

DT Assembly & Test – Europe Limited
Annual report and financial statements
for the 52-week period ended 27 June 2004

Registered number 3403962



DT Assembly & Test – Europe Limited

Annual report and financial statements for the period ended 27 June 2004

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DT Assembly & Test – Europe Limited

Company information

Directors:

S J Perkins	(Resigned 12 November 2004)
J M Casper	(Resigned 12 November 2004)
D M MacDonald	(Appointed 12 November 2004)
M E Heath	(Appointed 12 November 2004)
I R Stewart	(Resigned 26 January 2004)
T Wildt	(Appointed 1 January 2004) (Resigned 12 November 2004)

Secretary:

BLG (Professional Services) Limited	(Resigned 12 November 2004)
M E Heath	(Appointed 12 November 2004)

Registered office:

South House
Park Barns
Irthington
Cumbria
CA6 4NQ

Registered number:

3403962

Auditors:

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

DT Assembly & Test – Europe Limited

Directors' report for the 52-week period ended 27 June 2004

The directors present their report and the audited financial statements of the company for the period ended 27 June 2004.

The accounting reference date of the company is 30 June and financial statements are drawn up to a Sunday within seven days of that date. These financial statements are drawn up to 27 June 2004 as permitted under Section 223 of the Companies Act 1985.

Principal activities

The company's principal activity during the period was the design, manufacture and sale of assembly and test equipment to the automotive industry.

Review of business and future developments

The results of the period are set out on page 7 of the financial statements and show a loss on ordinary activities before taxation of £1,456,000 (2003: £3,533,000). The directors do not recommend the payment of a dividend (2003: £nil).

The product range has been updated and a number of significant contracts have been gained, the benefit of which will be seen in the year to June 2006.

A sister company in the UK, DT Packaging Systems Limited, sold substantially all its assets on 8 March 2004. The purchaser was Swiftpack Automation Ltd. The price paid of \$3,669,214 was remitted in the US to DT Industries Inc. and was used to pay down senior debt of DT Industries Inc.

On 12 May 2004, DT Industries Inc. and its domestic subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code. On 13 May 2004, DT Industries Inc. announced that it had reached agreement to sell to Assembly & Test Worldwide Inc., substantially all of the trade and assets of its domestic subsidiaries and all the issued stock of its German subsidiary. As a result, the UK group was put up for sale.

Post balance sheet events

An unconditional offer of £890,000 for the inter-company debt and £1 for 100% of the share capital of DT Industries (UK) II Limited was made by Managed Technologies Limited and this offer was accepted on 12 November 2004. The key management of the company and the UK group changed and the new management has subsequently taken a number of actions to return the group to profitability.

On 24 December 2004, the trade and assets relating to the Hartridge division of the company were sold to Seckloe 202 Limited for a cash consideration of £1,530,000, paid between the date of sale and 4 March 2005.

DT Assembly & Test – Europe Limited

Directors' report for the 52-week period ended 27 June 2004 (continued)

Directors and their interests

The directors who held office during the period, and changes since the balance sheet date are given below:

S J Perkins	(Resigned 12 November 2004)
J M Casper	(Resigned 12 November 2004)
D M MacDonald	(Appointed 12 November 2004)
M E Heath	(Appointed 12 November 2004)
I R Stewart	(Resigned 26 January 2004)
T Wildt	(Appointed 1 January 2004) (Resigned 12 November 2004)

As described in the Directors' Report, DT Industries, Inc., the company's ultimate parent company, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code on 12 May 2004. Accordingly, the directors have no interests in the ultimate parent company at 29 June 2004.

The interests of Mr S J Perkins, who was also a director of the ultimate parent company, DT Industries, Inc., (a company incorporated in the USA), in the shares of the ultimate parent company, are shown in the annual report and accounts of that company for the period ended 29 June 2003.

The interests of Mr J M Casper and Mr I R Stewart in the shares of the ultimate parent company, DT Industries, Inc., at 29 June 2003 were as follows:

	29 June 2003
<hr/>	
J M Casper	
Share options	20,000
Restricted ordinary \$0.01 shares, vesting after two years at 25% per year	30,000
Ordinary \$0.01 shares	80,000
I R Stewart	
Share options	19,000

Details of the price and period within which options are exercisable can be found in the accounts of DT Industries, Inc for the period ended 29 June 2003.

No director was granted options to purchase shares in DT Industries Inc. during the period being reported.

Retirement benefits are accruing to one director under the DT ATT UK Pension Scheme as described in note 18 to the financial statements.

None of the directors had any interests in the company or any other group company during the period (2003: none).

DT Assembly & Test – Europe Limited

Directors' report for the 52-week period ended 27 June 2004 (continued)

Research and development

The company continues to develop its product range to meet the demands of its customers. During the period, expenditure of £424,000 (2003: £262,000) was incurred and charged to the profit and loss account.

Charitable and political donations

Charitable donations of £260 (2003: £897) were made during the period. No political donations were made during the period (2003: Nil).

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

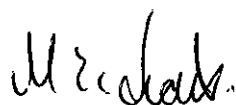
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 27 June 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

The directors have indicated that they will not seek to reappoint PricewaterhouseCoopers LLP as auditors. In accordance with Section 385 of the Companies Act 1985 a resolution for the appointment of Nexia Audit Limited as auditors of the company is to be made at the next Annual General Meeting.

By Order of the Board



M E Heath
Director
10 August 2005

Independent auditors' report to the members of DT Assembly & Test - Europe Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

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

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

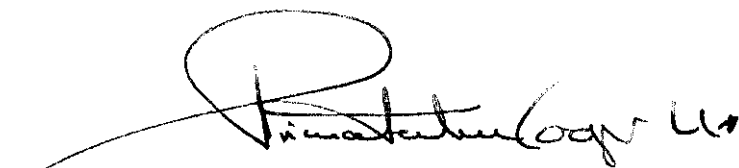
Independent auditors' report to the members of DT Assembly & Test - Europe Limited (continued)

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures in the financial statements concerning the uncertainty as regards the ability of the company to continue as a going concern. Following the acquisition of the company by Managed Technologies Limited on 12 November 2004, the directors have taken a number of actions to improve the group's profitability and have prepared an associated business plan. This business plan forecasts that the group will generate sufficient cash inflows to meet its liabilities as they fall due during the next twelve months. Accordingly the directors consider that the financial statements can be prepared on the going concern basis. However, the ability of the company to achieve financial results in line with its business plan is subject to inherent uncertainty and the financial statements do not include any adjustments that would result from the company's failure to generate sufficient cash resources to meet its financial obligations as they fall due for payment. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 27 June 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
10 August 2005

DT Assembly & Test – Europe Limited

Profit and loss account for the 52-week period ended 27 June 2004

	Note	52-week period ended 27 June 2004	52-week period ended 29 June 2003
		£'000	£'000
Turnover	2	15,756	14,646
Change in stocks of finished goods and work in progress		(1,006)	579
Other operating income		13	-
		14,763	15,225
Raw materials and consumables		(6,368)	(7,335)
Other external charges		(866)	(824)
Staff costs	5	(5,545)	(6,024)
Depreciation and amortisation		(291)	(474)
Other operating charges	4	(3,154)	(4,122)
		(16,224)	(18,779)
Operating loss	5	(1,461)	(3,554)
Net interest receivable	6	5	21
Loss on ordinary activities before taxation		(1,456)	(3,533)
Tax on loss on ordinary activities	7	-	-
Loss for the financial period	15	(1,456)	(3,533)

The company has no recognised gains or losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

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

All turnover and the operating loss are derived from continuing operations.

DT Assembly & Test – Europe Limited

Balance sheet as at 27 June 2004

	Note	2004 £'000	2003 £'000
Fixed assets			
Tangible assets	8	3,892	4,034
Intangible assets	9	21	102
		3,913	4,136
Current assets			
Stock	10	844	1,850
Debtors due within one year	11	2,972	4,181
Cash at bank and in hand		643	567
		4,459	6,598
Creditors: amounts falling due within one year	12	(2,904)	(4,244)
Net current assets		1,555	2,354
Total assets less current liabilities		5,468	6,490
Provisions for liabilities and charges	13	(1,423)	(989)
Net assets		4,045	5,501
Capital and reserves			
Called up share capital	14	10,901	10,901
Profit and loss account	15	(6,856)	(5,400)
Equity shareholders' funds		4,045	5,501

The financial statements on pages 7 to 29 were approved by the board of directors on 10 August 2005 and were signed on its behalf by:



M E Heath
DIRECTOR

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004

1 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, the accounting policies set out below, and in accordance with applicable accounting standards and the Companies Act 1985.

Financial Reporting Standard 18 “Accounting Policies” requires the Directors to consider whether the accounting policies adopted in the financial statements are those judged to be the most appropriate to the company’s circumstances, and for them to be revised regularly and changed as appropriate. Having reviewed the company’s accounting policies the Directors are satisfied they are the most appropriate.

Going concern

The company has historically received support from its previous ultimate parent undertaking, DT Industries Inc. (“DTI”). However, as described in the directors’ report, DTI filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code and, on 12 November 2004, the company and its fellow UK subsidiary, DT Industries (UK) II Limited (together “the UK group”), were sold to Managed Technologies Limited. The details of the events occurring after the balance sheet date are disclosed in note 22 to the financial statements.

Following the acquisition of the UK group by Managed Technologies Limited, the directors have undertaken a review of the structure of the UK group and have prepared a business plan. As part of this review, the Hartridge business, a division of the company, has been sold. Furthermore, a bank overdraft facility has been secured for the UK group’s working capital requirements. Whilst the cash flow forecasts prepared by management show that the company will be able to meet its financial obligations as they fall due for at least the next twelve months, the headroom available in the forecasts is dependent upon the timing of significant cash receipts.

The new management team is refocusing the operations and has developed a business plan. During this period of change, there is inherent uncertainty around the ability to achieve the business plan, and accordingly there remains the risk that should the company be unable to generate cash flows at least in line with the business plan, there may be insufficient financial resources available to the company to continue as a going concern.

Having regard to the matters referred to in the preceding paragraphs, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors of the company have concluded that it is appropriate to prepare these accounts on the going concern basis.

These financial statements do not contain any adjustments which would be required in the event of the company not being able to meet its liabilities as they fall due.

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

1 Accounting policies (continued)

Deferred Taxation

The company provides in full for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. Deferred tax assets are only recognised where there is a greater likelihood than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents amounts invoiced to outside customers, except in respect of long-term contract activities where turnover represents the value of work carried out during the financial period on a Percentage of Completion basis, as prescribed by the ultimate parent company DT Industries, Inc. Turnover excludes value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold land	nil
Freehold buildings	2% to 5% straight-line
Plant and machinery	5% to 20% straight-line

Intangible fixed assets and amortisation

Intangible fixed assets are made up of purchased goodwill on acquisitions and other. The goodwill is calculated as being the difference between the fair value of the consideration paid for a business and the fair value of the net assets of the business at the date of acquisition.

Purchased goodwill is amortised on a straight-line basis over its useful economic life of 20 years.

Other intangible fixed assets comprise the intellectual property rights. The cost of this purchase is being amortised on a straight-line basis over its estimated useful life of 5 years.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Long-term contracts

The amount by which recorded turnover is in excess of payments on account and amount invoiced is included in debtors as "amounts recoverable on long-term contracts". Payments in excess of recorded turnover and long-term contract balances are included in creditors as payments on account of long-term contracts.

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

1 Accounting policies (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit/loss.

Pensions

The amounts charged to the profit and loss account in respect of defined contributions schemes represent the contributions payable under the rules of the scheme.

Pension costs of the defined benefit scheme are charged against profits in a systematic manner over the service lives of the employees in each scheme. In each case pension costs comprise:

- i) The regular pension costs, that is the consistent ongoing cost, calculated as a level percentage of the current and expected future pensionable earnings.
- ii) Variations from the regular cost, arising from scheme surpluses and deficits allocated over the expected remaining service lives of the employees in the scheme.

Any difference between the amounts charged in the profit and loss account and the amounts payable as contributions to the scheme are carried forward as provisions or pre-payments.

The assets of the scheme are held separately from those of the company in an independently administered scheme.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Research and development

Development expenditure is written off to the profit and loss account in the period in which it is incurred.

Warranty provision

The company offers standard warranty cover in respect of equipment defects. The warranty provision carried forward is based upon experience of actual warranty claims received during the previous twelve-month period. Movements in the warranty provision are charged to material cost of sales.

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

2 Turnover

The company's activities consisted of the design, manufacture and sale of assembly and test equipment to the automotive industry.

Geographical analysis of turnover

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
United Kingdom	2,683	2,427
North America	3,725	3,559
Europe	6,012	5,622
Rest of the world	3,336	3,038
	15,756	14,646

All of the company's turnover originates in the UK.

3 Cash flow statement and related party disclosure

The company is a wholly owned subsidiary of DT Industries (UK) II Limited and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised) 1996.

The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the DT Industries (UK) II Limited group.

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

4 Other operating charges

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Distribution costs	31	28
Exceptional reorganisation and redundancy costs	65	(23)
Administrative expenses	3,058	1,800
	3,154	1,805
Exceptional write-down of goodwill	-	2,317
	3,154	4,122

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

5 Operating loss

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Operating loss is stated after charging:		
Wages and salaries	4,079	4,659
Social security	433	444
Other pension costs (Note 18)	1,033	921
Staff costs	5,545	6,024
Depreciation of tangible fixed assets – owned	210	229
Amortisation of goodwill	81	245
Operating lease charges - plant and machinery	82	91
- other	148	175
Research and development expenditure	424	262
Auditors' remuneration - audit services	28	32
- non-audit services	34	13

6 Net interest receivable

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Interest receivable on bank balances	5	21

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

7 Tax on loss on ordinary activities

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Current taxation		
UK corporation tax at 30% (2003: 30%)	-	-
Adjustment in respect of previous periods	-	-
	-	-
Deferred taxation		
Current year	-	-
	-	-
Total tax charge	-	-

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

7 Tax on loss on ordinary activities (continued)

The tax credit for the year is lower than the standard rate of Corporation Tax in the UK (30%). The differences are explained below:

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Loss on ordinary activities	(1,456)	(3,533)
Loss on ordinary activities multiplied by the standard rate of		
Corporation tax in the UK of 30% (2003: 30%)	(437)	(1,060)
Effects of:		
Expenses not deductible for tax purposes	170	765
Depreciation for the year in excess of capital allowances	151	(25)
Capital allowances for the year in excess of depreciation	-	27
Increase in short term timing differences	-	293
Group relief surrendered/(claimed)	116	-
Current tax charge	-	-

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

8 Tangible assets

	Freehold land and buildings	Plant and machinery	Total
	£'000	£'000	£'000
Cost			
At 30 June 2003	3,992	1,731	5,723
Additions	-	68	68
At 27 June 2004	3,992	1,799	5,791
Accumulated depreciation			
At 30 June 2003	434	1,255	1,689
Charge for the period	135	75	210
At 27 June 2004	569	1,330	1,899
Net book amount			
At 27 June 2004	3,423	469	3,892
At 29 June 2003	3,558	476	4,034

Future capital expenditure commitments: £Nil (2003: £Nil).

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

9 Intangible assets

	Other	Goodwill	Total
	£'000	£'000	£'000
Cost			
At 30 June 2003 and 27 June 2004	394	3,603	3,997
Accumulated amortisation			
At 30 June 2003	292	3,603	3,895
Charge for the period	81	-	81
At 27 June 2004	373	3,603	3,976
Net book amount			
At 27 June 2004	21	-	21
At 29 June 2003	102	-	102

Other Intangible Assets comprise the Intellectual Property Rights to a Test Bench purchased from Dizotester Ltd of Izmir, Turkey on 9 July 1999. The cost of this purchase is being amortised on a straight-line basis over its estimated useful life of 5 years.

10 Stocks

	2004	2003
	£'000	£'000
Raw materials & consumables	13	13
Work in progress	831	1,837
	844	1,850

Within work in progress is a balance of £331,000 (2003: £533,000) relating to long-term contracts.

In the opinion of the Directors, the replacement cost of stocks is not materially different from the value of stock as listed above.

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

11 Debtors

	2004	2003
	£'000	£'000
Trade debtors	2,602	1,770
Amounts recoverable on long-term contracts	242	1,312
Amounts owed by group undertakings	10	987
Other debtors	118	91
Corporation tax	-	-
Prepayments and accrued income	-	21
	2,972	4,181

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

12 Creditors: amounts falling due within one year

	2004	2003
	£'000	£'000
Trade creditors	1,326	1,256
Payments on account of long-term contracts	799	751
Amounts due to group undertakings	-	1,630
Taxation and social security	137	150
Accruals and deferred income	642	457
	2,904	4,244

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

The company's bonds, guarantees and/or indemnities facility with Barclays Bank Plc are secured on the freehold deeds relating to the company's premises at Tingewick Road, Buckingham.

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

13 Provisions for liabilities and charges

	30 June 2003	Utilised in period	Charged to profit and loss	27 June 2004
	£'000	£'000	£'000	£'000
Pension provision (Note 18)	833	-	409	1,242
Warranty provision	156	(295)	320	181
Deferred taxation	-	-	-	-
	989	(295)	729	1,423

The company offers standard warranty cover in respect of equipment defects, which become apparent within a period of twelve months. A warranty provision of £181,000 has been carried forward for expected claims based upon past experience of the level of actual warranty claims received and is expected to be utilised in the next 12 months.

Analysis of deferred tax:

	Provided		Unprovided	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	68	(4)	-
Other timing differences	-	(68)	(414)	(197)
Unrelieved tax losses	-	-	(133)	(494)
	-	-	(551)	(691)

A deferred tax asset of £551,000 (2003: £691,000) has not been recognised in the accounts because there is insufficient evidence as to its recoverability. The recovery of this asset may be possible in the future provided there are sufficient future taxable profits generated.

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

14 Called up share capital

	2004	2003
	£'000	£'000
Authorised:		
20,000,000 Ordinary shares at £1 each	20,000	20,000
Allotted and fully paid:		
10,901,100 Ordinary shares at £1 each	10,901	10,901

15 Reserves

	£'000
Profit and loss account	
At 30 June 2003	(5,400)
Loss for the financial period	(1,456)
At 27 June 2004	(6,856)

16 Reconciliation of movements in equity shareholders' funds

	2004	2003
	£'000	£'000
Loss for the financial period	(1,456)	(3,533)
Equity shareholders' funds at the start of the period	5,501	9,034
Equity shareholders' funds at the end of the period	4,045	5,501

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

17 Operating lease commitments

	2004	2003
	£'000	£'000
<hr/>		
The company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
within one year	50	57
in the second to fifth year inclusive	127	144
	<hr/>	<hr/>
	177	201

There are no operating leases in respect of land and buildings.

18 Pension commitments

The group operates a funded hybrid pension scheme, the DT ATT UK Pension Scheme, which is available to the employees of DT Assembly & Test - Europe Limited. This scheme provides for defined benefits for members that existed at 29 July 1997 and for defined contributions for all members joining the scheme after that date. The total net pension cost to the company during the financial period was £1,033,000 (2003: £921,000). This consists of payments of £624,000 (2003: £643,000) plus an increase in provision of £409,000 (2003: £278,000) in respect of the difference between the regular pension cost, as calculated by an independent actuary, and the contributions actually paid by the company during the period. This amount is included within provisions for liabilities and charges (Note 13). The current service cost will increase as the members of the scheme approach retirement.

Included in creditors is an amount of £66,000 (2003: £65,000) in respect of contributions payable to the company's scheme.

Defined benefits

The assets of the scheme are held separately and are administered by Trustees. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial actuarial valuations using the Projected Unit method. The latest actuarial valuation was at 1 July 2003. The most significant actuarial assumptions made were price inflation of 2.5% per annum, salary inflation of 2.25% per annum, fund growth of 7% per annum (reducing to 5% per annum for members in retirement) and pension increases of 2.25% per annum.

The most recent formal actuarial valuation, as at 1 July 2003, showed that the market value of the scheme's assets was £13,628,000, representing 69% of the value of the benefits that had accrued to members at that date. With effect from 1 April 2004, the accrual of future benefits ceased under the defined benefit section of the Scheme. In addition, the company has agreed to pay contributions to the Scheme at the rate of £700,000 per annum, with effect from 14 May 2004. All things being equal, the combination of these two changes should cause the future pension expense to reduce.

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Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

18 Pension commitments (continued)

Additional disclosure requirements for FRS 17 (Retirement Benefits)

The company operates a pension scheme with defined benefits and defined contribution benefits. New entrants receive defined contribution benefits and hence the membership who receive defined benefits will become older over time.

The results were based on a full actuarial valuation which was carried out by a qualified independent actuary as at 1 July 2003, adjusted to the accounting date.

Defined Benefit Section members no longer accrue further benefits in the Scheme in respect of service from 1 April 2004. The company contributed 11% of the total monthly pensionable salaries plus a lump sum of £18,000 per month up to 14 May 2004, thereafter the company will pay an annual fixed amount of £700,000 in monthly instalments. With effect from 18 March 2004 the benefits arising in respect of spouses' death in service pensions will no longer be paid directly from the Scheme's assets. Instead, such benefits are now insured.

An assessment of the scheme was carried out at the beginning and at the end of the period based on the following main economic assumptions, which were appropriate at the date of each assessment:

	27 June 2004	29 June 2003	30 June 2002
Discount rate	5.75%	5.25%	6.00%
Rate of increase in salaries	2.75%	2.50%	3.50%
General price inflation	3.00%	2.50%	2.50%
Rate of increase in pension payments	2.75%	2.50%	2.50%

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Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

18 Pension commitments (continued)

The assets in the scheme, expected rates of return and deficits in the scheme at each assessment date were:

	27 June 2004	Expected Return	29 June 2003	Expected Return	30 June 2002	Expected Return
	£'000	%pa	£'000	%pa	£'000	%pa
Equities	9,289	8.25	11,157	8.0	11,852	8.0
Bonds	5,871	5.4	1,542	4.7	1,792	5.3
Property	-	-	621	8.0	766	8.0
Cash	21	4.5	339	3.5	168	5.1
Total market value of assets	15,181	7.1	13,659	7.5	14,578	7.6
Present value of scheme liabilities	(22,560)		(22,963)		(19,529)	
Deficit in the scheme	(7,379)		(9,304)		(4,951)	
Related deferred tax asset	-		-		-	
Net pension liability	(7,379)		(9,304)		(4,951)	

No deferred tax asset would be recognised on the pension scheme deficit under FRS17 as the deferred tax asset would not meet the criteria for recognition under FRS19.

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Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

18 Pension commitments (continued)

The following disclosures are for illustrative purposes, had FRS17 been incorporated into the financial statements:

	27 June 2004	29 June 2003	30 June 2002
	£'000	£'000	£'000
Net assets excluding pension liability	5,287	6,334	9,589
Pension liability under FRS17	(7,379)	(9,304)	(4,951)
Net (liabilities)/assets including pension liability	(2,092)	(2,970)	4,638
Profit and loss reserve excluding pension liability	(5,614)	(5,400)	(1,312)
Pension liability under FRS17	(7,379)	(9,304)	(4,951)
Profit and loss reserve including pension liability	(12,993)	(14,704)	(6,263)

The analysis of the amount that would be charged to operating loss was:

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Current service cost	483	594
Total operating charge	483	594

The analysis of the amount that would be credited to other finance income is:

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Expected return on pension scheme assets	1,033	1,123
Interest on pension scheme liabilities	(1,210)	(1,194)
Net return	(177)	(71)

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

18 Pension commitments (continued)

The analysis of amounts that would be recognised in the statement of total recognised gains and losses (STRGL) is:

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Actual return less expected return on pension scheme assets	337	(2,329)
Experience (losses)/gains arising on the scheme liabilities	(18)	24
Changes in assumptions underlying the present value of the scheme liabilities	1,510	(2,187)
Actuarial gain/(loss) recognised in the STRGL	1,829	(4,492)

Set out below is an analysis of the movement in the scheme deficit during the two periods:

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Deficit in the scheme at the beginning of the period	(9,304)	(4,951)
Movements during the year:		
Current service cost	(483)	(594)
Contributions	756	804
Other finance income	(177)	(71)
Actuarial gain/(loss)	1,829	(4,492)
Deficit in the scheme at the end of the period	(7,379)	(9,304)

DT Assembly & Test – Europe Limited

Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

18 Pension commitments (continued)

History of Experience Gains and Losses:

	27 June 2004	29 June 2003	30 June 2002
Difference between the expected and actual return on scheme assets:			
Amount (£'000)	337	(2,329)	(3,148)
Percentage of scheme assets	2%	(17%)	(22%)
Experience gains and losses on scheme liabilities:			
Amount (£'000)	(18)	24	544
Percentage of the present value of the scheme liabilities	0%	0%	3%
Total amount recognised in statement of total recognised gains and losses:			
Amount (£'000)	1,829	(4,492)	(2,446)
Percentage of the present value of the scheme liabilities	8%	(20%)	(13%)

19 Employees

The average number of employees during the period including directors was as follows:

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	Number	Number
Manufacturing and Engineering	80	97
Logistics & Support	31	26
Sales & Marketing	9	11
General Administration	13	11
	133	145

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Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

20 Directors' emoluments

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Aggregate emoluments	315	168

Retirement benefits accrued to one (2003: one) director under the defined benefit pension scheme.

Highest paid director

	52-week period ended 27 June 2004	52-week period ended 29 June 2003
	£'000	£'000
Aggregate emoluments	276	168

Mr I R Stewart, who resigned as a director of the company on 26 January 2004, was paid compensation for loss of office of £184,000. This amount is included within the emoluments disclosed above.

21 Ultimate parent undertaking

The immediate parent undertaking is DT Industries (UK) II Limited, which is the smallest group to consolidate these accounts. Copies of the DT Industries (UK) II Limited's group accounts can be obtained from the Company Secretary at 7th Floor, Beaufort House, 15 St. Botolph Street, London, EC3A 7NJ.

On 12 May 2004, DT Industries Inc. and its domestic subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code. On 13 May 2004, DT Industries Inc. announced that it had reached agreement to sell to Assembly & Test Worldwide Inc., substantially all of the trade and assets of its domestic subsidiaries and all the issued stock of its German subsidiary. As a result, the UK group was put up for sale.

As described in note 22, 100% of the share capital of the DT Industries (UK) II Limited was purchased on 12 November 2004 by Managed Technologies Limited, which became the ultimate parent undertaking from this date. The registered office of Managed Technologies Limited is South House, Park Barns, Irthington, Cumbria CA6 4NQ.

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Notes to the financial statements for the 52-week period ended 27 June 2004 (continued)

22 Post balance sheet events

An unconditional offer of £890,000 for the inter-company debt and £1 for 100% of the share capital of DT Industries (UK) II Limited was made by Managed Technologies Limited and this offer was accepted on 12 November 2004. The key management of the company and the UK group changed and the new management has subsequently taken a number of actions to return the group to profitability.

On 24 December 2004, the trade and assets relating to the Hartridge division of the company were sold to Seckloe 202 Limited for a cash consideration of £1,530,000, paid between the date of sale and 4 March 2005.