

C. 1000

**ACS INDUSTRIES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2001**



Company no 1579286

**ACS INDUSTRIES LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 30 June 2001

---

Company registration number: 1579286

Registered office: Huffwood Trading Estate  
Brookers Road  
Billingshurst  
West Sussex  
RH14 9UR

Directors: Mr M G Hebden  
Mr G Barclay

Secretary: Mr M G Hebden

Bankers: Barclays Bank plc  
Deutsche Bank  
Barclays Bank Paris

Solicitors: Argles Stoneham Burstows

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants

ACS INDUSTRIES LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2001

---

INDEX	PAGE
Report of the directors	1 - 2
Report of the auditors	3
Principal accounting policies	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 17

# ACS INDUSTRIES LIMITED

## REPORT OF THE DIRECTORS

---

The directors present their report together with financial statements for the year ended 30 June 2001.

### Principal activities

The company is principally engaged in supplying sub-contract services to the printed circuit industry. These include the drilling and profiling of printed circuit boards, laser drilling, masslamination and bonding of multilayer boards, supply of carbide drills and routers and repointing of carbide drills.

The company is also the UK and Eire sole distributor for a range of precision carbide cutting tools.

### Business review

The year began with quite promising trading conditions but unfortunately the second half saw a downturn in international demand for pcb's in particular led by a sharp decline in the telecom's sector. The directors took steps to adjust to this change in the market place and this process is continuing during the current year.

The result for the year was also affected by research and development expenditure. In particular the company has continued to develop its production capability in high density interconnect technology using laser drilling which, the directors believe, will enable the company to remain at the forefront of the pcb sector.

There was a loss for the year after taxation amounting to £95,354 (2000: profit £113,645). The directors recommend payment of dividends of £5,911 (2000: £21,250).

### Directors

The present membership of the Board is set out below. Both directors served throughout the year. In accordance with the Articles of Association Mr G Barclay retires by rotation and being eligible, offers himself for re-election.

The interests of the directors and their families in the shares of the company as at 30 June 2001 and 1 July 2000, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	30 June 2001	1 July 2000
Mr M G Hebden	5,000	5,000
Mr G Barclay	5,000	5,000

No director had, during or at the end of the year, any material interest in a contract which was significant in relation to the company's business.

No rights to subscribe for shares in, or debentures of, the company were granted to or exercised by the directors during the year.

**ACS INDUSTRIES LIMITED**

**REPORT OF THE DIRECTORS**

---

**Directors' responsibilities for the financial statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



25 April 2002

Director

M. G. Hebden

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
ACS INDUSTRIES LIMITED**

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on pages 4 to 5.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

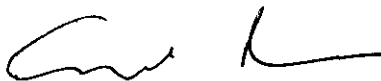
**Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

PETERSFIELD 26 April 2002

# ACS INDUSTRIES LIMITED

## PRINCIPAL ACCOUNTING POLICIES

---

### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention except that certain items of plant and machinery are shown under the transitional provisions of FRS 15 - Tangible Fixed Assets.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated on the reducing balance basis to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Plant and machinery	15% - 25%
Motor vehicles	25%
Computer and office equipment	25%

### STOCKS

Stocks are stated at the lower of cost and net realisable value.

### DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

### FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

### LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

### CONTRIBUTIONS TO PENSION FUNDS

#### Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

**ACS INDUSTRIES LIMITED**

**PRINCIPAL ACCOUNTING POLICIES**

---

**RESEARCH AND DEVELOPMENT**

Research and development expenditure is charged to profits in the period in which it is incurred. Development costs incurred are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with the expected sales use arising from the projects. All other development costs are written off in the year of expenditure.



**ACS INDUSTRIES LIMITED**

**PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2001

	Note	2001 £	2000 £
<b>Turnover</b>	1	2,490,439	3,043,329
Cost of sales		(1,906,214)	(2,199,059)
Gross profit		584,225	844,270
Administrative expenses		(665,644)	(660,400)
<b>Operating loss</b>		(81,419)	183,870
Net interest	2	(29,935)	(48,858)
<b>Loss on ordinary activities before taxation</b>	1	(111,354)	135,012
Tax on loss on ordinary activities	5	16,000	(21,367)
<b>Loss for the financial year</b>	16	(95,354)	113,645
Dividends	6	(5,911)	(21,250)
<b>Loss transferred from reserves</b>	15	(101,265)	92,395

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	2001 £	2000 £
Loss on ordinary activities before taxation	(111,354)	135,012
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	2,678	3,151
Historical cost loss on ordinary activities before taxation	(108,676)	138,163
Historical cost loss transferred from reserves	(98,587)	95,546

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.


ACS INDUSTRIES LIMITED

BALANCE SHEET AT 30 JUNE 2001

	Note	2001 £	2001 £	2000 £	2000 £
<b>Fixed assets</b>					
Tangible assets	7		661,234		758,923
<b>Current assets</b>					
Stocks	8	193,267		214,123	
Debtors	9	403,083		690,242	
Cash at bank and in hand		146,170		242,670	
		<u>742,520</u>		<u>1,147,035</u>	
<b>Creditors: amounts falling due within one year</b>	10	<b>(394,927)</b>		<b>(720,505)</b>	
<b>Net current assets</b>			<b>347,593</b>		<b>426,530</b>
<b>Total assets less current liabilities</b>			<b>1,008,827</b>		<b>1,185,453</b>
<b>Creditors: amounts falling due after more than one year</b>	11		<b>(227,229)</b>		<b>(286,590)</b>
<b>Provisions for liabilities and charges</b>	12		<b>(5,000)</b>		<b>(21,000)</b>
			<u>776,598</u>		<u>877,863</u>
<b>Capital and reserves</b>					
Called up share capital	14		10,000		10,000
Revaluation reserve	15		15,177		17,855
Capital redemption reserve	15		5,000		5,000
Profit and loss account	15		746,421		845,008
<b>Shareholders' funds</b>	16		<b>776,598</b>		<b>877,863</b>

The financial statements were approved by the Board of Directors on 25th April 2002

Director

  
G. Barclay.

The accompanying accounting policies and notes form an integral part of these financial statements.

ACS INDUSTRIES LIMITED

CASH FLOW STATEMENT

For the year ended 30 June 2001

	Note	2001 £	2000 £
Net cash inflow from operating activities	17	63,796	513,320
<b>Returns on investments and servicing of finance</b>			
Interest received		3,079	2,499
Interest paid		(19,582)	(19,343)
Finance lease interest paid		(15,238)	(31,926)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(31,741)</b>	<b>(48,770)</b>
<b>Taxation</b>		<b>(367)</b>	<b>-</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(31,942)	(91,720)
Sale of tangible fixed assets		2,765	3,585
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(29,177)</b>	<b>(88,135)</b>
<b>Equity dividends paid</b>		<b>(15,911)</b>	<b>(11,250)</b>
<b>Financing</b>			
Receipts from borrowings		200,000	-
Repayment of borrowings		(226,667)	-
Capital element of finance lease rentals		(56,433)	(119,699)
<b>Net cash outflow from financing</b>		<b>(83,100)</b>	<b>(119,699)</b>
<b>Decrease in cash</b>	18	<b>(96,500)</b>	<b>245,466</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

# ACS INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

### 1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after:	2001 £	2000 £
Auditors' remuneration	6,000	6,000
Depreciation and amortisation:		
Tangible fixed assets, owned	104,865	102,376
Tangible fixed assets, held under finance leases and hire purchase contracts	39,037	40,145
Hire of plant and machinery	434	-
Other operating lease rentals	69,206	88,900

The geographical analysis of turnover and profit has not been disclosed.

### 2 NET INTEREST

	2001 £	2000 £
On bank loans and other loans	14,355	18,926
Finance charges in respect of finance leases	17,280	31,926
Other interest payable and similar charges	1,379	505
	<u>33,014</u>	<u>51,357</u>
Other interest receivable and similar income	(3,079)	(2,499)
	<u>29,935</u>	<u>48,858</u>

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	2001 £	2000 £
Wages and salaries	1,051,619	922,293
Social security costs	91,699	80,158
	<u>1,143,318</u>	<u>1,002,451</u>

The average number of employees of the company during the year was 78 (2000: 64).

Remuneration in respect of directors was as follows:	2001 £	2000 £
Emoluments	79,431	70,686

During the year 2 directors (2000: 2) were accruing retirement benefits under money purchase pension schemes.

ACS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

---

4 PENSIONS

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company. The pension cost charge for the year was £nil (2000 : £nil).

5 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit represents:

	2001 £	2000 £
UK Corporation tax	-	367
Deferred taxation	(16,000)	21,000
	<u>(16,000)</u>	<u>21,367</u>

The directors estimate that the amount of available trading losses carried forward at 30 June 2001 is £320,000 (2000 : £240,000).

6 DIVIDENDS

	2001 £	2000 £
Ordinary shares - interim dividend of 59p (2000 : 212.5p) per share	<u>5,911</u>	<u>21,250</u>

ACS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

7 TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Office & computer equipment £	Total £
Cost or valuation				
At 1 July 2000	2,106,265	105,662	97,795	2,309,722
Additions	8,705	43,411	-	52,116
	2,114,970	149,073	97,795	2,361,838
Disposals	(800)	(32,935)	-	(33,735)
At 30 June 2001	2,114,170	116,138	97,795	2,328,103
Depreciation				
At 1 July 2000	1,432,199	50,175	68,425	1,550,799
Provided in the year	116,714	19,846	7,342	143,902
	1,548,913	70,021	75,767	1,694,701
Eliminated on disposals	-	(27,832)	-	(27,832)
At 30 June 2001	1,548,913	42,189	75,767	1,666,869
Net book amount at 30 June 2001	<u>565,257</u>	<u>73,949</u>	<u>22,028</u>	<u>661,234</u>
Net book amount at 30 June 2000	<u>674,066</u>	<u>55,487</u>	<u>29,370</u>	<u>758,923</u>

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £	Motor vehicles £
Net book amount at 30 June 2001	<u>144,392</u>	<u>55,309</u>
Net book amount at 30 June 2000	<u>171,084</u>	<u>39,512</u>
Depreciation provided during year	<u>26,692</u>	<u>12,345</u>

**ACS INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2001

The figures stated above for cost or valuation include valuations as follows:

	<b>Plant and machinery</b>	
	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
At cost	<b>157,055</b>	157,055
Valuation - 1994	<b>55,697</b>	55,697
	<b>212,752</b>	<b>212,752</b>

The company has adopted the transitional provisions of FRS 15 relating to tangible fixed assets, and the valuation of certain items of plant and machinery has not been updated. The date of the last valuation was 1994.

If certain items of plant and equipment had not been revalued, they would have been included on the historical cost basis at the following amount:

	<b>Plant and machinery</b>
	<b>£</b>
Cost	362,995
Accumulated depreciation	347,818
Net book amount at 30 June 2001	<b>15,177</b>
Net book amount at 30 June 2000	<b>17,855</b>

**8 STOCKS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Raw materials	<b>23,264</b>	26,889
Short-term work in progress	<b>25,750</b>	8,803
Finished goods and goods for resale	<b>144,253</b>	178,431
	<b>193,267</b>	<b>214,123</b>

**9 DEBTORS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>360,490</b>	650,009
Prepayments and accrued income	<b>42,593</b>	40,233
	<b>403,083</b>	<b>690,242</b>

ACS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Pension fund loan	-	40,000
Bank loans and overdrafts	33,479	-
Trade creditors	183,059	454,573
Corporation tax	-	367
Social security and other taxes	108,293	141,987
Proposed dividends	-	10,000
Accruals and deferred income	14,421	20,859
Amounts due under finance leases	55,675	52,719
	<u>394,927</u>	<u>720,505</u>

The bank loans and overdrafts are secured by a fixed and floating charge over all of the company's assets and on named life assurance policies.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
Pension fund loan	-	180,000
Bank loans	159,854	-
Amounts due under finance leases	67,375	106,590
	<u>227,229</u>	<u>286,590</u>

Bank loans

The bank loans are secured by a fixed and floating charge over the company's assets and on named life assurance policies. The bank loans are repayable in equal monthly instalments of £4,104 from April 2001.

Borrowings are repayable as follows:

	2001 £	2000 £
Within one year		
Bank and other borrowings	33,479	40,000
Finance leases	55,675	52,719
After one and within two years		
Bank and other borrowings	37,352	180,000
Finance leases	46,210	48,197
After two and within five years		
Bank and other borrowings	122,502	-
Finance leases	21,165	58,393
	<u>316,383</u>	<u>379,309</u>



ACS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

12 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 July 2000	21,000
Released during the year	(16,000)
At 30 June 2001	<u>5,000</u>

13 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	Amount provided	
	2001 £	2000 £
Accelerated capital allowances	69,000	74,000
Less:		
Trading losses	(64,000)	(53,000)
	<u>5,000</u>	<u>21,000</u>

14 SHARE CAPITAL

	2001 £	2000 £
Authorised 15,000 Ordinary £1 shares	<u>15,000</u>	<u>15,000</u>
Allotted, called up and fully paid 10,000 Ordinary £1 shares	<u>10,000</u>	<u>10,000</u>

**ACS INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2001

**15 RESERVES**

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 July 2000	17,855	5,000	845,008
Retained loss for the year	-	-	(101,265)
Transfer from revaluation reserve to profit and loss account	(2,678)	-	2,678
At 30 June 2001	<u>15,177</u>	<u>5,000</u>	<u>746,421</u>

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001 £	2000 £
Loss for the financial year	(95,354)	113,645
Dividends	(5,911)	(21,250)
Net decrease in shareholders' funds	<u>(101,265)</u>	<u>92,395</u>
Shareholders' funds at 1 July 2000	877,863	785,468
Shareholders' funds at 30 June 2001	<u>776,598</u>	<u>877,863</u>

**17 NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating loss	(81,419)	183,870
Depreciation	143,902	142,521
Loss on sale of tangible fixed assets	3,138	3,639
Decrease in stocks	20,856	(48,248)
Decrease in debtors	287,159	(23,473)
Decrease in creditors	(309,840)	255,011
Net cash inflow from continuing operating activities	<u>63,796</u>	<u>513,320</u>

ACS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Decrease in cash in the year	(96,500)	245,466
Cash outflow from financing in the year	26,667	-
Cash outflow from finance leases in the year	56,433	119,699
Change in net debt resulting from cashflows	(13,400)	365,165
Inception of finance leases	(20,174)	(38,495)
Movement in net debt in the year	(33,574)	326,670
Net debt at 1 July 2000	(136,639)	(463,309)
Net debt at 30 June 2001	(170,213)	(136,639)

19 ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2000 £	Cash flow £	Non - cash items £	At 30 June 2001 £
Cash in hand and at bank	242,670	(96,500)	-	146,170
Debt	(220,000)	26,667	-	(193,333)
Finance leases	(159,309)	56,433	(20,174)	(123,050)
	(136,639)	(13,400)	(20,174)	(170,213)

20 CAPITAL COMMITMENTS

	2001 £	2000 £
Contracted for but not provided in these statements	198,454	198,454

21 CONTINGENT LIABILITIES

At 30 June 2000 the company was involved in a legal dispute with a customer claiming £35,000 compensation. This was settled during the year ended 30 June 2001.

There were no other contingent liabilities at 30 June 2001 or 30 June 2000 except in respect of deferred taxation.

ACS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

---

22 LEASING COMMITMENTS

Operating lease payments amounting to £69,258 (2000: £69,050) are due within one year. The leases to which these amounts relate expire as follows:

	2001 Land and buildings £	2000 Land and buildings £
In one year or less	9,258	9,050
In five years or more	60,000	60,000
	<u>69,258</u>	<u>69,050</u>

23 TRANSACTIONS WITH RELATED PARTIES

The following amounts were payable in the year to the ACS Industries Limited Executive Pension Scheme. The directors of ACS Industries Limited are also the members and trustees of the scheme.

	2001 £	2000 £
Rent	60,000	60,000
Interest charged on loans	14,355	18,926
Loan capital outstanding (unsecured)	-	220,000
Interest accrued but unpaid	6,627	10,772
Rent accrued but unpaid	-	2,250