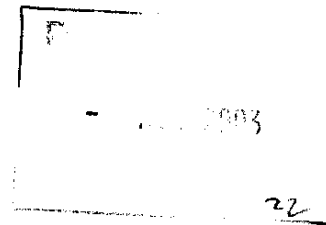




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Chartered Accountants

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

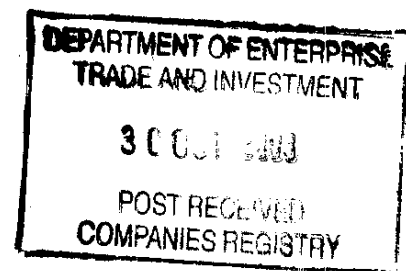


Irlandus Circuits Limited

Financial statements

Year ended 30 June 2002

Company registration number: NI 15962





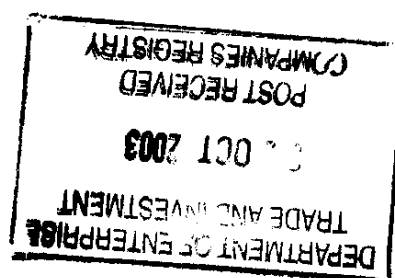
Irlandus Circuits Limited

Directors' report and financial statements

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Irlandus Circuits Limited

Directors and other information

Directors

R G Adair
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 Markets Limited
11-16 Donegall Square East
Belfast
BT1 6HD

Solicitors

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

Registered office

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 2002.

Principal activities

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

Results

The loss on ordinary activities before taxation was £521,046 (2001: profit £769,488) on which there was no tax charge. (2001: £Nil).

Business review

Sales revenues decreased by £3,587,489 in the full year, or 54.1%. This reflects the slowdown in all electronics demand which commenced in the April to June quarter of 2001 and has continued throughout our financial year.

As a result there was an operating loss of £517,797 and a net loss before taxation of £521,046. Much of management's time has been spent on re-shaping the company's structures to adjust to the dramatic change to market demand.

Irlandus Circuits specialises in providing the fabrication of 'time critical' prototype and pre-production printed circuit boards (PCB)s to the electronics industry. The company is a leader in the quick-turn segment (i.e. 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 provide our customers with a fast, efficient 'Time to Market Solution'.

Dividends

The directors do not propose to declare a dividend for the year. (2001: £500,000).

Irlandus Circuits Limited

Directors' report *(continued)*

Tangible fixed assets

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

Political and charitable contributions

The company made no political contributions during the year (2001: £Nil). Charitable donations amounted to £85 (2001: £410).

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 2002 the company's aggregate amount of 'creditors days' was 67 days (2001: 73 days).

Directors and secretary

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

R G Adair
H F Cushnahan CBE (resigned 1 October 2002)
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 accounts of the parent undertaking.

(ii) Interest in contracts

The directors have no interests in contracts other than those disclosed in Note 26 to the financial statements.



Irlandus Circuits Limited

Directors' report (*continued*)

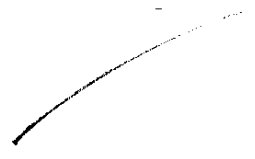
Auditors

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

A handwritten signature in cursive script, appearing to read 'Sean Ritchie'.

S F Ritchie
Secretary



28 April 2003

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 Northern Ireland laws 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:

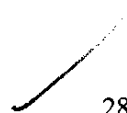
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare 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



28 April 2003



Chartered Accountants

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

Independent auditors' report to the members of Irlandus Circuits Limited

We have audited the financial statements on pages 8 to 25.

This report is made solely to the company's members as a body in accordance with article 243 of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 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.





Chartered Accountants

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


Independent auditors' report to the members of Irlandus Circuits Limited *(continued)*

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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

KPMG
Chartered Accountants
Registered Auditors

28 April 2003



Irlandus Circuits Limited

Profit and loss account

Year ended 30 June 2002

	Note	2002 £	2001 £
Turnover - continuing operations	2	3,041,674	6,629,163
Cost of sales		(2,915,566)	(4,956,614)
Gross profit		126,108	1,672,549
Selling and distribution costs		(284,386)	(401,768)
Administration costs		(359,519)	(475,783)
Operating (loss)/profit - continuing operations		(517,797)	794,998
Other interest receivable	3	7,324	6,036
Interest payable and similar charges	4	(10,573)	(31,546)
(Loss)/profit on ordinary activities before taxation	5	(521,046)	769,488
Tax on profit on ordinary activities	8	-	-
(Loss)/profit for the financial year		(521,046)	769,488
Dividends	9	-	(500,000)
Retained (loss)/profit for the financial year	19	(521,046)	269,488

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

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 11 to 25 form part of these financial statements.

Irlandus Circuits Limited

Balance sheet

At 30 June 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,431,108		2,055,986
Current assets					
Stocks	11	155,418		265,850	
Debtors:					
Amounts falling due within one year	12	535,656		639,885	
Amounts falling due after one year	12	1,378,103		1,238,614	
Cash at bank and in hand		207,078		512,267	
		<u>2,276,255</u>		<u>2,656,616</u>	
Creditors: Amounts falling due within one year	13	<u>(769,171)</u>		<u>(1,059,171)</u>	
Net current assets			<u>1,507,084</u>		<u>1,597,445</u>
Total assets less current liabilities			<u>2,938,192</u>		<u>3,653,431</u>
Creditors: Amounts falling due after more than one year	14		<u>(515,044)</u>		<u>(666,048)</u>
Accruals and deferred income	16		<u>(185,301)</u>		<u>(228,490)</u>
Net assets			<u><u>2,237,847</u></u>		<u><u>2,758,893</u></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		179,840		700,886
Equity shareholders' funds	20		<u><u>2,237,847</u></u>		<u><u>2,758,893</u></u>

The financial statements were approved by the board of directors on 28 April 2003 and were signed on its behalf by:



S F Ritchie
Director



R G Adair
Director

The notes on pages 11 to 25 form part of these financial statements.

Irlandus Circuits Limited

Cashflow statement

For the year ended 30 June 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	23	(1,886)	1,941,701
Returns on investments and servicing of finance	24a	(5,968)	(29,407)
Taxation	24b	(896)	-
Capital expenditure and financial investment	24c	(127,209)	(1,065,837)
Financing	24d	(169,230)	(395,988)
		<hr/>	<hr/>
(Decrease)/increase in cash in the year	25	(305,189)	450,469
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net debt

For the year ended 30 June 2002

	Note	2002 £	2001 £
(Decrease)/increase in cash in the year		(305,189)	450,469
(Increase)/decrease in debt		(75,000)	30,000
Decrease in finance leases		244,230	365,988
		<hr/>	<hr/>
Change in net debt resulting from cashflows		(135,959)	846,457
Non-cash movements		-	(442,747)
		<hr/>	<hr/>
Movement in net debt in the year		(135,959)	403,710
Net debt at the beginning of the year		(498,063)	(901,773)
		<hr/>	<hr/>
Net debt at the end of the year	25	(634,022)	(498,063)
		<hr/>	<hr/>

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 except in respect of accounting for deferred tax. The company has adopted FRS 19 'Deferred tax' in these financial statements. Previously deferred tax was only required to be provided on assets and liabilities, where it was expected that the tax would crystallize in the foreseeable future. The adoption of FRS 19 has not given rise to any adjustment in the current or prior year due to the availability of losses in the company.

(i) 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.

The company has incurred a loss for the year of £521,046. The projections prepared by the directors indicate that difficult trading conditions are expected to continue. However the company continues to have strong net assets and the continuing support of the directors and the company's bankers. The directors are also exploring a number of opportunities to improve performance. In these circumstances the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

(ii) 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 2001 fell on 29 June, and for fiscal year 2002 fell on 28 June.

In these accounts 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 28 June 2002.

Irlandus Circuits Limited

Notes (continued)

1 Principal accounting policies (continued)

(iii) Tangible fixed assets and depreciation

Land is not depreciated. All other tangible fixed assets are stated at historical cost less accumulated 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	-	Rates on a straight line basis depending upon the nature of the equipment 20% and 33.3%
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 accruals and deferred income in the balance sheet and credited to trading profit over the estimated useful economic lives of the assets to which they relate.

(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.

Irlandus Circuits Limited

Notes (continued)

1 Principal accounting policies (continued)

(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.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

(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.

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of printed circuit boards to customers during the financial period.

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.

Irlandus Circuits Limited

Notes (continued)

3 Other interest receivable

	2002	2001
	£	£
Interest from short term deposits	7,324	6,036

4 Interest payable and similar charges

	2002	2001
	£	£
Interest on bank loans and overdrafts wholly repayable within five years	13,089	17,470
Finance (credits receivable)/charges payable in respect of finance leases and hire purchase contracts	(2,516)	14,076
	10,573	31,546

5 (Loss)/profit on ordinary activities before taxation

The (loss)/profit on ordinary activities before taxation has been arrived at after (crediting)/charging the following items:

	2002	2001
	£	£
Auditors' remuneration - audit	9,250	10,250
- other services	2,550	2,550
Profit on disposal of tangible fixed assets	-	(5,942)
Exchange (gains)/losses	(485)	1,580
Depreciation of tangible fixed assets - owned	297,942	361,111
- leased	332,442	372,701
Capital grants released	(43,189)	(41,348)
Research and development expenditure	41,192	60,095

Irlandus Circuits Limited

Notes (continued)

6 Remuneration of directors

	2002 £	2001 £
Directors' remuneration (including benefits in kind)	<u>146,321</u>	<u>175,096</u>

There were no pension contributions made for the directors during the year (2001: £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.

7 Staff numbers and costs

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

	2002 No.	2001 No.
Production	80	107
Sales	8	8
Administration	7	8
	<u>95</u>	<u>123</u>

The aggregate payroll costs of these persons were as follows:

	2002 £	2001 £
Wages and salaries	1,271,579	1,943,738
Social security costs	107,170	166,810
	<u>1,378,749</u>	<u>2,110,548</u>

Irlandus Circuits Limited

Notes (continued)

8 Tax on profit on ordinary activities

	2002 £	2001 £
a) Analysis of tax charge in the period		
Current tax on loss/profit for the year	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
b) Factors affecting the current tax charge for the period		
The current tax charge of £Nil (2001: £Nil) differs from the standard rate of corporation tax in the UK (19.75%) (2001: 20%). The differences are explained below:		
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	(521,046)	769,488
Current tax @ 19.75% (20%)	(102,906)	153,898
Effects of:		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	(6,648)	(7,139)
Capital allowances for period less than/(in excess of) depreciation	47,721	(72,022)
Other timing differences	61,833	(73,530)
Group relief	-	(1,207)
	<hr/>	<hr/>
Total charge for the year	-	-
	<hr/>	<hr/>
c) Factors that may affect future tax charges		
Future tax charges may be reduced by the availability of tax losses carried forward of £3,460,863 (2001: £3,145,265)		

9 Dividends

	2002 £	2001 £
Equity dividends on ordinary shares:		
Final Proposed £Nil (2001: 24.97p per share)	-	500,000
	<hr/>	<hr/>
	-	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> £
<i>Cost</i>				
At 1 July 2001	3,804,909	7,069,053	73,736	10,947,698
Additions in year	-	1,134	4,372	5,506
At 30 June 2002	3,804,909	7,070,187	78,108	10,953,204
<i>Depreciation</i>				
At 1 July 2001	3,174,779	5,676,447	40,486	8,891,712
Charged in year	78,456	535,280	16,648	630,384
At 30 June 2002	3,253,235	6,211,727	57,134	9,522,096
<i>Net book value</i>				
At 30 June 2002	551,674	858,460	20,974	1,431,108
At 30 June 2001	630,130	1,392,606	33,250	2,055,986

Included in the total net book value of plant and machinery is £561,640 (2001: £878,215) in respect of assets held under finance leases. Depreciation for the period on these assets was £316,575 (2001: £354,267).

Included in the total net book value of motor vehicles is £17,383 (2001: £33,250) in respect of assets held under finance lease agreements and hire purchase contracts. Depreciation for the year on these assets was £15,867 (2001: £18,434).

Irlandus Circuits Limited

Notes (continued)

11 Stocks

	2002 £	2001 £
Raw materials	75,162	149,661
Work in progress	80,256	116,189
	<hr/>	<hr/>
	155,418	265,850
	<hr/>	<hr/>

In the opinion of the directors there is no material difference between the replacement cost of stocks and their balance sheet carrying amounts.

12 Debtors

	2002 £	2001 £
<i>Due in less than one year:</i>		
Trade debtors	462,181	559,924
Other debtors	44,810	51,748
Prepayments and accrued income	28,665	28,213
	<hr/>	<hr/>
	535,656	639,885
<i>Due in more than one year:</i>		
Amounts owed by parent undertaking	1,378,103	1,238,614
	<hr/>	<hr/>
	1,913,759	1,878,499
	<hr/>	<hr/>

Irlandus Circuits Limited

Notes (continued)

13 Creditors: Amounts falling due within one year

	2002 £	2001 £
<i>Loans and other borrowings (Note 15)</i>		
Obligations under hire purchase and finance leases	296,056	314,282
Bank loan	30,000	30,000
	<hr/>	<hr/>
	326,056	344,282
<i>Other creditors</i>		
Trade creditors	293,769	447,030
Taxation and social security	26,923	25,154
Other creditors	122,423	242,705
	<hr/>	<hr/>
	769,171	1,059,171
	<hr/>	<hr/>

14 Creditors: Amounts falling due after more than one year

	2002 £	2001 £
<i>Loans and other borrowings (Note 15)</i>		
Obligations under finance lease and hire purchase contracts	310,044	536,048
Bank loan	205,000	130,000
	<hr/>	<hr/>
	515,044	666,048
	<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	296,056	199,752	110,292	-	606,100
Bank loan	30,000	30,000	90,000	85,000	235,000
	<u>326,056</u>	<u>229,752</u>	<u>200,292</u>	<u>85,000</u>	<u>841,100</u>

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

16 Accruals and deferred income

	2002 £	2001 £
<i>Government grants</i>		
At 1 July 2001	228,490	252,052
Receivable during the year	-	17,786
Credited to profit and loss account	(43,189)	(41,348)
	<u>185,301</u>	<u>228,490</u>
At 30 June 2002		

Irlandus Circuits Limited

Notes (continued)

17 Provision for liabilities and charges

Deferred taxation

No provision has been made for deferred tax as a deferred tax asset exists but has not been recognized as its recoverability is not certain.

	2002 £	2001 £
The elements of deferred taxation are as follows:		
Difference between accumulated depreciation and amortisation and capital allowances	(94,388)	(47,761)
Other timing differences	(5,234)	(5,300)
Tax losses	(683,520)	(629,053)
	<hr/>	<hr/>
Deferred tax asset (not recognized)	(783,142)	(682,114)
	<hr/>	<hr/>

18 Called up share capital

	2002 £	2001 £
<i>Authorised:</i>		
Ordinary shares of £1 each	2,002,289	2,002,289
	<hr/>	<hr/>
<i>Allotted and fully paid:</i>		
Ordinary shares of £1 each	2,002,289	2,002,289
	<hr/>	<hr/>

19 Reserves

	<i>Profit & loss account</i> £	<i>Capital reserve</i> £
At 1 July 2001	700,886	55,718
Retained loss for the year	(521,046)	-
	<hr/>	<hr/>
At 30 June 2002	179,840	55,718
	<hr/>	<hr/>

Irlandus Circuits Limited

Notes (continued)

20 Reconciliation of movement on equity shareholders' funds

	2002 £	2001 £
(Loss)/profit for the financial year	(521,046)	769,488
Dividends	-	(500,000)
	<hr/>	<hr/>
Net (reduction in)/addition to shareholders' funds	(521,046)	269,488
Opening equity shareholders' funds	2,758,893	2,489,405
	<hr/>	<hr/>
Closing equity shareholders' funds	2,237,847	2,758,893
	<hr/>	<hr/>

21 Capital commitments

There are no capital commitments at the end of the financial year.

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 Invest Northern Ireland (formerly the Industrial Development Board) under the Industrial Development Board (Northern Ireland) Order 1982, as amended by the Industrial Development Act (Northern Ireland) 2002.
- (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.

Irlandus Circuits Limited

Notes (continued)

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

	2002 £	2001 £
Operating (loss)/profit	(517,797)	794,998
Depreciation	630,384	733,812
Profit/loss on disposal of tangible fixed assets	-	(5,942)
Amortisation of government grants	(43,189)	(41,348)
Decrease in debtors	89,008	653,261
Decrease in stocks	110,432	140,427
Decrease in creditors	(270,724)	(333,507)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(1,886)	1,941,701
	<hr/>	<hr/>

24 Analysis of cash flows for headings in the cash flow statement

	2002 £	2001 £
a) Returns on investments and servicing of finance		
Interest received	4,759	2,096
Interest paid	(13,015)	(17,565)
Interest element of finance lease payments	2,288	(13,938)
	<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance	(5,968)	(29,407)
	<hr/>	<hr/>
b) Taxation		
Corporation tax paid	(896)	-
	<hr/>	<hr/>

Irlandus Circuits Limited

Notes (continued)

24 Analysis of cash flows for headings in the cash flow statement (continued)

	2002 £	2001 £
c) Capital expenditure and financial investment		
Purchase of tangible assets	(5,506)	(147,321)
Government grants received	17,786	14,578
Disposal of tangible assets	-	77,150
Advances to parent undertaking	(139,489)	(1,010,244)
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(127,209)	(1,065,837)
	<hr/>	<hr/>
d) Financing		
Receipt of long term loan	75,000	-
Repayment of long term loans	-	(30,000)
Capital element of finance lease payments	(244,230)	(365,988)
	<hr/>	<hr/>
Net cash outflow from capital from financing	(169,230)	(395,988)
	<hr/>	<hr/>

25 Analysis of net debt

	At 1 July 2001 £	Cash flow £	At 30 June 2002 £
Cash at bank and in hand	512,267	(305,189)	207,078
Debt due within one year	(30,000)	-	(30,000)
Debt due after one year	(130,000)	(75,000)	(205,000)
Finance leases	(850,330)	244,230	(606,100)
	<hr/>	<hr/>	<hr/>
Net debt	(498,063)	(135,959)	(634,022)
	<hr/>	<hr/>	<hr/>

Irlandus Circuits Limited

Notes *(continued)*

26 Related party transactions

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

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.

27 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