Holders Technology
Annual Report & Accounts 2012

Specialised Materials, LED Components and Lighting Solutions

Year in brief

Holders Technology supplies special laminates and materials for printed circuit boards, and operates as a LED solutions provider to the lighting and industrial markets.

The overall results for 2012 were mixed: the PCB divisions faced challenging market conditions throughout 2012, especially during the first half of the year. PCB operations in China were significantly restructured, resulting in a non-cash impairment cost. The LED divisions overall performed well and made a positive contribution.

Holders Technology recorded the following results:

- Revenue 21% lower at £15.6m
- PCB revenue 30% lower; LED revenue 27% higher
- Margins 1.6% higher at 24.6%
- Overheads reduced by £355,000
- Impairment costs for China PCB operations £287,000
- Group Loss before impairment costs £78,000
- Group Loss after impairment costs £365,000
- Cash balances £700,000. No debt.
- Proposed final dividend 1.0 pence per share

Contents

Business Review

Chairman's statement

In the Chairman's Statement accompanying the Report and Accounts for the year to 30th November 2011 I said, "We see the forthcoming year as one of both significant challenge and great opportunity". Those words proved to be well chosen in that our PCB operations faced severe challenges particularly in the first half of the year, while our LED activities achieved significant sales growth and, for the first time, made a positive contribution to the overall Group result.

Our PCB activities continue to maintain their position in the markets they serve but inevitably they have been adversely affected by the continuing economic problems impacting both the UK and Europe generally. In total our PCB sales in the year declined by 30% but margin was maintained. Given the severe difficulties we experienced in the first half of the year it is pleasing to be able to report that some recovery was seen in the second half of the year. Further reductions in overheads combined with continuing successful efforts to redeploy PCB staff to our LED operations ameliorated the full potential impact of this marked fall in sales.

By contrast the general LED market is expanding, as a result of technical performance improvements and market acceptance of their economic benefits. These factors taken together give us grounds for expecting that this market will see continuing substantial growth. In the year to 30th November 2012 our LED sales grew by 27% and margins increased by 11%; our LED activities now contribute 26% of total Group margin.

Our Chinese and Indian ventures were entered into largely to service certain of our PCB customers who, at the time, required support in these markets. The venture in China also facilitated the sourcing of lower cost Far Eastern products for the Group to distribute in Europe.

While the Group has seen past benefits from both of these areas of activity, changing market conditions have required us to critically appraise our Chinese operations. The ability to utilise our Chinese and Indian low cost assembly operations to enable our European LED activities to offer customised lighting solutions is of benefit and will be retained. However, our Chinese PCB activities no longer offer the same prospects and we have therefore restructured our Chinese operations. The details of the non-cash impairment cost of this restructuring amounting to £287,000 in total, are set out in the Financial Review which follows this Statement.

As a Group our general strategy remains unchanged; we seek to maintain our position in the PCB markets we serve while further expanding our LED activities. As part of this policy during the last year we entered the market for energy efficient lighting and encouraging progress has been made particularly in the retail area.

Implementing change is difficult and disruptive and the cooperation of our staff in assisting the process within the Group has been vital in achieving the progress we have made; on behalf of the Board and shareholders I would like to thank them for their continuing commitment.

As a Board we have carefully considered the outcome for the year to 30th November 2012, the prospects for the future and the company's strong cash position. In light of these factors we consider it both justifiable and prudent to recommend a final dividend of 1.0p per share.

Inevitably having a 30th November year end will always result in a slow start to our Financial Year but I can report that the opening months of the current year have seen trading at better levels than resulted from the very difficult conditions we experienced in the opening months of the preceding year. The cost reductions already implemented across the Group, which have included salary sacrifices by the plc board, will further benefit the financial results for the first half of the current year.

We believe our PCB activities can maintain their relative position and be of continuing major benefit to the Group. The growing opportunities we see in our LED markets coupled with the commitment of our staff and the strength of our balance sheet leaves us well placed to make further progress in this area. Overall we expect a stronger performance by the Group in the current year.

R W Weinreich
Executive Chairman
14 March 2013

Business Review

Operating review

Corporate strategy

Holders is committed to maintaining its position in the PCB industry, and increasing sales and profitability in LED lighting.

The board seeks to enhance shareholder value over the medium to long term, whilst maintaining a conservative financial framework. Where an opportunity to increase market share is identified, this is addressed within the bounds of internally generated cash flow and bank facilities.

Product strategy

Holders has operated for many years as a distributor of specialised materials and equipment to the printed circuit board (PCB) industry. The European PCB industry has strengths in the defence, aerospace, automotive and medical sectors, while the Far East is dominant in the production of consumer-related electronics.

Holders continues to pursue its PCB strategy based on dual positioning: both as a low-cost source of standard products used throughout the industry; and as an exclusive supplier of technically sophisticated products to the PCB sector.

The two elements of this strategy are interdependent and complementary. The high volumes achieved on standard products ensure a competitive cost-base for this part of the business thus enabling the territorial coverage and technical support levels required to support customers who manufacture sophisticated niche products.

In addition to the PCB industry, Holders operates as a LED solutions provider to the lighting and industrial markets. The product offering ranges from single LED components, to semi assembled light modules, through to finished LED lighting products. Holders continues to expand its LED product range for the LED lighting sector, as well as developing a range of modules tailored to customers' requirements.

As well as specialising in LED solutions, Holders has furthered broadened its product portfolio, to include the offering of other energy efficient lighting solutions, such as fluorescent lighting.

Economic environment

In 2012, the PCB industry faced a difficult year, due to the economic problems within the Eurozone. With the private sector facing reduced demand and the public sector reducing investment, PCB manufacturers have experienced a marked slowdown in business.

The LED industry in 2012 continued to experience an oversupply of LEDs and strong competition between manufacturers, both resulting in continuous downward pressure on prices of LED components. The reduction in prices coupled with the efficiencies now available from LED technology is expected to lead to an increasing uptake of LED lighting products across both the commercial and domestic markets.

PCB operations

UK

UK trading operations are based in Galashiels, Scotland. The PCB industry in the UK is oriented towards the aerospace and defence industries, both of which require a broad range of products. The UK market deteriorated in 2012, resulting in a fall in revenue to £4.1m. (2011: £5.1m)

Germany

The German PCB industry is particularly driven by demand from the automotive and solar sectors. 2012 was a difficult year for the German market, leading to a fall in revenue to £7.0m. (2011: £10.6m)

LED & Lighting products

UK/Scandinavia

In addition, to its PCB business, Holders Technology UK has three LED trading divisions.

Holders Components specialises in providing LED solutions both to the general lighting market and to selected industrial and commercial market segments. Over the last year, sales have increased significantly in the UK market.

Opteon offers a range of LED products to the electrical wholesale market. Trading for the year was modest but showed an increase in profitability.

Business Review

Operating review (continued)

NRGstar, which commenced trading in March 2012, offers a range of energy efficient lighting technologies, focussing on the Retail and Commercial market segments. NRGstar commences 2013 with an encouraging sales pipeline of blue chip retail and commercial customers.

Continental Europe

In Germany, Holders Components and Opteon are trading divisions of Holders Technology GmbH and these divisions serve the rest of the European market. During the last year, both divisions increased their product offering and expanded their customer base in the German speaking markets.

Far East

Far East operations comprise: Topgrow Technologies Limited (Topgrow), a Hong Kong based holding company, and Dongguan Hui Zhan Electronic Company (DHZ), based in Dongguan, Southern China.

DHZ provides LED lighting assembly services and PCB materials.

As a result of market conditions, the ongoing PCB business in China was re-appraised. This resulted in a non cash impairment charge of £287,000. Further details are shown in the Financial Review. In 2013, we anticipate further growth on the LED side of the business and reduced business on the PCB side.

Revenue from Far East operations increased in 2012 from £1.5m to £2.0m.

India

Holders Technology (India) Private Limited provides materials and services to the local PCB industry and is also now providing LED lighting assembly services to European customers. The company has continued to make satisfactory progress.

Victoria Blaisdell
Group Managing Director
14 March 2013

Business Review

Financial review

Key performance indicators

The directors believe that the following key performance indicators are of most significance to assessment of the group's performance and financial position:

- Revenue

  The level of turnover provides an important indication of the strength of the group's product range and coverage.

- Profitability

  Profitability is largely a function of the gross margins achieved and management's success in containing administrative expenses in relation to turnover.

- Gearing and liquidity

  The group operates in a cyclical industry and the directors have consistently applied a conservative approach to financing the group's activities. The key measures are *net liquid funds* and *gearing*, which are described in more detail below.

Revenue

Group revenue from continuing operations reduced from £19.6m to £15.6m. PCB revenue reduced by £5.0m and LED revenue increased by £0.9m.

Profitability

The operating result before exceptional items was a loss of £0.1m compared to a profit £0.4m in 2011. The gross profit margin was 24.6% compared to 23.0% in 2011.

During the year the Group's China PCB operations were reviewed. The operations have been restructured and the non-profitable elements will be discontinued. This has resulted in a non-cash impairment cost totalling £287,000. Details are shown in note 7 of the financial statements.

Total administrative expenses were reduced by £355,000 compared to 2012. However, due to the lower sales levels, the administration cost as a proportion of revenue increased from 19.5% in 2012 to 22.7% in 2012. Cost savings made during 2012 should further reduce overhead costs in 2013.

The group loss before tax, after including exceptional items, was £0.4m compared with £0.4m profit before tax last year.

Post tax result

The loss for the financial year after tax, attributable to equity shareholders was £0.4m (2011: profit of £0.4m). The basic loss per share was 9.49p per share (2011: profit 6.70p per share). The fully diluted loss per share was 9.49p per share (2011: profit 6.63p per share).

Dividends

The board proposes a final dividend of 1.0p per share to be paid on 21 May 2013 to shareholders on the register on 1 May 2013. Including the 1.0p interim dividend already paid on 2 October 2012 the total dividend for 2012 would be 2.0p (2011: 5.35p).

Principal risks and uncertainties

The directors believe that the following are the principal risks and uncertainties faced by the group:

- **Competition**

  Both the PCB and LED sectors are highly competitive and the group faces competition from a wide range of companies. The group continually seeks out the most cost-effective sources for its products in order to remain competitive.

- **Customers**

  The group is exposed to the risk of bad debts. Within the major European markets, the group uses credit analysis data to monitor customer risk levels and maintain appropriate credit limits. Credit insurance is used for UK customers where it is available.

- **Suppliers**

  As with any distribution business, the group is dependent on maintaining supply. The group has diversified its product range and sources in order not to be overly dependent on any single supplier.

Cash flow, liquidity and financing

As a result of the reduced sales levels the group was able to reduce stock levels from £3.8m in 2011 to £3.2m in 2012.

Business Review

Financial review (continued)

The group maintains overdraft and trade financing facilities with its banks to meet short term financing requirements during the year. European requirements were denominated in euros. At 30 November 2012, the group had net cash of £0.7m compared with £0.1m at the previous year end.

At 30 November 2012 the group had *net liquid funds* (trade and other receivables plus cash minus current liabilities) of £1.6m compared to £1.4m in the preceding year.

Net assets per ordinary share at 30 November 2012 were £1.24 compared with £1.44 in 2011.

Derivatives and other financial instruments

Operations are financed by a mixture of retained profits and overdrafts. The board's current policy is to use variable rate overdraft facilities in order to maintain short term flexibility. At 30 November 2012, the group had *gearing*, being debt divided by debt plus shareholders' funds, of 0.0% (2012: 0.4%).

The group's financial instruments, other than forward currency contracts, comprise borrowings, cash and items, such as trade receivables and payables that arise directly from its operations. The main purpose of these instruments is to raise finance for operations.

It is, and has been throughout the period under review, the group's policy that no trading in financial instruments shall be undertaken.

Currency risk and exposure

The group enters into derivatives transactions, in the form of forward currency contracts that are used to manage the currency risks arising from purchases from foreign suppliers where the products are sold in local currencies. Forward currency contracts have also been used to reduce the company's foreign currency exposure when it has provided euro loans to finance its European subsidiaries.

The overseas sales operations are in the European Community, China and India. The group has currency exposures in US dollars, euros, Hong Kong dollars and the Chinese Renminbi. Although day to day transactional exposures are regularly covered by forward contracts, the group has an underlying exposure, particularly to the euro. At the year end forward USD purchase contracts totalling £587,000 were held as detailed in note 21.

Conclusion

The group continues to operate a conservative financial policy, which leaves it well placed to benefit from future growth opportunities.

Paul Geraghty
Group Finance Director

14 March 2013

Governance

Company information

Directors	R W Weinreich, Executive Chairman V M Blaisdell, BSc, Group Managing Director P K I Geraghty BSc, ACA, Group Finance Director D A Mahony, BA (Econ), MSc, Non-Executive Director
Secretary	P K I Geraghty BSc, ACA
Registered office	Elstree House Elstree Way Borehamwood Hertfordshire WD6 1SD
Website	www.holderstechnology.com
Registered number	1730535
Auditors	Grant Thornton UK LLP 101 Cambridge Science Park Milton Road Cambridge CB4 0FY
Bankers	HSBC City CBC 60 Queen Victoria Street London EC4N 4TR
Registrars	Neville Registrars Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Nominated Advisor and Broker	Northland Capital Partners Limited 60 Gresham Street London EC2V 7BB

Governance

Report of the directors

Principal activities
The principal activity of the group is to provide specialised materials, components, finished goods and services for the electronics and lighting sectors.

Business review and future developments
A review of the year and likely developments is contained in the Chairman's Statement and the Business Review.

Results and dividends
The group made a loss after taxation for the financial year attributable to shareholders of £374,000 (2011: profit £264,000).

Full details are contained in the consolidated income statement on page 14. The directors have proposed a final dividend of 1.0p per share payable on 21 May 2013 to shareholders on the register at close of business on 1 May 2013. The total dividend for the year, including the interim dividend of 1.0p (2011: 2.1p) per share paid on 2 October 2012, amounts to £79,000 (2011: £211,000), which is equivalent to 2.0p (2011: 5.35p) per share.

Payment of suppliers
The group's policy is to use its best endeavours to settle with suppliers in accordance with agreed payment terms. For the group, the average number of days' credit taken from trade suppliers at 30 November 2012 was 36 days (2011: 30 days). For the company, the average number of days credit taken from trade suppliers at 30 November 2012 was nil days (2011: nil days).

Financial risk management
Details of the group's financial risk management are contained in note 4 to the financial statements.

Directors
The directors currently holding office are listed on page 6, all of whom served throughout the year. The beneficial shareholdings of the directors at 30 November 2012 are set out in note 28 to the financial statements.

Rudi Weinreich, aged 66, Chairman and Chief Executive, was born in Austria. He has been responsible for all aspects of the business since he started it in 1972, particularly the assessment of new products and distributorship agreements.

Victoria Blaisdell, aged 40, joined the Group in 2004 and is now Group Managing Director. She has worked in the IT industry for over 12 years and has previously worked in several countries as a Senior Consultant for American Management Systems Inc.

Paul Geraghty, aged 52, joined the Group in 2012 as Group Finance Director and Company Secretary. He previously held senior financial roles in engineering companies, including Elektron Components Limited and Protec plc.

David Mahony, aged 69, is the Senior Non-executive Director, appointed in 1988. He is chairman of Opsec Security Group plc.

Report of the directors (continued)

Substantial shareholdings

At 12 March 2013 the company had been informed of the following interests, in addition to the interests of R W Weinreich, amounting to 3% or more in the issued ordinary share capital of the company, excluding treasury shares:

	Number	%
Andre Marcou	447,000	11.35%
Armstrong Investments Limited	275,000	6.98%
Rath Dhu Limited	272,500	6.92%
Stockinvest Limited	171,500	4.35%
Hugh S Pearson Gregory	136,109	3.45%

Annual General Meeting

The Annual General Meeting of the Company will be held at Elstree House, Elstree Way, Borehamwood, Hertfordshire WD6 1SD at 11.30 a.m. on 26 April 2013.

Special business at the Annual General Meeting

An ordinary resolution (set out as resolution 6 in the Notice of the Annual General Meeting) will be proposed to give the directors authority to allot 1,386,517 ordinary shares being approximately 33% of the issued ordinary share capital of the company as at the date of this report which includes 295,000 ordinary shares being the maximum number of shares the company may be obliged to issue under its employee share option scheme. The authority, when given, will expire at the conclusion of next year's annual general meeting. The directors have no present intention of exercising this authority.

A special resolution (set out as resolution 7 in the Notice of Annual General Meeting) will be proposed to empower the directors to allot securities of the company up to a specified amount in connection with rights issues without having to obtain prior approval from shareholders on each occasion and also to allot a smaller number of these for cash without first being required to offer such shares to existing shareholders. The number of ordinary shares which may be issued for cash under the latter authority will not exceed 207,978 being approximately 5% of the issued ordinary share capital of the company as at the date of this report. The proposed power will expire at the conclusion of next year's Annual General Meeting.

A special resolution (set out as resolution 8 in the Notice of Annual General Meeting) will be proposed to authorise the company to buy on the open market up to 393,955 ordinary shares of 10p each, representing 10% of the issued ordinary share capital of the company as at the date of this report, excluding treasury shares. The directors, in reaching any decision to purchase ordinary shares, will take into account the company's cash resources, capital requirements and the effect of any purchase on earnings per share.

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on page 5. In addition, notes 2, 3, 4, 21 and 26 to the financial statements include the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

Report of the directors (continued)

The company has good financial resources together with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and 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 accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' indemnity arrangements

The company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of its directors. The directors also have the benefit of the indemnity provision contained in the company's Articles of Association. These provisions, which are qualifying third party indemnity provisions as defined by the Companies Act, were in force since 30 April 2007, and are currently in force.

Auditors

The auditors, Grant Thornton UK LLP, are willing to continue in office as auditors of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board

Paul Geraghty
Secretary
14 March 2013

Directors' remuneration report

The directors present the directors' remuneration report for the financial year ended 30 November 2012. As the company is listed on AIM, it does not have to comply with the requirements of the remuneration report contained in the listing rules.

Remuneration policy

The company policy is to design prudent executive remuneration packages to attract, motivate and retain directors of a high calibre and to reward them for enhancing value to shareholders. The determination of the annual remuneration packages of the senior executive directors and key members of senior management are undertaken as set out in the corporate governance report on page 11.

There are three main elements of the remuneration packages of the executive directors:

- Basic annual salary and benefits;
- Share option incentives; and
- Pension arrangements.

The company believes that share option incentives encourage long term commitment to shareholder value and ensure that rewards for executive directors and senior managers are aligned with the interests of shareholders.

There is no company pension scheme in place. Contributions are made to the personal pension schemes of certain directors.

Executive directors may accept up to two external non-executive appointments, as long as these are not with competing companies and are not likely to lead to conflicts of interest. This policy is followed where such appointments would beneficially broaden experience and knowledge.

Executive directors' remuneration and terms of appointment

Base salaries are reviewed annually and are set to reflect responsibilities, experience and marketability. Regard is also given to the level of rewards made in the year to staff. The mechanism for supervising the company share option scheme and the granting of options under it is as set out in the corporate governance report on page 11.

None of the directors have service contracts with a notice period exceeding one year. Each director is entitled to contributions to personal pension schemes and benefits in kind, which include car allowance and private health insurance.

Non-executive directors' remuneration

The fees paid to non-executive directors are determined by the board. Non-executive directors are normally appointed for an initial period of three years. Appointments are made subject to retirement by rotation or removal under the company's articles of association. Non-executive directors do not participate in the company's option scheme.

Details of the directors' remuneration, pension entitlements, shareholdings and share options are included in note 25 to the financial statements.

Governance

Corporate governance

Board composition and responsibility

During the year the board comprised three executive directors and one non-executive director. None of the directors are independent. The appointment of another non-executive director will be considered when it is judged appropriate. Given the size of the company it is not considered by the board that it is either necessary or appropriate to incur the cost of employing a separate chairman. All directors are required to retire and submit themselves for re-election at three yearly intervals. No director has a service agreement requiring more than twelve months notice of termination to be given.

All directors receive management information in advance of board meetings, which are held monthly, and the board visits subsidiary companies as appropriate. There is a schedule of matters requiring board approval, including corporate strategy, acquisitions and disposals, key appointments and group funding strategy. All directors have access to the advice and services of the Company Secretary (and there are processes in place enabling directors to take independent legal advice at the company’s expense in the furtherance of their duties).

The following table shows the number of scheduled board and board committee meetings held during the year ended 30 November 2012 and details of each director’s attendance.

	Board	Audit	Remuneration
Number held	11	2	1
R Weinreich	11	1	-
V Blaisdell	10	1	-
D Mahony	11	2	1
P Geraghty	11	2	-

Audit Committee

The Group Finance Director and the Non-executive Director act as the audit committee which is responsible for reviewing a range of financial matters, including the interim and final accounts, and monitoring the controls which are in force to ensure the integrity of the financial information reported to the shareholders. The committee reviews the need for internal audit on an annual basis and, due to the size of the company, the committee believes that the cost of introducing this function would outweigh any perceived benefits. The audit committee has met twice in the year. The Non-executive Director meets separately with the auditors as part of such meetings.

Remuneration Committee

During the year, the Non-executive Director has acted as the sole member of the remuneration committee.

The principal function of the remuneration committee is to determine on behalf of the board the remuneration and other benefits of the executive directors, including pensions, share options, service contracts and compensation payments. The remuneration policy and key elements of the remuneration packages of the executive directors are included in the Directors’ Remuneration Report on page 10.

The principal objectives of the remuneration committee in respect of executive directors and the board in respect of the company as a whole are to ensure that the company's senior management remuneration policies and practice facilitate the recruitment, retention and motivation of top quality personnel and to ensure that senior management remuneration operates on a best-practice basis, aligning, where practicable, the remuneration of executives with the interests of shareholders.

Each of the company's executive directors is subject to an annual appraisal of their performance as executives which is conducted by the Non-executive Director.

Board nominations

The company has formal procedures for making appointments to the board and these would be applied to ensure that any new appointments that might be made meet the desired criteria.

Shareholder relationships

The objective of the board is to create increased shareholder value by growing the business in a manner that delivers sustainable improvement in earnings over the medium and long term.

The board regards the annual general meeting as an important opportunity to communicate with private investors in particular. Directors make themselves available to shareholders both before and after the annual general meeting and at other times.

Corporate governance (continued)

Internal Control

The system of internal controls established by the directors is intended to be comprehensive, although the limitations of any system of control is such that it is designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide a reasonable, rather than absolute, level of assurance against material misstatement or loss. The directors acknowledge their responsibilities for the group's system of internal control and for reviewing its effectiveness.

The principal features of the system of internal financial controls are:

- budgetary control over all operating units, measuring performance against pre-
- determined targets on at least a monthly basis;
- regular forecasting and reviews covering trading performance, assets, liabilities and cash flows;
- delegated limits of authority covering key financial commitments including capital expenditure and recruitment;
- identification and management of key business risks.

The board continually reviews the effectiveness of other internal controls, including financial, operational, compliance controls and risk management.

Financial reporting

- A detailed formal budgeting process for all group businesses culminates in an annual group budget which is approved by the board. Results for the company and for its main constituent businesses are reported monthly to the board against this budget and revised forecasts for the year are prepared each quarter.

Financial and accounting principles

- A comprehensive financial and accounting controls manual sets out the principles of and minimum standards required by the board for effective financial control. The manual sets out the financial and accounting policies and procedures to be applied throughout the group. Compliance with the policies and procedures set out in the manual is reviewed on a regular basis.

Internal financial controls assurance

- In addition to the existing procedures, during the year senior executives have prepared detailed reports on the operation of those elements of the system for which they are responsible.

Capital investment

- The group has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisals and review procedures, levels of authority and due diligence requirements where businesses are being acquired.

Turnbull risk assessment

- The group has implemented a process for identifying, reporting and assessing risk at each subsidiary. The board regularly reviews the subsidiaries' risk assessments.

The directors confirm that they have reviewed the effectiveness of the system of internal controls in operation during the year and the period to the date of the approval of the annual report and accounts.

The board is committed to the principles of openness, integrity and accountability in dealing with the company's affairs. It believes it has always acted with probity in the best interests of the company, its employees and shareholders and fully intends to continue to do so in the future.

Independent auditor's report to the members of Holders Technology plc

We have audited the financial statements of Holders Technology plc for the year ended 30 November 2012 which comprise the consolidated income statement, the consolidated statement of comprehensive income, group and company statements of changes in equity, group and company balance sheets, the group and company statements of cash flow, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2012 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Naylor
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
14 March 2013

Accounts

Consolidated income statement for the year ended 30 November 2012

	Note	2012 £'000	2011 £'000
Continuing operations			
Revenue	5	**15,605**	19,636
Cost of sales		**(11,763)**	(15,127)
Gross profit		**3,842**	4,509
Distribution costs		**(376)**	(404)
Administrative expenses		**(3,550)**	(3,828)
Impairment costs	7	**(287)**	-
Other operating (expenses)/ income		**6**	98
Operating (loss)/ profit		**(365)**	375
Finance income	6	**1**	-
Finance expenses	6	**(15)**	(12)
(Loss)/ profit before taxation		**(379)**	363
Tax expense	8	**(58)**	(123)
(Loss)/ profit for the year		**(437)**	240
(Loss)/ profit for the year attributable to:			
Owners of the parent		**(374)**	264
Non-controlling interest		**(63)**	(24)
(Loss)/ profit for the financial year		**(437)**	240
Total and continuing			
Basic (loss)/ earnings per share	10	**(9.49p)**	6.70p
Diluted (loss)/ earnings per share	10	**(9.49p)**	6.63p

Consolidated statement of comprehensive income for the year ended 30 November 2012

	2012 £'000	2011 £'000
(Loss)/ profit for the year	(437)	240
Reclassification adjustment related to terminated foreign operations	-	412
Change in actuarial assumption re pension liability	(45)	-
Exchange differences on translating foreign operations	(163)	60
Total comprehensive income and expense for the year	(645)	712
Total comprehensive income and expense for the year attributable to:		
Owners of the parent	(577)	788
Non-controlling interests	(68)	(76)
	(645)	712

Statements of changes in equity

Group	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Retained earnings £'000	Total attributable to owners of parent £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 December 2010	416	1,531	1	629	3,264	5,841	91	5,932
Dividends	-	-	-	-	(211)	(211)	-	(211)
Employee share-based payment options	-	-	-	-	(4)	(4)	-	(4)
Transactions with owners	-	-	-	-	(215)	(215)	-	(215)
Profit/(loss) for the year	-	-	-	-	264	264	(24)	240
Reclassification adjustment related to terminated foreign operations	-	-	-	(412)	412	-	-	-
Exchange differences on translating foreign operations	-	-	-	51	-	51	9	60
Total comprehensive income for the year	-	-	-	(361)	676	315	(15)	300
Balance at 30 November 2011	416	1,531	1	268	3,725	5,941	76	6,017
Dividends	-	-	-	-	(168)	(168)	-	(168)
Employee share-based payment options	-	-	-	-	1	1	-	1
Transactions with owners	-	-	-	-	(167)	(167)	-	(167)
Profit/(loss) for the year	-	-	-	-	(374)	(374)	(63)	(437)
Effect of change in pension liability assumptions	-	-	-	-	(45)	(45)	-	(45)
Exchange differences on translating foreign operations	-	-	-	(163)	-	(163)	(5)	(168)
Total comprehensive income for the year	-	-	-	(163)	(419)	(582)	(68)	(650)
Balance at 30 November 2012	416	1,531	1	268	3,139	5,192	8	5,200

Company	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 December 2010	416	1,531	1	539	2,487
Profit and total comprehensive income for the year	-	-	-	404	404
Dividends	-	-	-	(211)	(211)
Share-based payment charge	-	-	-	(4)	(4)
Balance at 30 November 2011	416	1,531	1	728	2,676
Profit and total comprehensive income for the year	-	-	-	(166)	(166)
Dividends	-	-	-	(168)	(168)
Share-based payment charge	-	-	-	1	1
Balance at 30 November 2012	**416**	**1,531**	1	**395**	**2,343**

Accounts

Balance sheets at 30 November 2012

Company number: 1730535		Group		Company	
	Note	**2012**	2011	**2012**	2011
		£'000	£'000	**£'000**	£'000
Assets					
Non-current assets					
Goodwill	12	318	318	-	-
Property, plant and equipment	13	398	556	21	29
Investments in subsidiaries	14	-	-	2,780	2,780
Investment in joint venture	15	-	-	15	15
Investments in associates	16	-	-	-	-
Deferred tax assets	23	41	72	-	-
		757	946	2,816	2,824
Current assets					
Inventories	17	3,140	3,834	-	-
Trade and other receivables	18	2,397	2,951	387	676
Current tax assets		57	95	-	-
Cash and cash equivalents		700	67	6	15
		6,294	6,947	393	691
Liabilities					
Current liabilities					
Trade and other payables	19	(1,556)	(1,591)	(800)	(766)
Borrowings	20	-	(26)	-	(6)
Current tax liabilities		(35)	(35)	(32)	(33)
		(1,591)	(1,652)	(832)	(805)
Net current assets		4,703	5,295	(439)	(114)
Non-current liabilities					
Borrowings	20	-	-	-	-
Retirement benefit liability	22	(199)	(167)	-	-
Contingent consideration	29	(29)	(29)	(29)	(29)
Deferred tax liabilities	23	(32)	(28)	(5)	(5)
		(260)	(224)	(34)	(34)
		5,200	6,017	2,343	2,676
Shareholders' equity					
Share capital	24	416	416	416	416
Share premium account		1,531	1,531	1,531	1,531
Capital redemption reserve		1	1	1	1
Retained earnings		3,139	3,725	395	728
Cumulative translation adjustment reserve		105	268	-	-
Equity attributable to the shareholders of the parent		5,192	5,941	2,343	5,941
Non-controlling interest		8	76	-	-
		5,200	6,017	2,343	2,676

The financial statements were approved by the Board on 14 March 2013 and signed on its behalf by:

R W Weinreich
Director

Cash flow statements for the year ended 30 November 2012

		Group		Company	
	Note	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Cash flows from operating activities					
Operating (loss)/ profit		(365)	375	(175)	(158)
Share-based payment credit		1	(4)	1	(4)
Depreciation		151	144	9	3
Impairment costs		287	20	-	-
Currency translation		10	40	-	-
(Gain)/ Loss on sale of property, plant and equipment		(3)	(16)	-	-
(Increase)/decrease in inventories		488	(8)	-	-
(Increase)/decrease in trade and other receivables		415	(257)	289	(253)
Increase/(decrease) in trade and other payables		(92)	(582)	34	(796)
Investment in subsidiary fair value adjustment		-	-	-	16
Cash (used in)/generated from operations		892	(288)	158	(1,192)
Corporation tax (paid)/received		15	(155)	(1)	(156)
Net cash (used in)/generated from operations		907	(443)	157	(1,348)
Cash flows from investing activities					
Proceeds from disposal of subsidiary		-	-	-	1,157
Purchase of property, plant and equipment		(74)	(137)	(1)	(29)
Proceeds from sale of property, plant and equipment		18	24	-	-
Income from investments		-	-	-	77
Interest received		1	-	14	6
Net cash (used in)/generated from investing activities		(55)	(113)	13	1,211
Cash flows from financing activities					
Interest paid		(15)	(12)	(5)	(2)
Loan repayments		(26)	(27)	-	-
Movement in contingent consideration		-	(16)	-	(16)
Finance lease principal repayments		-	(3)	-	-
Equity dividends paid		(168)	(211)	(168)	(211)
Net cash used in financing activities		(209)	(253)	(173)	(213)
Net change in cash and cash equivalents		643	(825)	(3)	(54)
Cash and cash equivalents at start of period		67	888	9	63
Effect of foreign exchange rates		(10)	4	-	-
Cash and cash equivalents at end of period		700	67	6	9

Notes to the financial statements

1. General information

Holders Technology plc is incorporated in the United Kingdom under the Companies Act.

These consolidated financial statements are presented in pounds sterling and all information has been rounded to the nearest thousand. Foreign operations are consolidated in accordance with the policies set out in note 2 below.

2. Accounting policies

Basis of preparation

The group and parent company financial statements have been prepared in accordance with EU endorsed International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act applicable to companies reporting under IFRS. All accounting standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee effective at the time of preparing these financial statements have been applied.

The group and parent company financial statements have been prepared under the historical cost convention. A summary of the significant group accounting policies adopted in the preparation of the financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on page 5. In addition, notes 2, 3, 4, 21 and 26 to the financial statements include the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The company has good financial resources together with a number of customers and suppliers across different geographic areas and industries. The Board pursues a cautious strategy, combined with effective cost control in order to maintain a strong working capital position. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Standards and Interpretations to Standards not yet effective

The following Standards and Interpretations have been issued, but are not yet effective and have not been early adopted by the group:

- IFRS 9 Financial Instruments (effective 1 January 2015)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 19 Employee Benefits (Revised June 2011) (effective 1 January 2013)
- IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)
- Presentation of Items of Other Comprehensive Income - Amendments to IAS 1 (effective 1 July 2012)
- Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7 (effective 1 January 2013)
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (effective 1 January 2014)

Accounting policies (continued)

- Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015)Annual Improvements 2009-2011 Cycle (effective 1 January 2013)
- Transition Guidance - Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective 1 January 2013)
- Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27 (effective 1 January 2014)

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the group except for additional disclosures when the relevant standard comes into effect.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Critical judgements and key estimates and assumptions are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries. Intra-group transactions, including sales, profits, receivables and payables, have been eliminated in the group consolidation.

Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included from the date that control commences until the date that control ceases.

In the parent company accounts investments and long term loans to subsidiaries are initially recorded at cost. The investment value is subsequently recorded at cost less any impairment value.

Associates

An entity is treated as an associated undertaking where the group has a participating interest and exercises significant influence over its operating and financial policy decisions. In the group accounts, interests in associated undertakings are accounted for using the equity method of accounting. The consolidated profit and loss account includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets.

Goodwill and business combinations

The results of subsidiaries acquired in the period are included in the income statement from the date they are acquired. On acquisition, all of the subsidiaries' assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. For business combinations occurring since 1 December 2009, the requirements of IFRS 3R have been applied. The consideration transferred by the group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Accounting policies (continued)

The group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

As permitted by IFRS 1, goodwill arising on acquisitions before 1 December 2005 (date of transition to IFRS) has been frozen at the UK GAAP amounts subject to being tested for impairment at that date.

Impairment charges

The company considers at each reporting date whether there is any indication that assets are impaired. If there is such an indication, the company carries out an impairment test by measuring an asset's recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Goodwill, which is allocated to individual cash generating units, is reviewed annually for impairment. Value in use represents the present value of the future cash flows expected to be derived from the cash generating unit. The present value is discounted using a pre-tax rate that reflects current market assessments of the time value of money and of the risks specific to the cash generating unit for which future cash flow estimates have not been adjusted. If the recoverable amount is less than the carrying amount an impairment loss is recognised, and the asset is written down to its recoverable amount.

Revenue recognition

Revenue comprises the value of sales of goods and services to third party customers occurring in the period, stated exclusive of value added tax and net of trade discounts and rebates. Revenue is measured at the fair value of the consideration received or receivable.

Revenue on the sale of goods is recognised when substantially all of the risks and rewards in the product have passed to the customer, which is usually upon delivery to the customer. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the company.

Exceptional Items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the financial performance.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The company considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management system are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other receivables

Trade and other receivables do not carry interest and are initially stated at fair value and subsequently measured at amortised cost using the effective interest rate, as reduced by appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables is established when there is evidence that the group will not be able to collect all amounts due according to the original terms of these receivables. The amount of the provision is the difference between the carrying value and the present value of

Accounting policies (continued)

estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the income statement.

Trade and other payables

Trade and other payables are not interest bearing and are initially stated at fair value and subsequently measured at amortised cost using the effective interest rate.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs. Subsequent measurement is at amortised cost. Finance charges, including any premiums payable or discounts, and direct issue costs are recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal. Where necessary, provision is made for obsolete, slow-moving and defective inventory.

Property, plant and equipment

The cost of items of property, plant and equipment is its purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write off assets over their expected useful lives. Where there is evidence of impairment, property, plant and equipment is written down to the recoverable amount. Depreciation is calculated at the following rates:

Leasehold building improvements	Over the period of the lease
Motor vehicles	20% on either cost or written down value
Plant and machinery	20% - 33% on either cost or written down value
Office equipment	25% on cost

Methods of depreciation, recoverable amounts and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Provision is made against the carrying value of items of property, plant and equipment where an impairment in value is deemed to have occurred.

Leased assets

Leases are classified as operating leases when a significant portion of the risks and rewards of ownership are retained by the lessor. Rentals payable under operating leases are charged to the income statement on a straight line basis over the periods of the leases.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of each transaction. Foreign currency monetary assets and liabilities are retranslated using the exchange rates at the balance sheet date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the original transaction.

Accounting policies (continued)

In the consolidated financial statements, the net assets of the group's foreign operations are translated at the rate of exchange at the balance sheet date. Income and expense items are translated at the average rates for the period where these rates approximate to actual rates. Otherwise actual rates are used. The resulting exchange differences are charged/ credited to other comprehensive income and recognised in the currency translation reserve in equity. Such translation differences are recognised in the income statement on the disposal of the foreign operation. All other currency differences are taken to the income statement. Profit and losses on holding foreign currency balances are treated as a finance cost.

Derivative financial instruments

The group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investment activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the income statement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of directly attributable issue costs.

Taxes

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the asset is realised or the liability settled.

Provision is not made for deferred tax on the unremitted earnings of foreign subsidiaries where such remittances are not considered probable as the group's policy is to reinvest profits to fund growth locally. Provision is made where it is likely that dividends will be remitted within the foreseeable future.

A deferred tax asset is recognised only when it is probable that suitable taxable profits will be available in the foreseeable future from which the reversal of the temporary differences can be deducted.

Employee share option scheme

The fair value of employee share plans is calculated using an appropriate actuarial model. In accordance with IFRS 2 the resulting cost is charged to the income statement over the vesting period of the plans, with a corresponding credit to retained earnings. The value of the charge is adjusted to reflect the expected and the actual levels of options vesting. IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 December 2005, in accordance with the transitional arrangements of IFRS 1.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital and share premium when the options are exercised.

Pension contributions

The group does not operate a pension scheme. Pension costs relate to group contributions to the personal pension schemes of certain directors and employees. The contributions are recognised as an employee benefit

Accounting policies (continued)

expense when they are due. There is also a retirement benefit liability arising from an asset purchase of Cimatec GmbH as disclosed in note 22. The liability in respect of defined benefit pension plans is the present

value of the defined benefit obligation at the end of the accounting period less the fair value of plan assets, together with adjustments for past-service costs. The defined benefit obligation is calculated annually by independent actuaries. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise

Dividends payable

Distributions to equity holders are disclosed as a component of the movement in shareholders' equity. A liability is recorded for a final dividend when the dividend is approved by the company's shareholders, and, for an interim dividend, when the dividend is paid.

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Treasury shares

When the company purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of tax), is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the company's equity holders.

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgement in applying the group's accounting policies

Income taxes

The determination of the group's tax liabilities requires the interpretation of tax law. The group obtains appropriate professional advice from its tax advisors in relation to all significant tax matters. The directors believe that the judgements made in determining the group's tax liabilities are reasonable and appropriate, however, actual experience may differ and materially affect future tax charges.

Estimation uncertainty

Impairment testing

Impairment testing of goodwill involves comparing the carrying value of an asset with its value in use, based upon a discounted cash flow model. This model involves making assumptions involving future revenues and profits as well as long-term growth rates and the appropriate discount rate. Further details are set out in note 13.

4. Financial risk management

Treasury management

Group treasury policies are reviewed and approved by the board. The objectives of group treasury policies are to ensure that adequate financial resources are available for development of the business while at the same time managing financial risks. Derivative financial instruments are used to reduce financial risk exposures arising from the group's business activities and not for speculative purposes.

Accounting policies (continued)

The group's treasury activities are managed by the Group Finance Director. The Group Finance Director reports to the board on the implementation of group treasury policy.
The group's business activities expose it to a variety of financial risks that include:

- Liquidity risk;
- Credit risk;
- Cash flow interest rate risk; and
- Currency risk.

The policies for managing these risks are described below:

Liquidity risk

The group finances its operations through a combination of bank borrowings, finance leases and cash generated from operations. The group's treasury policy aims to ensure that there are sufficient funds available to meet the projected cash flow requirements in the business plan.

The group's principal source of funding is cash generated from operations. Liquidity is maintained through committed bank credit facilities (note 21).

Credit risk

Credit risk on trade receivables is managed by monitoring the amount and duration of exposures to individual customers depending on their credit rating. Where possible, trade receivables are insured. The amounts of trade receivables presented in the balance sheet are net of allowances for doubtful accounts estimated by management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are high credit quality financial institutions.

The group has no significant concentration of credit risk, with exposure spread over a large number of customers and counterparties.

Currency risk

The group is exposed to currency risk through movements in exchange rates on its purchases and sales that are not denominated in the local functional currencies. The group uses forward foreign exchange contracts to hedge the currency risk associated with these transactions, where material exposure exists. The contracts are denominated primarily in US dollars and Euros. Such contracts are accounted for in accordance with the policies set out in note 2. At the year end forward purchase contracts totalling £587,000 were held as described in note 21.

Cash flow interest rate risk

The group is exposed to cash flow interest rate risk on bank borrowings, which are, arranged at floating rates. The board monitors the overall level of bank debt and interest costs to limit any adverse effects on the financial performance of the group. The group does not use interest rate swaps to hedge its exposure to interest rate fluctuations at the present time.

Fair value estimation

The fair values of cash and cash equivalents, receivables, payables and borrowings with a maturity of less than one year approximate their book values.

5. Segment reporting

Management currently identifies two operating segments:

- PCB, which distributes materials, equipment and supplies to the PCB industry. This includes the following operations: UK PCB, German PCB, Far East PCB and India PCB.
- LED, which distributes LED-related components and lighting products to the lighting industry. This includes Holders Components UK and Germany, Opteon UK and Germany, NRGstar UK, China LED and India LED.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. Segment information can be analysed as follows for the reporting periods under review:

	PCB		LED		Other		Total	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
Revenue	**11,549**	16,451	**4,056**	3,185	**-**	-	**15,605**	19,636
Cost of sales	**(8,721)**	(12,396)	**(3,042)**	(2,731)	**-**	-	**(11,763)**	15,127
Gross profit	**2,828**	4,055	**1,014**	454	**-**	-	**3,842**	4,509
Distribution costs	**(316)**	(362)	**(60)**	(42)	**-**	-	**(376)**	(404)
Administrative expenses	**(2,482)**	(2,756)	**(923)**	(913)	**(145)**	(159)	**(3,550)**	(3,828)
Exceptional costs	**(287)**	-	**-**	-	**-**	-	**(287)**	-
Other operating income/(expenses)	**42**	(98)	**(6)**	(1)	**(30)**	1	**6**	98
Segment operating profit	**(215)**	1,035	**25**	502	**(175)**	(158)	**(365)**	375
Other segmental information								
Depreciation (Note 13)	**138**	126	**4**	21	**9**	1	**151**	148
Segment assets	**8,522**	10,420	**1,918**	1,600	**(3,389)**	(4,127)	**7,051**	7,893
Segment liabilities	**(2,467)**	(3,071)	**(2,353)**	(2,093)	**2,969**	3,288	**(1,851)**	(1,876)

"Other" amounts relate to central group activities, which are not identifiable to the operating segments.

Analysis of external revenue by geographic region

	UK		Rest of Europe		Asia		Total	
	2012 £'000	2011 £'000	**2011 £'000**	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
Revenue - PCB	**4,074**	5,101	**6,930**	10,595	**545**	755	**11,549**	16,451
- LED	**1,673**	1,311	**920**	1,164	**1,463**	710	**4,056**	3,185
	5,747	6,412	**7,850**	11,759	**2,008**	1,465	**15,605**	19,636
Non-current assets	**(340)**	34	430	343	667	569	757	946

External revenue is allocated to regions based on where it originates from.

6. Finance income and expenses

	2012 £'000	2011 £'000
Interest on bank deposits	1	-
Interest on loans and overdrafts	(15)	12

7. Loss for the year

The following items have been included in arriving at the loss for the year:

	2012 £'000	2011 £'000
Costs of inventories recognised as an expense	10,023	12,884
Write-down of inventory to net realisable value	10	(17)
Impairment of fixed assets	(50)	(20)
Depreciation of property, plant and equipment (note 13)	147	144
(Gain)/ loss on sale of property, plant and equipment	(3)	(16)
Fees payable to the company's auditors for the audit of the financial statements	12	11
Fees payable to the company's auditors and its associates for other services:		
- Audit of the financial statements of the company's subsidiaries (associates) pursuant to legislation	58	41
- Other services relating to taxation	16	26
Operating leases - land and buildings	183	189
Operating leases – plant and machinery	14	16
Exchange (profit)/loss	18	13

Impairment costs consist of the following:

	2012 £'000	2011 £'000
Impairment of China PCB assets	(168)	-
Impairment of China PCB inventories	(119)	-
	(287)	-

8. Taxation

	2012 £'000	2011 £'000
Analysis of the charge in the period		
Current tax		
- Current period	30	91
- Adjustments in respect of prior periods	(7)	5
	23	96
Deferred tax (note 23)	35	27
Total tax	58	123

Tax reconciliation

The tax for the period is higher (2011: higher) than the standard rate of corporation tax in the UK, effectively 24.67% (2011: 26.67%) for the company's financial year. The differences are explained below:

	2012 £'000	2011 £'000
Profit/(loss) before taxation	(379)	363
Profit/(loss) before taxation multiplied by rate of corporation tax in the UK of 24.67 % (2011: 26.67%)	(98)	92
Effects of:		
Differences between capital allowances and depreciation	(2)	6
Amounts not deductible for taxation purposes	44	46
Non taxable income	-	(42)
Adjustments in respect of prior years	-	5
Taxation losses	43	11
Other temporary differences	71	5
Taxation	58	123

9. Loss/profit of the parent company for the financial year

The result for the financial year dealt with in the accounts of the parent company was a loss of £166,000 (2011 profit: £254,000).

As permitted by Section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent company.

10. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of treasury shares are deducted from the number of shares issued in arriving at the weighted average number of shares outstanding during the period.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. Potentially dilutive ordinary shares are those share options granted to employees where the exercise price is less than the average market price of the company's ordinary shares during the period.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	2012			2011		
	Earnings £'000	Basic earnings per share	Diluted earnings per share	Earnings £'000	Basic earnings per share	Diluted earnings per share
Profit/(loss) attributable to equity shareholders	(374)	(9.49p)	(9.49p)	264	6.70p	6.63p

Earnings per share (continued)

	2012 Number	2011 Number
Weighted average number of ordinary shares	3,939,551	3,939,551
Dilutive effect of share options	-	39,457
Fully diluted weighted average number of ordinary shares	3,939,551	3,979,008

11. Ordinary dividends

	2012 £'000	2011 £'000
Final dividend for the year ended 30 November 2011 of 3.25p (year ended 30 November 2010 final dividend: 3.25p)	128	128
Interim dividend paid in respect of the year of 2.1p (2011: 2.1p)	40	83
Amounts recognised as distributions to equity holders	168	211

In addition, the directors are proposing a final dividend in respect of the year ended 30 November 2012 of 1.0p per share. If approved by shareholders, it will be paid on 21 May 2013 to shareholders on the register of members on 1 May 2013.

12. Goodwill

Group	2012 £'000	2011 £'000
Cost		
At 1 December	318	318
Currency translation	-	-
Arising on acquisition of JK Components Limited	-	16
Impairment charge in respect of JK Components Ltd	-	(16)
At 30 November	318	318
	£'000	£'000
Analysis by cash generating unit		
PCB	146	146
LED	172	172
	318	318

As permitted by IFRS 1, goodwill arising on acquisitions before 1 December 2005 (date of transition to IFRS) has been frozen at the UK GAAP amounts subject to being tested for impairment at that date, the results of which assessment indicated no such impairment.

Under UK GAAP, goodwill of £239,000 arising on acquisitions prior to 1 July 1998 was eliminated directly against reserves. The gain or loss on the disposal of a previously acquired business reflects the attributable amount of purchased goodwill in respect of that business. As the group has opted not to restate business combinations prior to the date of transition, the goodwill written off to reserves under UK GAAP has been frozen and remains in reserves. Goodwill previously written off to reserves is not written back to the income statement on subsequent disposal.

The recoverable amount of a cash-generating unit is based on its value-in-use. Value-in-use is the present value of the projected cash flows of the cash-generating unit (CGU). The key assumptions regarding the value-in-use

Goodwill (continued)

calculations are those regarding the discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of a number of factors that impact on the time value of money and any risk specific to the CGU. The rate includes management's assessment of a normal level of debt: equity ratio within similar companies in its sector and reflects the risks specific to the relevant business segment.

The group prepares cash flow forecasts based on the most recent financial budgets approved by management, which cover a two year period. Cash flows for 10 years beyond the budgeted periods are extrapolated using a growth rate approximating the long term average growth rates for the product sectors concerned. The growth rates were assessed at 2.5% for Holders Technology Germany (PCB) and 3.0% for Holders Components UK (LED). The discount rate applied for each CGU was 10.0%.

13. Property, plant and equipment

	Group			Company	
	Short leasehold land and buildings £'000	Motor vehicles, plant and machinery and office equipment £'000	Total £'000	Office equipment £'000	Total £'000
Cost					
At 1 December 2010	94	2,389	2,483	20	20
Currency translation	-	22	22	-	-
Additions	-	137	137	29	29
Transfer from current assets	-	2	2	-	-
Disposals	-	(35)	(35)	-	-
At 30 November 2011	94	2,515	2,609	49	49
Currency translation	-	(61)	(61)	-	-
Additions	-	74	74	1	1
Disposals	-	(121)	(121)	-	-
At 30 November 2012	**94**	**2,407**	**2,501**	**50**	50
Depreciation					
At 1 December 2010	94	1,807	1,901	17	17
Currency translation	-	15	15	-	-
Provided in year	-	144	144	3	3
Impairment provision	-	20	20		
Disposals	-	(27)	(27)	-	-
At 30 November 2011	94	1,959	2,053	20	20
Currency translation	-	(45)	(45)	-	-
Provided in year	-	151	151	9	9
Impairment provision	-	50	50	-	-
Disposals	-	(106)	(106)	-	-
At 30 November 2012	**94**	**2,009**	**2,103**	**29**	**29**
Net book value					
At 30 November 2012	**-**	**398**	**398**	**21**	**21**
At 30 November 2011	-	556	556	29	29

The net book value of property, plant and equipment includes £nil (2011: £nil) in respect of assets held under finance leases. Depreciation charged in the year on those assets amounted to £nil (2012: £3,000)

14. Investments in subsidiaries

	Shares £'000	Loans £'000	Total £'000
Cost			
At 1 December 2010	1,352	2,270	3,622
Addition	-	-	-
Impairment provision	(16)	-	(16)
Disposal	(826)	-	(826)
At 1 December 2011	510	2,270	2,780
Addition	-	-	-
Disposal	-	-	-
Impairment Provision	-	-	-
At 30 November 2012	**510**	**2,270**	**2,780**

The following were subsidiary undertakings at the end of the year and have all been included in the consolidated financial statements.

Name	Country of incorporation and operation	Nature of business	Interest in ordinary shares and voting rights
Holders Technology GmbH	Germany	Specialised materials and equipment	100%
Holders Technology UK Limited	England and Wales	Specialised materials, equipment and components	100%
Holders Components Limited	England and Wales	Dormant	100%
Opteon Limited	England and Wales	Dormant	100%
Topgrow Technologies Limited	Hong Kong	Specialised materials and equipment	70%
Dongguan Hui Zhan Electronic Limited#	China	Specialised materials, equipment and components	70%
Holders Property GmbH	Germany	Dormant	100%

Dongguan Hui Zhan Electronic Limited is owned indirectly through Topgrow Technologies Limited. The latter owns 100% of Dongguan Hui Zhan Electronic Limited.

15. Investment in Joint Venture

In April 2007, the company formed a joint venture called Holders Technology (India) Private Limited, based in Mysore, India to service the Indian market. Holders Technology plc owns 60% of the Joint Venture.

	Company	
	2012 £'000	2011 £'000
Cost		
Investment at 30 November	**15**	15

16. Investments in associates

The group has the following investment in associate:

Name	Country of incorporation and operation	Nature of business	Interest in ordinary shares and voting rights
Waysky Technology Limited	Hong Kong	Specialised materials and equipment	34%

Waysky has suffered difficult trading conditions since 2007 and it is uncertain whether it will be able to continue as a going concern. The directors have concluded that the investment in this company is impaired and have fully provided against the investment.

17. Inventories

	Group		Company	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Raw materials and consumables	**1,636**	2,205	**-**	-
Goods for resale	**1,504**	1,629	**-**	-
	3,140	3,834	**-**	-

18. Trade and other receivables

	Group		Company	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Trade receivables	**2,304**	2,733	**-**	-
Less: provision for impairment	**(130)**	(78)	**-**	-
Net trade receivables	**2,174**	2,655	**-**	-
Amounts due from group undertakings	**2**	2	**313**	614
Other receivables	**111**	132	**59**	53
Prepayments and accrued income	**110**	162	**15**	9
	2,397	2,951	**387**	676

The group has provided for all amounts that are deemed doubtful, based on all trade receivables that are more than 365 days overdue except in certain circumstances where monies have been received after the reporting date. The group also provides for all other specifically identified amounts that are less than 365 days overdue based on known impairment indicators including known trading difficulties. The table below shows the movements in the provision for impairment of trade receivables:

Trade and other receivables (continued)

Group	2012 £'000	2011 £'000
Impairment at 1 December 2011	78	78
Currency translation	2	1
Impairment losses recognised	67	23
Amounts written off as irrecoverable	(17)	(38)
Amounts recovered		17
Impairment losses reversed		(3)
Balance 30 November 2012	130	78

Ageing of past due unimpaired debt:

	2012 £'000	2011 £'000
Not past due		-
Past due 0-30 days	5	447
Past due 31-60 days	15	51
Past due 61-90 days	21	36
Past due 91-365 days	85	80
Past due > 365 days	4	3
	130	617

19. Trade and other payables

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade payables	1,140	888	22	35
Amounts due to group undertakings	-	-	738	673
Other taxation and social security	125	263	-	-
Other payables	48	73	-	3
Accruals	243	367	40	55
	1,556	1,591	800	766

20. Borrowings

	Group		Company	
	2012 £'000	2011 £'000	2012	2011 £'000
Current				
Finance lease obligations	-		-	-
Loans	-	26	-	6
		26		6
Non-current				
Loans	-		-	-
	-		-	-

The weighted average effective interest rates on the group and company's borrowings during the year were 2.75% (2011: 2.75%).

21. Financial instruments

a) The carrying amount and fair value of financial assets and liabilities at 30 November

	Group		Company	
	2012	2011	**2012**	2011
Financial assets	**£'000**	£'000	**£'000**	£'000
Cash and cash equivalents	**700**	67	**6**	15
Trade and other receivables	**2,287**	2,789	**374**	511
Cash and receivables	**2,987**	2,856	**380**	526
Financial liabilities				
Trade and other payables	**1,424**	1,183	**789**	746
Bank overdraft	**-**		**-**	
Contingent consideration	**29**	29	**29**	29
Financial liabilities at amortised cost	**1,453**	1,212	**818**	775

The carrying value of the group's financial assets and liabilities are considered to approximate their respective fair values.

b) Interest rate and currency profile of financial assets and liabilities

Currency profiles of the group's financial assets and liabilities are set out below:

	Group			Company		
	Financial assets £'000	Financial liabilities £'000	Net financial assets / (liabilities) £'000	Financial assets £'000	Financial liabilities £'000	Net financial assets / (liabilities) £'000
Sterling	**855**	**469**	**386**	**132**	**751**	**(619)**
Euro	**871**	**545**	**326**	**245**	**30**	**215**
US dollar	**649**	**258**	**391**	**1**		**1**
Indian rupee	**37**	**11**	**26**			
Hong Kong dollar	**22**	**1**	**21**			
Renminbi	**553**	**124**	**429**			
At 30 November 2012	**2,987**	**1,408**	**1,579**	**378**	**781**	**(403)**
Sterling	714	182	532	74	740	(666)
Euro	848	385	463	452	-	452
US dollar	544	510	34	-	6	(6)
Indian rupee	45	19	26	-	-	-
Hong Kong dollar	20	7	13	-	-	-
Renminbi	684	80	604	-	-	-
At 30 November 2011	2,855	1,183	1,672	526	746	(220)

Financial instruments (continued)

All the group's financial assets and liabilities are non-interest bearing or have floating interest rates. There are no fixed rate financial assets. Floating rate financial assets earn interest at rates based on local bank deposit rates. Floating rate financial liabilities bear interest at rates based on the Bank of England Base Rate or relevant national equivalents.

c) Currency profile of net foreign currency monetary assets and liabilities

The table below shows the net unhedged monetary assets/(liabilities) of the group that are not denominated in the functional currency of the operating unit and which therefore give rise to exchange gains and losses in the income statement.

	Group				Company		
	Euro £'000	US dollar £'000	Renminbi £'000	Total £'000	Euro £'000	US dollar £'000	Total £'000
Sterling	**326**	**(196)**	**429**	**559**	**215**	**1**	**216**
At 30 November 2012	**326**	**(196)**	**429**	**559**	**215**	**1**	**216**
Sterling	545	34	604	1,183	452	(6)	446
At 30 November 2011	545	34	604	1,183	452	(6)	446

d) Market risk: objectives, policies and strategies

The group's interest rate risks, liquidity risks and currency risks are managed centrally within policies approved by the board.

No hedging of interest rates has been undertaken. The net interest receivable for the year was nil compared to nil receivable last year. No speculative transactions are undertaken.
At present there is no policy to hedge the group's currency exposures arising from the profit translation or the effect of exchange rate movements on the group's overseas net assets.

e) Market risk: sensitivities

A sensitivity analysis for financial assets and liabilities affected by market risk is set out below. Each risk is analysed separately and shows the sensitivity of financial assets and liabilities when a certain parameter is changed. The sensitivity analysis has been performed on balances at 30 November each year and therefore is not representative of transactions throughout the year. The rates used are based on historical trends and, where relevant, projected forecasts.

(i) Currencies
The group is exposed to currency risk in relation to the value of its financial assets and liabilities that are denominated in currencies other than sterling (see note 21(b) above), arising from fluctuations in exchange rates. The table below shows the impact on the value of the group's reported net financial assets at 30 November of exchange rates either strengthening or weakening by 10 per cent against sterling and the impact this would have on the reported profit or loss and equity. The group's reported profit is not materially impacted by the effect of changes in exchange rates on the value of its net financial assets, but equity would be £391,000 lower if sterling strengthened by 10 per cent and £478,000 higher if sterling weakened by 10 per cent.

Financial instruments (continued)

Group

Net financial assets/(liabilities)	2012 As reported £'000	Effect of sterling strengthening by 10% Rate +10% £'000	Profit £'000	Equity £'000	Effect of sterling weakening by 10% Rate -10% £'000	Profit £'000	Equity £'000
Denominated in sterling	386	-	-	-	-	-	-
Not denominated in sterling	1,193	(108)	20	(342)	133	(20)	342
Net financial assets	1,670	(108)	20	(342)	133	(20)	342

Net financial assets/(liabilities)	2011 As reported £'000	Effect of sterling strengthening by 10% Rate +10% £'000	Profit £'000	Equity £'000	Effect of sterling weakening by 10% Rate -10% £'000	Profit £'000	Equity £'000
Denominated in sterling	532	-	-	-	-	-	-
Not denominated in sterling	1,138	(104)	1	(391)	127	(1)	478
Net financial assets	1,670	(104)	1	(391)	127	(1)	478

Company

Net financial assets/(liabilities)	2012 As reported £'000	Effect of sterling strengthening by 10% Rate +10% £'000	Profit £'000	Equity £'000	Effect of sterling weakening by 10% Rate -10% £'000	Profit £'000	Equity £'000
Denominated in sterling	(619)	-	-	-	-	-	-
Not denominated in sterling	206	(20)	(20)	-	24	24	-
Net financial assets	(413)	(20)	(20)	-	24	24	-

Net financial assets/(liabilities)	2011 As reported £'000	Effect of sterling strengthening by 10% Rate +10% £'000	Profit £'000	Equity £'000	Effect of sterling weakening by 10% Rate -10% £'000	Profit £'000	Equity £'000
Denominated in sterling	(666)	-	-	-	-	-	-
Not denominated in sterling	446	(41)	(41)	-	50	50	-
Net financial assets	(220)	(41)	(41)	-	50	50	-

(ii) Interest rates

Changes in market interest rates expose the group to the risk of fluctuations in the cash flow relating to its financial assets and liabilities that attract interest at floating rates (see note 21(b)). Based upon the interest rate profile of the group's financial assets and liabilities as at both 30 November 2012 and 30 November 2011, there would be no material impact of a one percentage point change in the market interest rates on the group's profit and equity.

Financial instruments (continued)

f) Liquidity risk

The group monitors its liquidity to maintain a sufficient level of undrawn debt facilities together with central management of the group's cash resources to minimise liquidity risk.
All the trade and other payables at 30 November 2012 amounting to £1,453,000 (2011: £1,183,000) are payable within three months.

Borrowings

Overdraft borrowings attract interest rates of 2.25% above HSBC's relevant currency base rates. Overdrafts are repayable on demand. There were no overdraft borrowings at either 30 November 2011 or 30 November 2012.

Bank borrowings are secured by debentures comprising fixed and floating charges over all the assets and undertaking of the company and its UK-based operating subsidiaries. The company and its principle operating subsidiaries are parties to Unlimited Composite Company Guarantees to secure all liabilities of each other.

Financial liabilities and loans have the following repayment profile:

	Financial Liabilities		Loans	
Group	**2012**	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
0-6 months	**1,254**	**987**	**-**	3
6-12 months	**12**	**12**	**-**	23
Over 12 months	**187**	**184**	**-**	-
	1,453	**1,183**	**-**	26

Borrowing facilities

The group has various borrowing facilities available to it. The unutilised portion of the facilities at 30 November 2012 amounted to £1,171,000 (2011: £1,550,000).

g) Credit risk

Group policies are aimed at minimising losses due to customer payment default. Deferred payment terms are only granted to those customers who satisfy creditworthiness criteria and individual exposures to customers are monitored. Where possible, operations purchase credit insurance.
The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region is as follows:

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
UK	**1,207**	1,268	**129**	511
Rest of Europe	**569**	768	**242**	-
Asia	**511**	753	**1**	-
At 30 November	**2,287**	2,789	**372**	511

h) Capital risk

The group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and proposed dividend policy. It aims to minimise any capital risk by maintaining a conservative financing structure. The board's current policy is to use the group's cash resources for any capital requirements and, where necessary, by adjustment to the amount of dividends paid to shareholders. At 30 November 2012, the group had gearing, being debt divided by debt plus shareholders' funds, of 0.4% (2011: 0.9%).

Financial instruments (continued)

i) Hedging instruments

The group held forward exchange contracts with values of £587,000 at 30 November 2012 (2011: £301,000). When appropriate during the year, contracts were taken out to hedge trade payables denominated in foreign currencies.

22. Retirement benefit liability

Group	Retirement benefit liability £'000
At 1 December 2010	192
Currency translation	2
Charged to the income statement	(14)
Utilised	(13)
At 1 December 2011	167
Currency translation	(3)
Change in actuarial assumptions	45
Utilised	(10)
At 30 November 2012	199

The retirement benefit liability arose from the 2002 acquisition of assets by Holders Technology GmbH from Cimatec GmbH. Following the bankruptcy of Cimatec GmbH, a German court determined that Cimatec's pension obligation to one former Cimatec employee must be met by Holders Technology GmbH. The provision represents the estimated net present value of the liability to pay an annuity to that employee upon retirement, which began in 2008. No other Holders Technology employees have any retirement benefit rights from their previous employment at Cimatec.

23. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using tax rates of 24.67% to 30% (2011: 26.67% to 30%).

The movement on the deferred tax account is as shown below:

		Group		Company
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
At 1 December – deferred tax assets	72	73	-	-
Income statement credit/(charge)	(33)	(1)	-	-
Transfer to deferred tax liabilities	2	-	-	-
At 30 November	41	72	-	-

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below:

Deferred tax (continued)

Deferred tax assets

Group	Accelerated capital allowances £'000	Other £'000	Total £'000
At 1 December 2010	-	73	73
Transfer to deferred tax liabilities	-	(1)	(1)
At 30 November 2011	-	72	72
(Charged)/credited to income statement	-	(33)	(33)
Transfer to deferred tax liabilities	-	2	2
At 30 November 2012	**-**	**41**	**41**

At the year end the amount of temporary differences associated with the undistributed earnings of overseas subsidiaries for which deferred tax liabilities had not been recognised was insignificant.

Deferred tax assets

Company	Accelerated capital allowances £'000
At 1 December 2010	-
Credited to income statement	-
At 30 November 2011	-
Charged to income statement	-
At 30 November 2012	-

Deferred tax liabilities

Group	Accelerated capital allowances £'000
At 1 December 20010	2
Transfer from deferred tax assets	26
At 30 November 2011	28
Transfer from profit and loss	2
Transfer from deferred tax assets	2
At 30 November 2012	**32**

Deferred tax assets are only recognised where in the Directors' opinion there is a reasonable expectation of the tax asset being realised. Assets are recognised based on business forecasts and the local tax environment. Deferred tax assets have not been recognised for losses in China.

24. Share Capital

	2012 £'000	2011 £'000
Authorised		
6,000,000 ordinary shares of 10p each (2011: 6,000,000)	600	600

	Number of shares	£
Allotted and fully paid ordinary shares of 10p each		
At 30 November 2011 and 30 November 2012	4,159,551	4,159,551

220,000 (2011: 220,000) 10p ordinary shares with an aggregate nominal value of £22,000 (2011: £22,000) are held in treasury and are available for issue upon the exercise of options under the company's employee share option scheme.

25. Employees and staff costs

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Wages and salaries	2,005	2,319	419	461
Social security costs	285	336	43	48
Other pension costs	44	58	33	50
Share based payments	1	(4)	-	(4)
	2,335	2,709	495	555

Average monthly number of permanent employees, including executive directors:

Group	2012 Number	2011 Number
Administration and sales	54	57
Service and fabrication	46	46
	100	103
Part-time	4	4
	104	107

Employees and staff costs (continued)

Directors' remuneration

Directors' remuneration for the year was as follows:

	Basic salary fees, bonuses and expenses	Benefits in kind	Total emoluments	
			2012	2011
	£'000	£'000	£'000	£'000
R W Weinreich (Chairman)*	85	3	88	158
V M Blaisdell	110	-	110	114
D A Mahony	24	-	24	27
P Geraghty	95	1	96	19
J S Shawyer	-	-	-	85
	314	4	318	403

*The company paid £nil (2011: £ 10,000) in respect of director's fees for Mr R W Weinreich to the third party Vingnum Limited. This is included within directors' emoluments above.

Pension entitlement

Directors are entitled to receive their remuneration either as salary or as pension contributions.
Pension contributions to directors' personal pension schemes are as follows:

	Pension Contributions	
	2012	2011
	£'000	£'000
V M Blaisdell	11	10
P K I Geraghty	9	-
J S Shawyer	-	26
	20	36

Directors' shareholdings

The shareholdings of those serving at the end of the year were as follows:

	Ordinary shares	
	2012	2011
R W Weinreich	1,851,202	1,851,202
D A Mahony	26,300	26,300
V M Blaisdell	32,102	32,102

The shareholdings are all beneficial and have not changed between 30 November 2012 and 14 March 2013.

Employees and staff costs (continued)

Directors' interests in share options

	At start of year or on date of appointment	No. of options granted / (exercised) during year	At end of year	Exercise price	Date from which exercisable	Expiry date
V M Blaisdell	15,000	-	-	90.5p	11/04/09	10/04/12
V M Blaisdell	20,000	-	-	133.91p	09/05/10	08/05/13
V M Blaisdell	15,000	-	15,000	116.5p	14/03/11	13/03/14
V M Blaisdell	12,500	-	12,500	68.5p	28/07/12	27/07/15
V M Blaisdell	12,500	-	12,500	93.5p	28/05/13	27/05/16
V M Blaisdell	25,000	-	25,000	123.18p	21/07/14	21/07/17
V M Blaisdell	-	46,598	46,598	10.0p	26/03/15	26/03/16
P K Geraghty	-	38,444	38,444	10.0p	26/03/15	26/03/16

The share price at 30 November 2012 was 70.75p (2011: 110.5p) whilst during the year the high and low prices were 117.0p and 70.75p.

In respect of the options held at the start of the year, no option may be exercised unless there is (as shown by the audited accounts) an increase in the fully diluted earnings per share for the financial year immediately prior to the date of exercise compared with the highest earnings per share figure for the three preceding years unless the board in its absolute discretion decides otherwise.

For options granted during the year, no option may be exercised unless the share price exceeds 117.15p after 3 years. The number of exercisable options is proportionate to the share price after 3 years. For all the 2012 options to be exercisable the share price must reach 213.0p

Key management compensation

Group	**2012** £'000	2011 £'000
Short-term employee benefits	**679**	769
Post-employment benefits	**23**	43
Termination benefits	**20**	-
Share-based payments	**1**	(4)
	723	808

Key management includes Directors and senior executives.

Total share options in issue

	2012 No	2011 No
Options in issue 1 December 2011	**310,000**	260,000
Issued during year	**179,703**	35,000
Lapsed	**(120,000)**	-
Forfeited	**(80,000)**	-
Leavers	**(25,000)**	-
Total options in issue 30 November 2012	**264,703**	310,000

26. Financial commitments

Capital commitments

There were no capital expenditure commitments at 30 November 2012 (2011: nil).

Operating lease commitments

The group leases various offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 1 and 5 years and the majority of lease agreements are renewable at the end of the lease period at market rate.

The total aggregate minimum lease payments under non-cancellable operating leases were as follows:

	2012 £'000	2011 £'000
Land and buildings		
- No later than one year	249	207
- Later than one year and no later than five years	509	202
- Later than 5 years	-	-
Motor vehicles, plant and machinery		
- No later than one year	31	24
- Later than one year and no later than five years	33	42
Other equipment		
- No later than one year	-	-
- Later than one year and no later than five years	-	-

27. Share based payments

The Company operates a share option scheme under which options are exercisable at a price equal to the average quotation of a share as derived from the AIM appendix of the Daily Official List of the London Stock Exchange for the five dealing days immediately preceding the date of grant, subject to relevant performance criteria, as described in note 25, being satisfied. The normal minimum vesting period is three years.

Options to subscribe for ordinary shares of 10p each are as follows:

Subscription		Number of shares	
Price	Dates when exercisable	2012	2011
87.2p	15 March 2011 to 14 March 2012	-	25,000
90.5p	11 April 2011 to 10 April 2012	-	40,000
96.4p	26 July 2011 to 25 July 2012	-	60,000
133.91p	9 May 2011 to 8 May 2013	-	45,000
116.5p	14 March 2012 to 13 March 2014	15,000	33,324
77.4p	4 August 2012 to 3 August 2014	-	1,676
68.5p	28 July 2012 to 27 July 2015	32,500	67,500
93.5p	28 May 2013 to 27 May 2016	12,500	12,500
123.18	21 July 2014 to 21 July 2017	25,000	25,000
117.15	26 Mar 2015 to 26 Mar 2016	179,703	-

Share based payments (continued)

The estimated fair values were calculated using the option pricing model with the following inputs:

Grant date	21 July 2012	26 March 2012
Share price at date of grant	123.18	106.5
Exercise price	123.18	117.15
No. of employees	1	8
Shares under option	25,000	179,703
Vesting period (years)	3	3
Expected volatility	22%	22%
Option life (years)	3	1
Expected life (years)	4.5	3.5
Risk free rates	1.03%	0.76%
Expected dividends	4.8%	4.0%
Possibility of ceasing employment before vesting	25.0%	11.0%
Expectations of meeting performance criteria	95%	75%
Fair value of option	10p	13p

The expected volatility is based on historical volatility over the expected life period. The expected life is the average expected period to exercise based on historical experience and the terms of the scheme. The risk free return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

The group recognised a total cost of £1,000 (2011: credit £4,000) related to equity-settled share-based payment transactions during the year.

	2012 £'000	2011 £'000
Final dividend for the year ended 30 November 2011 of 3.25p (year ended 30 November 2010 final dividend: 3.25p)	128	128
Interim dividend paid in respect of the year of 2.1p (2011: 2.1p)	40	83
Amounts recognised as distributions to equity holders	168	211

28. Related party transactions

Group

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

Dividends were paid to directors as follows:	2012 £'000	2011 £'000
R W Weinreich	79	99
D A Mahony	1	2
V M Blaisdell	1	2
	81	103

Company

The company carried out the following transactions with its subsidiaries and joint venture:

	2012 £'000	2011 £'000
Consultancy fees charged to subsidiaries and joint venture	568	645
Interest on short term loans	14	7

29. Contingent Consideration

On 21 December 2009, the company acquired 100% of the share capital of J K Components Limited (since renamed Holders Components Limited).

The consideration for the acquisition was £1 plus contingent consideration representing 50%, 30% and 15% respectively of the net profits for each of the three years following the date of acquisition, payable 30 days after the signing of the accounts for each respective year.

The £29,000 fair value of the contingent consideration liability represents the present value of the group's probability-weighted estimate of the cash outflow.

Notice of annual general meeting

Notice is hereby given that the Annual General Meeting of Holders Technology plc (the "Company") will be held at Elstree House, Elstree Way, Borehamwood, Hertfordshire WD6 1SD on 26 April 2013 at 11.30 a.m. for the following purposes:

Ordinary business

1. To receive and adopt the accounts of the Company together with the directors' and auditors' reports thereon for the year ended 30 November 2012.

2. To declare a final dividend in respect of the year ended 30 November 2012.

3. To re-elect D Mahony as a director.

4. To re-appoint Grant Thornton UK LLP as auditors and to authorise the directors to fix their remuneration.

Special business

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

5. That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to Section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to an aggregate nominal amount of £138,651.70, provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2013, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

To consider and, if thought fit, pass the following resolutions as Special Resolutions:

6. That the directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under Section 551 of the Act conferred by resolution 6 above, and/or by way of a sale of treasury shares (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment, provided that:

    (a) the power conferred by this resolution shall be limited to:

        (i) the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

(ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities up to an aggregate nominal value equal to £20,797.80; and

(b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2013 except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

7. That the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of 10p each in the capital of the Company ("Ordinary Shares") provided that:

(a) the maximum number of Ordinary Shares hereby authorised to be purchased is 393,955 (representing 10 per cent of the issued share capital of the Company, excluding treasury shares);

(b) the minimum price which may be paid for each Ordinary Share is 10p (nominal value);

(c) the maximum price which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from The London Stock Exchange for the five business days immediately preceding the day on which the Ordinary Shares are purchased;

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2013, unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partially after the expiry of such authority, and may purchase its Ordinary Shares in pursuance of any such contract.

By order of the board

Paul Geraghty
Secretary
13 February 2012

Registered Office:
Elstree House
Elstree Way
Borehamwood
Hertfordshire
WD6 1SD

Accounts

Notes

1. A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him.

2. A proxy need not also be a member of the Company but must attend the meeting in order to represent his appointor. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A form of proxy is enclosed. The notes to the form of proxy include instructions on how to appoint the Chairman of the meeting or another person as proxy. To be effective, forms of proxy must be duly completed and returned so as to reach Neville Registrars, New Issue Department, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3BR not less than 48 hours before the time appointed for the meeting, or adjourned meeting, as the case may be.

3. Only those shareholders registered in the register of members of the Company as at 6 p.m. on Wednesday 25 April 2012 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6 p.m. on Wednesday 25 April 2012 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

4. As at 18 March 2012 (being the latest practicable date prior to the publication of this notice of annual general meeting) the Company's issued share capital consists of 4,159,551 ordinary shares carrying one vote each. There are currently 220,000 ordinary shares held in treasury which currently do not carry the right to vote. Therefore the total voting rights in the Company as at 18 March 2012 are 3,939,551.

5. To appoint a proxy or to amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID 7RA11) by 11.30 a.m. on Thursday 26 April 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsor or voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. The following documents are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the annual general meeting and will also be available for inspection at the place of the meeting from 11.15 a.m. on the day of the meeting until its conclusion:

   copies of the executive directors' service contracts with the Company and any of its subsidiary undertakings and letters of appointment of the non-executive directors.

Five year summary

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Group revenue	**15,605**	19,636	16,314	12,966	17,481
Cost of sales	**(11,763)**	(15,127)	(12,116)	(9,770)	(13,057)
Gross profit	**3,842**	4,509	4,198	3,196	4,424
Distribution costs	**(376)**	(404)	(390)	(301)	(427)
Administrative expenses	**(3,550)**	(3,828)	(3,273)	(3,044)	(3,285)
Exceptional items	**(287)**	-	(83)	(176)	(215)
Other operating income/(expense)	**6**	98	39	(90)	11
Group operating profit	**(365)**	375	491	(415)	508
Finance income	**1**	-	-	20	43
Finance expenses	**(15)**	(12)	(1)	(13)	(38)
Profit before taxation	**(379)**	363	490	(408)	513
Taxation	**(58)**	(123)	(59)	9	(243)
Profit after tax	**(437)**	240	431	(399)	270
Attributable to:					
Owners of the parent	**(374)**	264	507	(375)	322
Non-controlling interest	**(63)**	(24)	(76)	(24)	(52)
	(437)	240	431	(399)	270
Earnings per share - basic	**(9.49p)**	6.70p	12.87p	(9.52p)	8.21p
Earnings per share - diluted	**(9.49p)**	6.63p	12.87p	(9.52p)	8.21p
Dividends per share in respect of each year	**2.0p**	5.35p	5.35p	5.35p	5.35p
Equity attributable to shareholders of the parent	**5,192**	5,941	5,841	5,751	6,036

Form of Proxy

Holders Technology plc

Form of proxy for use at the Annual General Meeting of Holders Technology plc ("**the Company**") to be held on 26 April 2013 at 11.30 a.m.

I/We ……...
of ……...
being a member/members of the Company entitled to receive notice, attend, speak and vote at general meetings of the Company, hereby appoint the Chairman of the Meeting (*Note 1*)
……………………………………………………………… as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting and at any adjournment and any other business of it which may properly come before the Meeting or any adjournment of it.

I/We direct my/our proxy to attend, speak and vote as follows in respect of the resolutions set out in the Notice of Annual General Meeting (*Note 2*):

Ordinary business	**For**	**Against**	**Abstain**
1. To receive and adopt the accounts of the Company, together with the directors' and auditors' reports thereon, for the year ended 30 November 2012.			
2. To declare a final dividend.			
3. To re-elect D Mahony as a Director.			
4. To re-appoint Grant Thornton UK LLP as auditors of the Company and to authorise the directors to fix their remuneration.			
Special business			
5. To authorise the directors to allot shares (Ordinary Resolution).			
6. To empower the directors to allot shares outside of statutory pre-emption rights subject to normal conditions (Special Resolution).			
7. To empower the Company to repurchase ordinary shares (Special Resolution).			

In the absence of instructions the proxy is authorised to vote (or abstain from voting) on the resolutions at his or her discretion. The proxy is also authorised to vote (or abstain from voting) on any other business which may properly come before the Meeting.

Signed ………………………………… Dated …………………………………………………2013

Notes:

(1) A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him. A member wishing to appoint someone other than the Chairman of the Meeting as his or her proxy (who need not be a member of the Company) should insert that person's name in the space provided in

substitution for the reference to "*the Chairman of the Meeting*" and initial the alteration. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a shareholder must hold more than one share to appoint more than one proxy). A member wishing to exercise this right should contact Neville Registrars.

(2) Please indicate by inserting an "*X*" under "*FOR*" or "*AGAINST*" or *"ABSTAIN"* how you wish your vote to be cast on each resolution. On receipt of this form of proxy duly signed but without any specific directions as to how you wish your vote to be cast, you will be considered to have authorised the proxy to vote or abstain at his or her discretion.

(3) To be effective, this form of proxy together with any power of attorney or other authority under which it is signed or notarially certified copy thereof must either (a) reach Neville Registrars, New Issue Department, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3BR not less than 48 hours before the time fixed for the holding of the Meeting or (b) be lodged using the CREST Proxy Voting Service – see note 8 below. The completion and return of a form of proxy will not preclude a member from attending the Meeting and voting in person.

(4) In the case of a corporation, this form of proxy must be under the common seal or signed by an officer or attorney duly authorised in writing.

(5) In the case of joint holders, the vote of the senior who tenders a vote will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stated in the register of members of the Company in respect of the joint holding.

(6) Any alterations made to this form of proxy should be initialled.

(7) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to vote at the Meeting (and for the purposes of the determination by the Company of the number of votes they may cast) members must be entered on the register of members of the Company by 6 p.m. on 24 April 2013.

(8) CREST members who wish to appoint a proxy or proxies by utilising the proxy voting service may do so for the Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by the last time(s) for receipt of proxy appointments specified in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Neville Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

BUSINESS REPLY SERVICE
Licence No.MB 3865

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