Company	Holders Technology PLC
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Holders Technology plc

Providers of PCB materials, LED components and lighting solutions.

Audited results for the year ended 30 November 2011

Holders Technology plc ("Holders Technology" or "the Group") announces its audited results for the year ended 30 November 2011.

Holders Technology's Printed Circuit Board ("PCB") divisions overall had strong growth in the first half, then contraction in the second half. The lighting and LED businesses grew throughout the year, albeit from a lower base. Holders Technology recorded the following results:

- Revenue for the year grew 20% to £19.6m (2010: £16.3m)
- LED revenue grew 317% to £3.2m
- Gross profit of £4.5m (2010: £4.2m)
- Operating profit of £0.4m (2010: £0.5m profit)
- Proposed final dividend of 3.25p (2010: 3.25p)

Chairman's statement

In my statement accompanying the half year results for the year ending 30th November 2011 I was able to say that the strong growth which we had seen in our PCB business in the preceding year had continued, particularly in our German operations. This position changed very significantly in the second half of the year adversely impacting our PCB operations in mainland Europe.

The positive points regarding our PCB operations were that we continued to see the benefits of our extended and renewed product range which enabled us to reduce the tendency for margins to come under severe pressure during times of turnover decline.

In periods of great economic uncertainty it is inevitable that reductions in end user demand will be magnified by a tendency for our customers, their suppliers, to de-stock, this was the case in the second half of the year. We do not believe that we have lost ground to competitors in the PCB markets which we serve.

The growth in total turnover which the Group saw in the year to 30th November 2011 was due to the LED sector of the Group's business. Our UK LED activities, being more established, made the greatest contribution to this growth but in the closing months of the year our European operations, benefiting from the infrastructure investment we have made, began to make significant progress.

The year overall was a financially testing one for the Group. The strong turnover growth achieved in our new LED business required significant investment in stock and other working capital but our traditional financial strength enabled us to accommodate these requirements despite profitability being constrained.

It was encouraging that, in addition to extending our LED infrastructure to serve the European market, we were also successful in expanding the range of products we are able to offer. This enhanced range was augmented by a number of customised modules tailored to selected product markets. Our ability to utilise assembly services from our other various facilities materially assisted in this process.

The strategy we have pursued in the PCB market of seeking to offer a comprehensive service covering both high volume commodity products and more specialist niche products, has enabled us successfully to weather the cyclical swings in that business. While applying the same general principles to our LED activities we will also heighten our concentration on providing complete lighting solutions to selected industrial and commercial segments of the market.

As in previous years I would like to record the Board's thanks to all of our employees who have responded well to the challenges which the last year gave rise to; we value their support. The year saw Paul Geraghty join the Board as Financial Director. I am pleased to be able to report that Jim Shawyer, who held that post for eleven years, has agreed to continue as a consultant to the Group.

The current problems in the Euro area coupled with an uncertain UK economy and the volatility of exchange rates makes the task of predicting the outcome for the current year particularly difficult. The opening months of the current financial year have seen a marked decline in our PCB business but, as a Group, we have the benefit of considerable experience in weathering downturns in the PCB industry by balancing the need to preserve revenues whilst strictly controlling costs and this we are continuing to do.

In contrast to the PCB market, the LED market continues to experience rapid growth. To ensure that we have the capability to serve our defined areas of this market we will, in the current year, continue to make significant further investments designed to ensure we are able to build a secure platform for sustained growth in future years.

In summary, we foresee the current year as one of both significant challenge and great opportunity.

R W Weinreich
Executive Chairman

13 February 2012

Consolidated income statement
for the year ended 30 November 2011

	Note	**Total 2011 £'000**	Total 2010 £'000
Continuing operations			
Revenue		**19,636**	16,314
Cost of sales		**(15,127)**	(12,116)
Gross profit		**4,509**	4,198
Distribution costs		**(404)**	(390)
Administrative expenses		**(3,828)**	(3,273)
Impairment of goodwill	2	**-**	(57)
Acquisition costs	2	**-**	(26)
Other operating income/(expenses)		**98**	39
Operating profit/(loss)		**375**	491
Finance costs		**(12)**	(1)
Profit before taxation		**363**	490
Tax expense	3	**(123)**	(59)
Profit for the year		**240**	431
Profit for the year attributable to:			
Owners of the parent		**264**	507
Non-controlling interest		**(24)**	(76)
Profit for the financial year		**240**	431
Total and continuing			
Basic earnings per share	5	**6.70p**	12.87p
Diluted earnings per share	5	**6.63p**	12.87p

Consolidated statement of comprehensive income
for the year ended 30 November 2011

	Group	
	2011 £'000	2010 £'000
Profit for the year	**240**	431
Reclassification adjustment related to terminated foreign operations	**412**	-
Exchange differences on translating foreign operations	**60**	(180)
Total comprehensive income for the year	**712**	251
Total comprehensive income for the year attributable to:		
Owners of the parent	**788**	305
Non-controlling interests	**(76)**	(54)
	712	251

Statements of changes in equity

Group	Share capital	Share premium	Capital redemption reserve	Translation reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 December 2009	416	1,531	1	831	2,972	5,751	145	5,896
Dividends	-	-	-	-	(211)	(211)	-	(211)
Employee share-based payment options	-	-	-	-	(4)	(4)	-	(4)
Transactions with owners	-	-	-	-	(215)	(215)	-	(215)
Profit/(loss) for the year	-	-	-	-	507	507	(76)	431
Non-controlling interest investment	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	(202)	-	(202)	22	(180)
Total comprehensive income for the year	-	-	-	(202)	507	305	(54)	251
Balance at 30 November 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**

Company	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 December 2009	416	1,531	1	939	2,887
Loss and total comprehensive income for the period	-	-	-	(185)	(185)
Dividends	-	-	-	(211)	(211)
Share-based payment charge	-	-	-	(4)	(4)
Balance at 30 November 2010	416	1,531	1	539	2,487
Profit and total comprehensive income for the period	-	-	-	404	404
Dividends	-	-	-	(211)	(211)
Share-based payment charge	-	-	-	(4)	(4)
Balance at 30 November 2011	**416**	**1,531**	**1**	**728**	**2,676**

Balance sheets
at 30 November 2011

Company number: 1730535	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Assets				
Non-current assets				
Goodwill	**318**	318	**-**	-
Property, plant and equipment	**576**	582	**29**	3
Investments in subsidiaries	**-**	-	**2,780**	3,622
Investment in joint venture	**-**	-	**15**	15
Investments in associates	**-**	-	**-**	-
Deferred tax assets	**66**	73	**-**	-
	960	973	**2,824**	3,640
Current assets				
Inventories	**3,834**	3,826	**-**	-
Trade and other receivables	**2,951**	2,721	**676**	423
Current tax assets	**95**	56	**-**	-
Cash and cash equivalents	**67**	888	**15**	63
	6,947	7,491	**691**	486
Liabilities				
Current liabilities				
Trade and other payables	**(1,591)**	(2,182)	**(766)**	(1,562)
Borrowings	**(26)**	(52)	**(6)**	-
Current tax liabilities	**(35)**	(55)	**(33)**	(32)
	(1,652)	(2,289)	**(805)**	(1,594)
Net current assets	**5,295**	5,202	**(114)**	(1,108)
Non-current liabilities				
Borrowings	**-**	(4)	**-**	-
Retirement benefit liability	**(167)**	(192)	**-**	-
Contingent consideration	**(29)**	(45)	**(29)**	(45)
Deferred tax liabilities	**(28)**	(2)	**(5)**	-
	(224)	(243)	**(34)**	(45)
	6,017	5,932	**2,676**	2,487
Shareholders' equity				
Share capital	**416**	416	**416**	416
Share premium account	**1,531**	1,531	**1,531**	1,531
Capital redemption reserve	**1**	1	**1**	1
Retained earnings	**3,725**	3,264	**728**	539
Cumulative translation adjustment reserve	**268**	629	**-**	-
Equity attributable to the shareholders of the parent	**5,941**	5,841	**2,676**	2,487
Non-controlling interest	**76**	91	**-**	-
	6,017	5,932	**2,676**	2,487

Cash flow statements

for the year ended 30 November 2011

	Group		Company	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Cash flows from operating activities				
Operating profit/(loss)	**375**	491	**(158)**	(117)
Share-based payment credit	**(4)**	(4)	**(4)**	(4)
Depreciation	**144**	152	**3**	1
Impairment of goodwill	**-**	57	**-**	-
Impairment of fixes assets	**20**	-	**-**	-
Currency translation	**40**	(137)	**-**	-
(Gain)/ Loss on sale of property, plant and equipment	**(16)**	16	**-**	-
(Increase)/decrease in inventories	**(8)**	(1,870)	**-**	-
(Increase)/decrease in trade and other receivables	**(257)**	(274)	**(253)**	67
Increase/(decrease) in trade and other payables	**(582)**	867	**(796)**	1,108
Movement in contingent consideration	**(16)**		**(16)**	
Investment in subsidiary fair value adjustment			**16**	
Cash (used in)/generated from operations	**(304)**	(702)	**(1,208)**	1,055
Corporation tax (paid)/received	**(155)**	(75)	**(156)**	157
Net cash (used in)/generated from operations	**(459)**	(777)	**(1,364)**	1212
Cash flows from investing activities				
Net borrowings acquired with subsidiary undertaking	**-**	(44)		**-**
Increase in investment in subsidiaries	**-**	-	**-**	(1,296)
Proceeds from disposal of subsidiary	**-**	-	**1,157**	67
Purchase of property, plant and equipment	**(137)**	(118)	**(29)**	(1)
Proceeds from sale of property, plant and equipment	**24**	(21)	-	**-**
Income from investments	**-**	-	**77**	160
Interest received	**-**	-	**6**	5
Net cash (used in)/generated from investing activities	**(113)**	(141)	**1,211**	**(1,065)**
Cash flows from financing activities				
Interest paid	**(12)**	(1)	**(2)**	-
Loan repayments	**(27)**	(26)	**-**	-
Finance lease principal repayments	**(3)**	(3)	**-**	-
Equity dividends paid	**(211)**	(211)	**(211)**	(211)
Net cash used in financing activities	**(253)**	(241)	**(213)**	(211)
Net change in cash and cash equivalents	**(825)**	(1,159)	**(54)**	(64)
Cash and cash equivalents at start of period	**888**	2,095	**63**	127
Effect of foreign exchange rates	**4**	(48)	**-**	-
Cash and cash equivalents at end of period	**67**	888	**9**	63

Notes

1. 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.

2. Exceptional items

Exceptional items consist of the following:

	2011	2010
	£'000	£'000
Impairment of goodwill	**-**	(57)
Acquisition costs	**-**	(26)
	-	(83)

The impairment of goodwill in 2010 derives from the directors' assessment of goodwill attributable to Holders' Far East operations. The acquisition costs in 2010 relate to the acquisition of JK Components Limited (since renamed Holders Components Limited) in December 2009.

3. Taxation

	2011	2010
	£'000	£'000
Analysis of the charge in the period		
Current tax		
- Current period	**91**	136
- Adjustments in respect of prior periods	**5**	(27)
	96	109
Deferred tax	**27**	(50)
Total tax	**123**	59

Tax reconciliation

The tax for the period is higher (2010: lower) than the standard rate of corporation tax in the UK, effectively 26.67% (2010: 28%) for the company's financial year. The differences are explained below:

	2011	2010
	£'000	£'000
Profit/(loss) before taxation	**363**	490
Profit/(loss) before taxation multiplied by rate of corporation tax in the UK of 26.67 % (2010: 28%)	**92**	137
Effects of:		
Differences between capital allowances and depreciation	**6**	(2)
Amounts not deductible for taxation purposes	**46**	23
Non taxable income	**(42)**	-
Adjustments in respect of prior years	**5**	(27)
Taxation losses	**11**	(74)
Other temporary differences	**5**	2
Taxation	**123**	59

4. The directors have proposed a final dividend of 3.25p per share payable on 22 May 2012 to shareholders on the register at close of business on 4 May 2012. The total dividend for the year, including the interim dividend of 2.1p (2010: 2.1p) per share paid on 4 October 2011, amounts to £211,000 (2010: £211,000), which is equivalent to 5.35p (2010: 5.35p) per share.

5. The basic earnings per share are based on the earnings for the financial year attributable to the equity shareholders of £264,000 (2010: £507,000) and on ordinary shares 3,939,551 (2010: 3,939,551), the weighted average number of shares in issue during the year, excluding treasury shares. Diluted earnings per share are based on 3,979,008 ordinary shares (2010: 3,939,551), being the weighted average number of ordinary shares after an adjustment of 39,457 shares (2010: nil) in relation to share options.

6. This preliminary statement, which has been approved by the Board on 13 February 2012, is not the Company's statutory accounts. The statutory accounts for each of the two years to 30 November 2010 and 30 November 2011 received audit reports, which were unqualified and did not contain statements under section 498(2) and section 498(3) of the Companies Act 2006. The 2010 accounts have been filed with the Registrar of Companies but the 2011 accounts are not yet filed.

ENDS

For further information, contact:

Mr Rudi Weinreich, Executive Chairman, Holders Technology plc,
on 020 8236 1490

Mr Paul Geraghty, Group Finance Director, Holders Technology plc,
on 020 8236 1490

Mr Shane Gallwey, Director, Corporate Finance, Northland Capital Partners Ltd,
on 020 7796 8823

Website www.holderstechnology.com