

Registered Number: SC 41957

Plexus Corp (Kelso) Limited
Annual report and accounts
for the year ended 30 September 2002



Plexus Corp (Kelso) Limited

Annual report and accounts for the year ended 30 September 2002

Contents

Directors and advisers	1
Directors' report for the year ended 30 September 2002.....	2
Independent auditors' report to the members of Plexus Corp (Kelso) Limited	4
Profit and loss account for the year ended 30 September 2002	5
Balance sheet as at 30 September 2002.....	6
Accounting policies	7
Notes to the financial statements for the year ended 30 September 2002	9

Plexus Corp (Kelso) Limited

Directors and advisers

Directors

A P Allen

A R Dick

Secretary

M Kelly

Registered Office

Pinnacle Hill

Kelso

Roxburghshire

TD5 8XX

Auditors

PricewaterhouseCoopers LLP

Benson House

33 Wellington Street

Leeds

LS1 4JP

Solicitors

McClure Naismith

292 St Vincent Street

Glasgow

G2 5TQ

Bankers

National Westminster Bank plc

City of London Office

PO Box 12258

1 Princes Street

London

EC2R 8AQ

Plexus Corp (Kelso) Limited

Directors' report for the year ended 30 September 2002

The directors present their report and the audited financial statements of the company for the year ended 30 September 2002.

Principal activities

The company's principal activity during the year was to provide an electronics manufacturing and design service to industry.

Results and dividends

The directors consider the results for the year to be satisfactory.

The results for the year are shown in the profit and loss account on page 5. Dividends totalling £nil (2001: £2,000,000) were proposed in respect of the year. The retained profit for the year of £1,686,000 (2001: £371,000) is transferred to reserves.

Research and development

The company is constantly undertaking research and development activities in order to maintain its competitive advantage. All such expenditure is charged to the profit and loss account as incurred (see note 3).

Directors and their interests

The directors who held office are given below:

A P Allen	
A R Dick	(appointed 24 January 2002)
T Q Ford	(resigned 10 June 2002)
M N Jarman	(resigned 10 June 2002)
J D Kaufman	(resigned 30 November 2002)
J L Nussbaum	(resigned 14 August 2002)
T B Sabol	(resigned 30 November 2002)

The service contracts of Messrs Allen, Dick, Ford and Jarman (the UK-based directors) are held with the company's parent undertaking, Plexus Corp (UK) Limited. The service contracts of Messrs Kaufman, Nussbaum and Sabol (the US-based directors) are held with Plexus Corp Inc.

The directors have no interests in the share capital of the company.

The interests of Messrs Nussbaum and Sabol in the company's ultimate parent undertaking, Plexus Corp Inc., are disclosed in the accounts of that company and its filings with the United States Securities & Exchange Commission (SEC). The interests of the remaining directors who held office at 30 September 2002 in the shares and options of the ultimate parent company, Plexus Corp Inc., are shown in the accounts of the company's UK ultimate parent, Plexus Corp Limited.

Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Plexus Corp (Kelso) Limited

Directors' report for the year ended 30 September 2002 (continued)

Employee involvement (continued)

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications.

Statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently, with the exception of the changes arising on the adoption of new accounting standards in the year, as explained on page 7;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies 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.

Post balance sheet event

On 1 October 2002 the trade and net assets of the company were transferred to its immediate parent company, Plexus Corp (UK) Limited, for an amount equal to net book value. This transaction was undertaken as part of an exercise to reduce the number of trading companies within the United Kingdom. The company ceased to trade from this date.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 20 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



M Kelly
Secretary

9TH July 2003

Plexus Corp (Kelso) Limited

Independent auditors' report to the members of Plexus Corp (Kelso) 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 in to 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.

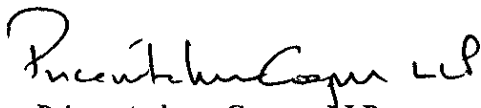
Basis of audit opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Leeds

7 July 2003

Plexus Corp (Kelso) Limited

Profit and loss account for the year ended 30 September 2002

	Note	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
Turnover	1	25,963	52,471
Cost of sales		(22,843)	(46,248)
Gross profit		3,120	6,223
Net operating expenses	2	(814)	(2,914)
Operating profit	3	2,306	3,309
Interest payable	5	(171)	(129)
Profit on ordinary activities before taxation		2,135	3,180
Tax on profit on ordinary activities	6	(449)	(809)
Profit on ordinary activities after taxation		1,686	2,371
Dividends	7	-	(2,000)
Retained profit for the year/period		1,686	371
Statement of retained profit			
At 1 October 2001/1 April 2000		1,961	1,590
Retained profit for the year/period	15	1,686	371
At 30 September 2002/30 September 2001		3,647	1,961

All items dealt with in arriving at operating profit above relate to discontinued operations (note 17).

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

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

Plexus Corp (Kelso) Limited

Balance sheet as at 30 September 2002

		30 September 2002		30 September 2001	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8		5,466		5,264
Current assets					
Stock	9	3,054		5,502	
Debtors	10	4,897		7,091	
Cash at bank and in hand		1,391		253	
			9,342		12,846
Creditors - amounts falling due within one year	11		(7,736)		(13,315)
Net current assets/(liabilities)			1,606		(469)
Total assets less current liabilities			7,072		4,795
Creditors - amounts falling due after more than one year	12		(3,421)		(2,830)
Net assets			3,651		1,965
Capital and reserves					
Called up share capital	13		4		4
Profit and loss account			3,647		1,961
Total shareholders' funds	15		3,651		1,965

The financial statements on pages 5 to 19 were approved by the board of directors on 9th July 2003 and were signed on its behalf by:

A P Allen
Director

09-07-03

Plexus Corp (Kelso) Limited

Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The company has adopted FRS 19 'Deferred Taxation' during the year. This standard addresses the recognition, on a full provision basis, of deferred taxation assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the taxation computation. The new accounting policy is set out below. There is no financial impact arising from the implementation of FRS 19.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

Turnover

Turnover represents the invoiced value of goods and services provided to third parties, excluding VAT. Income is recognised upon shipment of goods, or on transfer of risk of ownership to the customer.

Foreign currency

Exchange profits less losses resulting from the period's trading are accounted for in the result for the period.

Assets and liabilities expressed in foreign currencies are translated to Sterling at rates of exchange ruling at the end of the financial period, or at forward rates where covered by forward exchange contracts.

Fixed assets

Fixed assets are stated at historical cost less depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight line basis over their estimated economic lives. The estimated rates used for this purpose are:

Buildings	2% per annum
Computers, fixtures, fittings and office equipment	10 – 33% per annum
Plant, machinery and tools	10 – 33% per annum

Freehold land and assets in the course of construction are not depreciated.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and all overheads appropriate to the relevant stage of production. Net realisable value represents the estimated amount at which stock and work in progress will be realised after taking into account all further costs to completion and all marketing, selling and distribution costs.

Deferred taxation

Following the introduction of FRS 19, deferred taxation is recognised on all timing differences where the transactions or events that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future, have occurred by the balance sheet date. Deferred taxation assets are not recognised if the transfer of economic benefits in the future is not reasonably certain.

Plexus Corp (Kelso) Limited

Accounting policies (continued)

Research and development

All expenditure for research and development is charged to the profit and loss account as incurred.

Pension scheme arrangements

The company is a member of a group defined contribution pension scheme. Pension costs are determined on the basis of charging the profit and loss account with the contributions payable in respect of the year.

Leases

Assets obtained under finance leases are capitalised at fair value and depreciated over their useful lives. The capital amount of outstanding lease obligations is included in creditors. Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002

1 Turnover

The geographical analysis of turnover by destination is as follows:

	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
United Kingdom	17,440	26,178
Other member countries of the European Community	5,672	23,543
North America	1,801	2,484
Asia	1,050	266
	25,963	52,471

2 Net operating expenses

Net operating expenses comprise:

	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
Distribution and selling costs	234	437
Administrative expenses	580	2,477
Net operating expenses	814	2,914

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

3 Operating profit

	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
Operating profit is stated after charging/(crediting)		
Auditors' remuneration- audit	17	17
Operating leases – land and buildings	-	114
Operating leases – other	36	130
Depreciation of tangible fixed assets - owned assets	896	643
- leased assets	264	422
Foreign currency loss/(gain)	6	(3)
Research and development expenditure	282	198

4 Information on directors and employees

Directors' emoluments

None of the directors received any emoluments from the company during the year.

As noted in the Director's Report, the service contracts of the directors are held with varying companies within the global group. The UK-based directors emoluments are disclosed in the UK group company's financial statements with whom their service contract is held. The remuneration of all US-based directors is borne by Plexus Corp Inc., the company's ultimate parent undertaking. Details of this remuneration, with the exception of J D Kaufman, is disclosed in the Plexus Corp Inc. consolidated financial statements and in its filings with the United States Securities and Exchange Commission (SEC). J D Kaufman received aggregate emoluments of £112,000 (2001: £118,000) and company contributions to money purchase schemes of £2,000 (2001: £3,000) during the year.

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

4 Information on directors and employees (continued)

Employee information

The employment costs of all employees, excluding directors, were:

	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
Aggregate gross wages and salaries	3,214	6,129
Employer's national insurance contributions	277	499
Employer's pension costs	135	159
	3,626	6,787

The average number of persons employed during the year/period is analysed as follows:

	Year ended 30 September 2002 Number	18 month period ended 30 September 2001 Number
Production	163	222
Distribution and selling	10	10
Administration	7	35
	180	267

5 Interest payable

	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
Interest on finance leases and hire purchase agreements	171	129

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

6 Taxation

(a) Analysis of tax charge for the year/period

	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
Current tax		
UK corporation tax on profit for the current year/period	783	950
Adjustment in respect of prior periods	45	(4)
	828	946
Deferred tax		
Deferred taxation in respect of current year/period	(88)	(137)
Adjustment in respect of prior periods	(291)	-
	(379)	(137)
Tax on profit on ordinary activities	449	809

The full amount of the deferred tax asset at 30 September 2002 and 30 September 2001 has been provided and is analysed below:

	30 September 2002 £'000	30 September 2001 £'000
Accelerated capital allowances	450	146
Short term timing differences	116	41
	566	187

The movement in the deferred tax asset can be analysed as:

	£'000
At 1 October 2001	187
Profit and loss account credit	379
At 30 September 2002	566

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

6 Taxation (continued)

(b) Factors affecting the tax charge for the year/period

The current taxation rate for the year of 39% (2001: 30%) differs from the standard rate of UK corporation tax of 30% applicable to the company. The differences are explained below:

	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
Profit on ordinary activities before taxation of £2,135,000 (2001: £3,180,000) multiplied by the standard rate of UK corporation tax of 30% (2001: 30%)	640	954
Effects of:		
Permanently disallowed expenses	55	22
Excess of depreciation over capital allowances/(excess of capital allowances over depreciation)	88	(26)
Under/(over) provision in respect of prior years	45	(4)
Current tax charge for the year	828	946

7 Dividends

	Year ended 30 September 2002 £'000	18 month period ended 30 September 2001 £'000
Dividends - proposed	-	2,000

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

8 Tangible assets

	Leasehold buildings £'000	Computers, fixtures, fittings & office equipment £'000	Plant, machinery and tools £'000	Capital work in progress £'000	Total £'000
Cost					
At 1 October 2001	2,700	967	3,822	749	8,238
Additions	975	95	292	-	1,362
Transfers	-	-	749	(749)	-
At 30 September 2002	3,675	1,062	4,863	-	9,600
Accumulated depreciation					
At 1 October 2001	54	290	2,630	-	2,974
Charge for the year	55	391	714	-	1,160
At 30 September 2002	109	681	3,344	-	4,134
Net book amount					
At 30 September 2002	3,566	381	1,519	-	5,466
At 30 September 2001	2,646	677	1,192	749	5,264

Fixed assets above include amounts under finance leases with original cost of £4,717,000 (2001: £3,742,000) and accumulated depreciation of £535,000 (2001: £271,000) and net book value of £4,182,000 (2001: £3,471,000).

Included in leasehold buildings is a property with a cost of £3,675,000 (2001: £2,700,000) which is subject to a twenty one-year lease. At the end of this period title to the asset passes to the group on payment of a nominal sum. The transaction is being accounted for as a finance lease arrangement in accordance with its substance. The building is being depreciated over its estimated useful life of 50 years.

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

9 Stocks

	30 September 2002 £'000	30 September 2001 £'000
Raw materials and consumables	2,020	4,209
Work in progress	244	689
Finished goods and goods for resale	790	604
	3,054	5,502

10 Debtors

	30 September 2002 £'000	30 September 2001 £'000
Trade debtors	3,278	5,828
Amounts owed by group undertakings	822	526
Other debtors	231	550
Deferred taxation (Note 6)	566	187
	4,897	7,091

Deferred taxation is due after one year.

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

11 Creditors – Amounts falling due within one year

	30 September 2002 £'000	30 September 2001 £'000
Trade creditors	2,024	4,073
Amount owed to group undertakings	3,994	7,296
Corporation tax payable	515	950
Other taxes and social security	100	127
Accruals and deferred income	140	305
Other creditors	615	255
Obligations under finance lease and hire purchase agreements (note 14)	348	309
	7,736	13,315

12 Creditors – Amounts falling due after more than one year

	30 September 2002 £'000	30 September 2001 £'000
Obligations under finance lease and hire purchase agreements (note 14)	3,421	2,830

13 Called up share capital

	30 September 2002 £'000	30 September 2001 £'000
Authorised		
40,000 ordinary shares of £1 each	40	40
Allotted, called up and fully paid		
4,180 ordinary shares of £1 each	4	4

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

14 Commitments under leases

The company had annual commitments under non-cancellable operating leases expiring as follows:

	30 September 2002		30 September 2001	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	-	30	-	10
Between two and five years	-	7	-	26
	-	37	-	36

Future minimum payments under finance leases are as follows:

	30 September 2002 £'000	30 September 2001 £'000
Gross rental obligations due - within one year	535	469
- between one and five years	1,296	1,491
- after five years	3,761	2,177
Deduct finance charges allocated to future periods	(1,823)	(998)
	3,769	3,139
Net amounts payable are as follows:		
- within one year	348	309
- between one and five years	694	1,035
- after five years	2,727	1,795
	3,769	3,139

As disclosed in note 17, the trade and net assets of the company were transferred to Plexus Corp (UK) Limited on 1 October 2002. The leases were also reassigned as part of this transfer.

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

15 Reconciliation of movements in shareholders' funds

	2002	2001
	£'000	£'000
Profit for the year/period	1,686	2,371
Dividends	-	(2,000)
Net addition to shareholders' funds	1,686	371
Opening shareholders' funds	1,965	1,594
Closing shareholders' funds	3,651	1,965

16 Contingent liabilities

The company has given a guarantee in favour of HM Customs & Excise, dated 8 August 1994, with a maximum liability of £400,000. A counter indemnity is held, dated 4 August 1994.

The company has entered into a cross corporate guarantee arrangement with its bankers, dated 5 February 2002, for all monies, incorporating rights of set off, between all companies in the Plexus Corp Limited group.

17 Post balance sheet event

On 1 October 2002 the trade and net assets of the company were transferred to its immediate parent company, Plexus Corp (UK) Limited for an amount equal to net book value. This transaction was undertaken as part of an exercise to reduce the number of trading companies within the United Kingdom. The company ceased to trade from this date.

18 Related party transactions

Advantage has been taken of exemption under Financial Reporting Standard 8 "Related Party Transactions" not to disclose transactions with entities that are part of the Plexus group on the grounds that all the voting rights of the company are controlled by Plexus Corp Limited.

19 Cash flow statement

The company is a wholly owned subsidiary of the ultimate parent Plexus Corp Inc. which publishes a consolidated cash flow statement in its financial statements, which are publicly available. Consequently, the company is exempt under the terms of Financial Reporting Standard 1 "Cash Flow Statements" from publishing a cash flow statement.

Plexus Corp (Kelso) Limited

Notes to the financial statements for the year ended 30 September 2002 (continued)

20 Ultimate and immediate parent companies

The company's immediate holding company is Plexus Corp (UK) Limited which is incorporated in Scotland. The company's ultimate parent company and ultimate controlling party is Plexus Corp Inc, a company registered in the United States of America. Copies of this company's consolidated financial statements may be obtained from Plexus Corp Inc, 55 Jewelers Park Drive, Neenah, Wisconsin, 54957-0156.

Further information can also be obtained from the website at www.plexus.com.