

KPMG

Chartered Accountants

Stokes House
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Belfast BT1 6DH
Northern Ireland



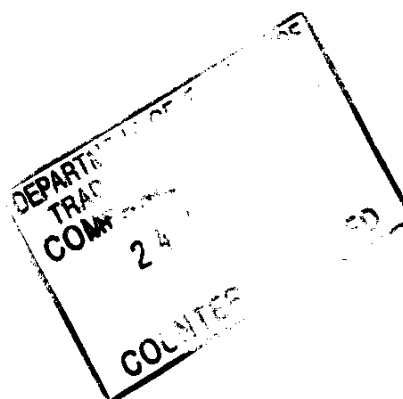
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Irlandus Circuits Limited

Financial statements

Year ended 30 June 2001

Company registration number: NI 15962



Irlandus Circuits Limited

Directors' report and financial statements

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Irlandus Circuits Limited

Directors and other information

Directors

R G Adair
H F Cushnahan CBE
S F Ritchie

Secretary

S F Ritchie

Auditors

KPMG
Chartered Accountants
Stokes House
17/25 College Square East
Belfast
BT1 6DH

Bankers

Ulster Bank Limited
Lurgan
Co Armagh
BT66 6AF

Ulster Bank Limited
11-16 Donegall Square East
Belfast
BT1 6HD

Solicitors

Elliott Duffy Garrett
Royston House
34 Upper Queen Street
Belfast
BT1 6FD

Registered office

3 Annesborough Industrial Estate
Craigavon
Co Armagh
BT67 9JJ

Companies office number

NI 15962

Irlandus Circuits Limited

Directors' report

The directors have pleasure in submitting their report together with the audited financial statements of the company for the year ended 30 June 2001.

Principal activity

The principal activity of the company is the manufacture of printed circuit boards.

Results

The profit on ordinary activities before taxation was £769,488 (2000: £577,483) on which there was no tax charge (2000: £895).

Business review

Sales revenue increased by £45,000 in the full year, or 0.7%. This was primarily due to significant growth in existing accounts early in the year followed by a general market slow down in the final quarter. Most of our European customers moved to trading in Euros during the year and this transition has occurred with minimal business impact. The change in ownership, which occurred in the previous year, continued to drive improvements in commercial decision making, which resulted in further improvements to both value added and gross margins.

As a result, operating margins improved to £794,998. The net impact was to increase net profits by £192,005 to £769,488.

The company continued with its strategic investment programme during the year. Total capital spend was £540,468 for the year.

Irlandus Circuits specialises in providing the fabrication of "time critical" prototype and pre-production printed circuit boards (PCBs) to the electronics industry. The company is a leader in the quick-turn segment (ie PCBs delivered in ten days or less) and its products are primarily used in the design, test and launch phase of end-use markets including the telecommunications, computer, contract manufacturing, industrial instrumentation, medical and military equipment. We can provide our customers with a fast, efficient "Time to Market Solution".

Dividends

During the year the company did not pay an interim dividend (2000: £500,000). The directors propose to declare a final dividend of £500,000 (2000: £Nil).

Irlandus Circuits Limited

Directors' report *(continued)*

Tangible fixed assets

The directors are of the opinion that there is no material difference between the market value of land and buildings and its carrying value as set out in Note 10.

Political and charitable donations

The company made no political donations during the year (2000: £Nil). Charitable donations amounted to £410 (2000: £606).

Policy and practice on payment of creditors

It is the company's policy to agree terms of payment with suppliers at the time of contract and to abide by those terms.

At 30 June 2001 the company's aggregate amount of 'creditors days' was 73 days (2000: 70 days).

Directors and secretary

The directors of the company during the year were as follows:

R G Adair
H F Cushnahan CBE
S F Ritchie

S F Ritchie was company secretary during the year.

The directors are not required by the Articles of Association to retire by rotation.

Directors' interests

(i) Interest in share capital

The directors do not have any interest in the share capital of the company.

The directors' interests in the share capital of the parent undertaking, Fast Track Circuits Limited are disclosed in the financial statements of the parent undertaking.

(ii) Interest in contracts

The directors have no interests in contracts other than those disclosed in Note 27 to the financial statements.

Irlandus Circuits Limited

Directors' report (*continued*)


Auditors

KPMG have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



S F Ritchie
Secretary



11 February 2002

Irlandus Circuits Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give, in accordance with applicable Northern Ireland law and accounting standards, 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;
- state whether applicable 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 maintaining 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 (Northern Ireland) Order 1986. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board



S F Ritchie
Director

11 February 2002

Chartered Accountants

Stokes House
College Sq. East
Belfast BT1 6DH
Northern Ireland

Auditors' report to the members of Irlandus Circuits Limited

We have audited the financial statements on pages 7 to 22.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable Northern Ireland law and accounting standards. Our responsibilities, as independent auditors, are established in Northern Ireland by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. As also required by the Order, we report to you if, in our opinion

- the directors' report is not consistent with the financial statements;
- the company has not kept proper accounting records;
- we have not received all the information and explanations we require for our audit; or
- information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 affairs of the company as at 30 June 2001 and of the profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.



KPMG
Chartered Accountants
Registered Auditors

11 February 2002

Irlandus Circuits Limited

Profit and loss account

Year ended 30 June 2001

	Note	2001 £	2000 £
Turnover - continuing operations	2	6,629,163	6,583,840
Cost of sales		(4,956,614)	(5,031,132)
Gross profit		1,672,549	1,552,708
Distribution costs		(401,768)	(431,906)
Administrative costs		(475,783)	(526,171)
Operating profit - continuing operations		794,998	594,631
Interest receivable	3	6,036	12,272
Interest payable and similar charges	4	(31,546)	(29,420)
Profit on ordinary activities before taxation	5	769,488	577,483
Tax on profit on ordinary activities	8	-	(895)
Profit for the financial year		769,488	576,588
Dividends	9	(500,000)	(500,000)
Retained profit for the financial year	19	269,488	76,588

The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the profit and loss account.

There is no material difference between the group's results as reported and on a historical cost basis. Accordingly, no note of historical cost profits and losses has been prepared.

The notes on pages 10 to 22 form part of these financial statements.

Irlandus Circuits Limited

Balance sheet

At 30 June 2001

	Note	2001		2000	
		£	£	£	£
Fixed assets					
Tangible assets	10	2,055,986		2,253,538	
Current assets					
Stocks	11	265,850		406,277	
Debtors:	12				
Amounts falling due within one year		639,885		1,352,998	
Amounts falling due after one year		1,238,614		728,370	
Cash at bank and in hand		512,267		61,798	
		<u>2,656,616</u>		<u>2,549,443</u>	
Creditors: Amounts falling due within one year	13	(1,059,171)		(1,413,359)	
Net current assets		<u>1,597,445</u>		<u>1,136,084</u>	
Total assets less current liabilities		<u>3,653,431</u>		<u>3,389,622</u>	
Creditors: Amounts falling due after more than one year	14	(666,048)		(648,165)	
Deferred income	16	(228,490)		(252,052)	
Net assets		<u>2,758,893</u>		<u>2,489,405</u>	
Capital and reserves					
Called-up share capital	18	2,002,289		2,002,289	
Capital reserve	19	55,718		55,718	
Profit and loss account	19	700,886		431,398	
Equity shareholders' funds	20	<u>2,758,893</u>		<u>2,489,405</u>	

The financial statements were approved by the board of directors on 11 February 2002.

Sean Ritchie

S F Ritchie
Director

R G Adair

R G Adair
Director

The notes on pages 10 to 22 form part of these financial statements.

Irlandus Circuits Limited

Cashflow statement

For the year ended 30 June 2001

	Note	2001		2000	
		£	£	£	£
Net cash inflow from operating activities	23	1,941,701		954,861	
Returns on investments and servicing of finance					
Interest received		2,096		12,420	
Interest paid		(17,565)		(17,877)	
Interest element of finance lease payments		(13,938)		(10,226)	
Net cash outflow from returns on investments and servicing of finance		(29,407)		(15,683)	
Taxation					
Corporation tax paid		-		(239)	
Net cash outflow for taxation				(239)	
Capital expenditure and financial investment					
Purchase of tangible assets		(147,321)		(287,776)	
Government grants received		14,578		136,582	
Disposal of tangible assets		77,150		9,097	
Advances to parent undertaking		(1,010,244)		(728,370)	
Net cash outflow for capital expenditure and financial investment		(1,065,837)		(870,467)	
Equity dividends paid					
Dividends on equity shares		-		(500,000)	
Equity dividends paid		-		(500,000)	
Net cash inflow/(outflow) before financing		846,457		(431,528)	
Financing					
Receipt of long term loan		-		190,000	
Repayment of long term loans		(30,000)		(199,938)	
Capital element of finance lease payments		(365,988)		(303,542)	
Net cash outflow from financing		(395,988)		(313,480)	
Increase/(decrease) in cash in the year	25	450,469		(745,008)	

Irlandus Circuits Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(i) Accounting reference date

The company uses a 52 or 53 week fiscal year ending on the Friday closest to 30 June, which for fiscal year 2000 fell on 30 June, but for fiscal year 2001 fell on 29 June.

In these financial statements the fiscal year end for both years is shown as 30 June for clarity of presentation.

The accounting reference date of the company is the Friday nearest 30 June. Accordingly these financial statements have been prepared for the year ended 29 June 2001.

(ii) Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Companies (Northern Ireland) Order 1986, under the historical cost accounting rules and comply with financial reporting standards of the Accounting Standards Board.

(iii) Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Building cost	-	5% straight line
Buildings adaptations	-	10% straight line
Plant and machinery - owned	-	20% straight line
Office equipment	-	33.3% straight line
Motor vehicles - owned	-	25% straight line
Hire purchase and leased assets	-	At the shorter of the hire purchase and lease term or useful economic life

(iv) Government grants

Capital based government grants are included within deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Irlandus Circuits Limited

Notes (continued)

1 Principal accounting policies (continued)

(v) Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

(vi) Stock

Raw material stock is valued on a "first-in, first-out" basis at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the company, cost is taken as the cost of the materials and a proportion of direct labour.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Work in progress is valued to include all direct expenditure and production overheads.

(vii) Taxation

The charge for taxation is based on the profit for the financial period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

(viii) Foreign currency transactions

Transactions in foreign currencies are translated into sterling using the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates of exchange ruling at the balance sheet date and any gains or losses on translation are included in the profit and loss account in the year in which they are incurred.

Irlandus Circuits Limited

Notes (continued)

2 Turnover

Turnover represents the amounts invoiced (excluding value added tax) in respect of the sale of printed circuit boards to customers during the financial year.

All turnover and profits before taxation are derived from one class of business which is the manufacture of printed circuit boards.

The directors are of the opinion that disclosure of the analysis of turnover and profit by class of business and geographical market would be seriously prejudicial to the interests of the company.

3 Interest receivable

	2001 £	2000 £
Interest from cash deposits	6,036	12,272

4 Interest payable and similar charges

	2001 £	2000 £
IDB mortgage interest payable	-	9,823
Interest on bank loans and overdrafts wholly repayable within five years	17,469	9,371
Finance charges payable in respect of finance leases and hire purchase contracts	14,077	10,226
	31,546	29,420

Irlandus Circuits Limited

Notes (continued)

5 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated at after charging/(crediting) the following items:

	2001 £	2000 £
Auditors' remuneration - audit	10,250	9,950
- other services	2,550	2,550
Profit on disposal of tangible fixed assets	(5,942)	(72,974)
Exchange loss	1,580	4,211
Depreciation of tangible fixed assets - owned	370,059	365,242
- leased	363,753	279,138
Capital grants released	(41,348)	(40,063)
Revenue grants	-	(50,000)
Research and development expenditure	60,095	-
	<u> </u>	<u> </u>

6 Remuneration of directors

	2001 £	2000 £
Directors' remuneration (including benefits in kind)	175,096	116,732
	<u> </u>	<u> </u>

There were no pension contributions made for the directors during the year (2000: £Nil) and no director is accruing benefits under money purchase schemes. No director received shares or share options under long term incentive schemes during the year or the previous financial year.

Irlandus Circuits Limited

Notes (continued)

7 Staff numbers and costs

The average number of persons employed by the company (including directors) during the financial year was as follows:

	2001 No.	2000 No.
Production	107	111
Sales	8	8
Administration	8	10
	<hr/>	<hr/>
	123	129
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2001 £	2000 £
Wages and salaries	1,943,738	2,009,349
Social security costs	166,810	185,132
	<hr/>	<hr/>
	2,110,548	2,194,481
	<hr/>	<hr/>

8 Tax on profit on ordinary activities

	2001 £	2000 £
Corporation tax on the profit for the year on ordinary activities at 20% (2000: 20%)	-	895
	<hr/>	<hr/>

9 Dividends

	2001 £	2000 £
Equity dividends on ordinary shares:		
Interim paid nil (2000: 24.97p per share)	-	500,000
Final proposed 24.97p per share (2000 : nil)	500,000	-
	<hr/>	<hr/>
	500,000	500,000
	<hr/>	<hr/>

Irlandus Circuits Limited

Notes (continued)

10 Tangible fixed assets

	<i>Leasehold land and buildings</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost				
At 1 July 2000	3,795,405	7,581,338	101,716	11,478,459
Additions in year	9,504	530,965	-	540,469
Disposals	-	(1,043,250)	(27,980)	(1,071,230)
At 30 June 2001	3,804,909	7,069,053	73,736	10,947,698
Depreciation				
At 1 July 2000	3,095,759	6,083,597	45,565	9,224,921
Charged in year	79,020	635,516	19,276	733,812
Disposals	-	(1,042,666)	(24,355)	(1,067,021)
At 30 June 2001	3,174,779	5,676,447	40,486	8,891,712
Net book value				
At 30 June 2001	630,130	1,392,606	33,250	2,055,986
At 30 June 2000	699,646	1,497,741	56,151	2,253,538

Included in the total net book value of plant and machinery is £878,215 (2000: £789,714) in respect of assets held under finance leases. Depreciation for the period on these assets was £345,319 (2000: £265,371).

Included in the total net book value of motor vehicles is £33,250 (2000: £51,684) in respect of assets held under finance lease agreements and hire purchase contracts. Depreciation for the year on these assets was £18,434 (2000: £13,767).

Irlandus Circuits Limited

Notes (continued)

11 Stocks

	2001 £	2000 £
Raw materials	149,661	201,426
Work in progress	116,189	204,851
	<hr/>	<hr/>
	265,850	406,277
	<hr/>	<hr/>

In the opinion of the directors there is no material difference between the replacement cost of stocks and their carrying value disclosed above.

12 Debtors

	2001 £	2000 £
<i>Due in less than one year:</i>		
Trade debtors	559,924	1,114,294
Other debtors	51,748	208,616
Prepayments and accrued income	28,213	30,088
	<hr/>	<hr/>
	639,885	1,352,998
<i>Due in more than one year:</i>		
Amounts owed by parent undertaking	1,238,614	728,370
	<hr/>	<hr/>
	1,878,499	2,081,368
	<hr/>	<hr/>

Irlandus Circuits Limited

Notes (continued)

13 Creditors: Amounts falling due within one year

	2001 £	2000 £
<i>Loans and other borrowings (Note 15)</i>		
Obligations under hire purchase and finance leases	314,282	283,258
Bank loan	30,000	32,148
	<hr/>	<hr/>
	344,282	315,406
<i>Other creditors</i>		
Trade creditors	447,030	817,806
Other tax and social security	25,154	53,889
Other creditors	242,705	226,258
	<hr/>	<hr/>
	1,059,171	1,413,359
	<hr/>	<hr/>

14 Creditors: Amounts falling due after more than one year

	2001 £	2000 £
<i>Loans and other borrowings (Note 15)</i>		
Obligations under finance lease and hire purchase contracts	536,048	490,313
Bank loan	130,000	157,852
	<hr/>	<hr/>
	666,048	648,165
	<hr/>	<hr/>

Irlandus Circuits Limited

Notes (continued)

15 Loans and other borrowings

Maturity analysis

	<i>Within 1 year £</i>	<i>Between 1-2 years £</i>	<i>Between 2-5 years £</i>	<i>Over 5 years £</i>	<i>Total £</i>
Finance leases and hire purchase contracts	314,282	261,913	274,135	-	850,330
Bank loan	30,000	30,000	90,000	10,000	160,000
	<u>344,282</u>	<u>291,913</u>	<u>364,135</u>	<u>10,000</u>	<u>1,010,330</u>

The bank loan and overdraft are secured by a fixed charge over both the company and its parent company's property, book and other debts and intellectual property rights and also by a floating charge over the other assets.

16 Deferred income

	<i>2001 £</i>	<i>2000 £</i>
<i>Government grants</i>		
At 1 July	252,052	273,003
Receivable during the year	17,786	19,112
Credited to profit and loss account	(41,348)	(40,063)
	<u>228,490</u>	<u>252,052</u>

17 Provision for liabilities and charges

Deferred taxation

No provision has been made for deferred tax as there is no potential liability to deferred tax.

Irlandus Circuits Limited

Notes (continued)

18 Called up share capital

	2001 £	2000 £
<i>Authorised:</i>		
Ordinary shares of £1 each	2,002,289	2,002,289
<i>Allotted and fully paid:</i>		
Ordinary shares of £1 each	2,002,289	2,002,289

19 Reserves

	<i>Profit & loss account</i> £	<i>Capital reserve</i> £
At 1 July 2000	431,398	55,718
Retained profit for the year	269,488	-
At 30 June 2001	700,886	55,718

20 Reconciliation of movement on equity shareholders' funds

	2001 £	2000 £
Profit for the financial year	769,488	576,588
Dividends	(500,000)	(500,000)
Retained profit for the year	269,488	76,588
Opening equity shareholders' funds	2,489,405	2,412,817
Closing equity shareholders' funds	2,758,893	2,489,405

Irlandus Circuits Limited

Notes (continued)

21 Capital commitments

Capital commitments at the end of the financial year for which no provision has been made.

	2001 £	2000 £
Contracted	-	202,975

22 Contingent liabilities

- (i) There is a contingent liability in respect of certain government grants if the company does not comply with the terms of the current Letters of Offer from the Industrial Development Board under the Industrial Development Board (Northern Ireland) Order 1982.
- (ii) There is a contingent liability to the company's bankers in respect of an indemnity of £25,000 on payments due to the Customs & Excise. This indemnity carries a clause giving the bank recourse to the company in the event of default. The amount attached by the company at the year end was £Nil.
- (iii) The company has provided an unlimited guarantee for the bank borrowings of its parent undertaking as may be outstanding from time to time.

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

	2001 £	2000 £
Operating profit	794,998	594,631
Depreciation	733,812	644,380
Profit on disposal of fixed assets	(5,942)	(72,974)
Amortisation of government grants	(41,348)	(40,063)
Decrease/(increase) in debtors	653,261	(191,606)
Decrease in stocks	140,427	10,376
(Decrease)/increase in creditors	(333,507)	10,117
Net cash inflow from operating activities	1,941,701	954,861

Irlandus Circuits Limited

Notes (continued)

24 Analysis of net debt

	At 1 July 2000 £	Cash flow £	Non cash movement £	At 30 June 2001 £
Cash at bank and in hand	61,798	450,469	-	512,267
Debt due within one year	(32,148)	2,148	-	(30,000)
Debt due after one year	(157,852)	27,852	-	(130,000)
Finance leases	(773,571)	365,988	(442,747)	(850,330)
	<u>(901,773)</u>	<u>846,457</u>	<u>(442,747)</u>	<u>(498,063)</u>

25 Reconciliation of net cash flow to movement in net debt

	2001 £	2000 £
Increase/(decrease) in cash in the year	450,469	(745,008)
Decrease in debt	30,000	9,938
Decrease in finance leases	365,988	303,542
	<u>846,457</u>	<u>(431,528)</u>
Change in net debt resulting from cashflow	846,457	(431,528)
Non-cash movements	(442,747)	(222,511)
	<u>403,710</u>	<u>(654,039)</u>
Movement in net debt in the year	403,710	(654,039)
Net debt at the beginning of the year	(901,773)	(247,734)
	<u>(498,063)</u>	<u>(901,773)</u>
Net debt at the end of the year	(498,063)	(901,773)

26 Major non-cash transactions

There were no major non-cash transactions entered into during the year, not disclosed elsewhere in the financial statements.

Irlandus Circuits Limited

Notes (continued)

27 Related party transactions

The ultimate controlling party is SF Ritchie, a director. The immediate controlling party is Fast Track Circuits Limited.

During the year the company transacted with its parent undertaking, Fast Track Circuits Limited, in which the directors have a controlling interest. The company has availed of the exemption available under FRS 8 'Related Party Transactions' in that it is a 100% subsidiary and the transactions are eliminated in the consolidated financial statements of Fast Track Circuits Limited.

28 Ultimate parent undertaking

The company is a subsidiary undertaking of Fast Track Circuits Limited, a company incorporated in Northern Ireland. Fast Track Circuits Limited is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are prepared. Copies of the group financial statements are available at the following address:

Registry of Companies
IDB House
64 Chichester Street
Belfast