 September 2008		
Subdivision of share capital into 1p Ordinary shares	100	<b>1</b>
1p 'B' Ordinary shares issued	4,799,900	<b>47,999</b>
On 16 October 2008		
1p 'B' Ordinary shares issued	<u>309,783</u>	<u>3,098</u>
At 30 June 2009		
'B' Ordinary shares of 1p each	<u>5,109,783</u>	<u>51,098</u>

1 £1 Ordinary share was issued on incorporation at par. On 15 September 2008 the issued and unissued share capital was subdivided into 1p 'B' Ordinary shares and 4,799,900 1p 'B' Ordinary shares were issued at a total premium of £11,161. On 16 October 2008 a further 309,783 1p B Ordinary shares were issued at a premium of £720.

A Ordinary shares have priority in certain respects as to dividends and repayment of capital.

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**18. SHARE CAPITAL (continued)**

**SHARES CLASSIFIED AS DEBT**

**AUTHORISED**

'A' Ordinary shares of 1p each

Numt	£
4,700,0	<b>47,000</b>

**ALLOTTED, CALLED UP AND FULLY PAID**

Issued on 15 September 2008

Number	£
4,700,0	<b>47,000</b>

4,700,000 1p 'A' Ordinary shares were issued at par on 15 September 2008.

**19. RESERVES**

**GROUP AND COMPANY**

**SHARE PREMIUM ACCOUNT**

On incorporation at 6 March 2008

Shares issued on 15 September 2008

Shares issued on 16 October 2008

At 30 June 2009

£
-
<b>11,161</b>
<b>720</b>
<b>11,881</b>

**GROUP**

**PROFIT AND LOSS ACCOUNT**

Loss for the period

At 30 June 2009

£
<b>1,571,088</b>
<b>1,571,088</b>

**COMPANY**

**PROFIT AND LOSS ACCOUNT**

Loss for the period

At 30 June 2009

£
<b>1,326,717</b>
<b>1,326,717</b>

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 30 June 2009**

**20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2009
	£
<b>GROUP</b>	
Loss for the period	(1,571,088)
Shares issued	62,979
Closing shareholders' deficit	<u>(1,508,109)</u>
	2009
	£
<b>COMPANY</b>	
Loss for the year	(1,326,717)
Shares issued	62,979
Closing shareholders' deficit	<u>(1,263,738)</u>

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own profit and loss account.

The loss for the year dealt with in the accounts of the company was £ 1,326,717.

**21 ACQUISITIONS AND DISPOSALS**

**ACQUISITIONS**

On 15 September 2008 the company acquired the entire share capital of AWS Group Holdings Limited, company number 06548022, which subsequently changed its name to AWS Electronics GH (2008) Limited. The company was the ultimate parent company of the group of companies detailed in note 27.

The book value and fair value of the identifiable consolidated assets and liabilities at the date of acquisition (including goodwill) other than arising on consolidation and the consideration paid are noted below.

	Vendors' Book Value £	Fair Value £	Total £
<b>ASSETS AND LIABILITIES ACQUIRED</b>			
Intangible fixed assets	806,350	-	806,350
Tangible fixed assets	1,176,397	-	1,176,397
Stocks	4,650,000	-	4,650,000
Debtors	6,973,000	-	6,973,000
Cash at bank	7,000	-	7,000
Hire purchase creditors	(147,000)	-	(147,000)
Bank overdraft and loan	(6,729,000)	-	(6,729,000)
Loans	(2,112,688)	-	(2,112,688)
Taxation	(442,478)	-	(442,478)
Other creditors and provisions	(7,942,116)	(103,199)	(8,045,315)
Net liabilities acquired	<u>(3,760,535)</u>	<u>(103,199)</u>	<u>(3,863,734)</u>

**AWS GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**21 ACQUISITIONS AND DISPOSALS (continued)**

**SATISFIED BY**

Consideration:	
Cash	6,223,979
Shares allotted	59,161
Loan notes	7,203,665
Acquisition costs	557,013
	<u>14,043,818</u>
Goodwill arising on consolidation	<u>17,907,552</u>

The summarised consolidated profit and loss account of the group acquired for the period from 1 July 2008 to the date of acquisition was as follows:

	Period to 15 September 2008 £	Year ended 30 June 2009 £
Turnover	6,854,855	33,172,382
Exceptional items	(409,617)	(168,338)
Operating (loss)/profit	(103,021)	2,161,492
(Loss) / profit before taxation	(213,369)	1,464,044
Taxation	-	(597,245)
(Loss) / profit after taxation	<u>(213,369)</u>	<u>866,799</u>

**22. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Year 30 June 2009 Group
Operating profit	63,668
Amortisation of intangible fixed assets	767,092
Depreciation of tangible fixed assets	446,963
Loss on disposal of tangible fixed assets	7,693
Decrease in stocks	1,213,270
Decrease in debtors	1,476,487
Decrease in creditors	(2,335,022)
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u><b>1,640,151</b></u>

**AWS GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	Year 30 June 2009 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>Group</b>
Interest received	6,186
Interest paid	(540,825)
Hire purchase interest	(7,655)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>(542,294)</b>

	Year 30 June 2009 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	
Purchase of tangible fixed asset	(55,436)
Sale of tangible fixed assets	93,756
<b>NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>38,320</b>

	Year 30 June 2009 £
<b>ACQUISITIONS AND DISPOSALS</b>	
Purchase of fixed asset investments	(6,780,992)
Net overdrafts acquired with acquisition	(6,722,000)
<b>NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS</b>	<b>(13,502,992)</b>

	Year 30 June 2009 £
<b>FINANCING</b>	
Issue of equity shares	3,818
Issue of non equity shares	47,000
New unsecured loans	5,281,253
Repayment of unsecured loans	(687,688)
New bank loans	9,351,330
Repayment of finance leases	(91,712)
<b>NET CASH INFLOW FROM FINANCING</b>	<b>13,904,001</b>

**AWS GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**24 ANALYSIS OF CHANGES IN NET DEBT**

	Acquisitions excluding Cash and overdrafts £	Cash flow £	Other non cash trans- actions £	30 June 2009 £
Cash at bank and in hand	-	1,103,708	-	<b>1,103,708</b>
	-	1,103,708	-	<b>1,103,708</b>
<b>DEBT:</b>				
Finance leases	(147,000)	91,712	(280,600)	<b>(335,888)</b>
Debts due within one year	(633,000)	(990,314)	(294,629)	<b>(1,917,943)</b>
Debts falling due after more than one year	(1,479,688)	(13,001,581)	(6,909,036)	<b>(21,390,305)</b>
<b>NET DEBT</b>	<b>(2,259,688)</b>	<b>(12,796,475)</b>	<b>(7,484,265)</b>	<b>(22,540,428)</b>

£280,602 of non cash transactions relate to new finance leases and £7,203,665 is in relation to the loan notes issued as part consideration for the acquisition in the period.

Debt at 30 June 2009 can be analysed as follows:

	£
Finance leases	335,888
Bank loans	9,351,330
Vendor loan notes	7,203,665
Investor loan notes	5,281,253
Other loans	1,425,000
'A' ordinary shares treated as debt	47,000
	<b>23,644,136</b>

Bank loans and investor loan notes are stated after deducting unamortised finance costs. Excluding finance costs a term loan of £6,100,000 is repayable by instalments until 30 September 2013 and a revolving credit facility of £3,500,000 is repayable on 30 September 2014.

The vendor and investor loan stock carry deferred payment of capital and interest.

**25 PENSION COMMITMENTS**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £62,874. At 30 June 2009 £8,545 was payable to the pension scheme.

**AWS GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**26. OPERATING LEASE COMMITMENTS**

At 30 June 2009 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2009 £
<b>GROUP</b>	
<b>EXPIRY DATE:</b>	
Within one year	-
Between 2 and 5 years	155,198
After more than 5 years	268,000
	<u>423,198</u>

Subsequent to the year end lease commitments expiring after more than 5 years amounting to £118,000 were transferred to a third party. The costs associated with the transfer are covered by an onerous lease provision included in creditors at the year end.

**27. PRINCIPAL SUBSIDIARIES**

Company name	Country	Shareholding
AWS Electronics GH (2008) Limited	England and Wales	100%
AWS Electronics Group Limited *	England and Wales	100%
AWS Electronics Limited *	England and Wales	100%
Jantec Electronic Services Limited *	England and Wales	100%
Cemgraft Limited *	England and Wales	100%
AWS Slovakia s.r.o *	Slovakia	100%
AWS Electronics (Stone) Limited *	England and Wales	100%
* indirectly held		

AWS Electronics GH (2008) Limited and AWS Electronics Group Limited are holding companies. All other subsidiary companies manufacture electronic equipment.

**28. RELATED PARTY TRANSACTIONS**

Advantage has been taken not to disclose transactions with group companies included within these consolidated financial statements.

On 15 September 2008 the company bought the entire share capital of AWS Electronics Group Holdings Limited, whose name was changed to AWS GH (2008) Limited. Certain directors of the company were shareholders in AWS GH (2008) Limited and details of the consideration given to directors in aggregate is noted below:

	£
Cash	4,450,793
Loan notes	4,415,697
'B' Ordinary shares of 1p each	<u>49,800</u>

All loan notes were still outstanding at the period end.

At 30 June 2009 interest accrued on the above loan notes amounted to £317,930 and remained unpaid at the year end..

**AWS GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period ended 30 June 2009**

**28 RELATED PARTY TRANSACTIONS (continued)**

During the period Barclays Unquoted Investments Limited, a shareholder of the company, subscribed for 4,089,000 1p 'A' Ordinary shares at par.

During the period Barclays Unquoted Investments Limited loaned the company £5,508,000. The loan is unsecured and bears interest at 9% per annum payable quarterly in arrears. The loan is repayable in four equal annual instalments commencing in September 2013. Interest accrued during the period of £396,570 remained payable at the period end.

During the period £23,750 was paid to Jasper Corporate Finance Limited in respect of the services as director of D Tucker.

During the period J P Weston, a director of the company, subscribed for 309,783 1p 'B' Ordinary shares at a cost of £3,818.

**29 POST BALANCE SHEET EVENTS**

On 18 August 2009 the company undertook a capital reorganization as follows:

- Loan notes and accrued interest amounting to £3,685,855 were converted into 368,585,571 £0.01 deferred ordinary shares
- Loan notes amounting to £589,258, of which £294,629 was repayable within one year and £294,629 in over one year, were repaid in full.