Final Results

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Acal PLC
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ACAL plc

(Leading pan-European, value added distributor providing specialist design-in, sales and marketing services for international suppliers)

Announcement of Preliminary Results for the Year Ended 31 March 2003

FINANCIAL HIGHLIGHTS:-	2003	2002 *	Change
Turnover	£272.1m	£297.0m	-8.4%
EBITA (pre associated companies)	£16.7m	£17.6m	-4.8%
Profit before tax (pre goodwill amortisation)	£16.2m	£16.9m	-4.4%
Profit before tax (after goodwill amortisation)	£13.4m	£14.3m	-6.3%
Earnings per share (pre goodwill amortisation)	41.3p	43.2p	-4.4%
Dividends per share	20.1p	18.3p	+9.8%

(* comparative figures for 2002 have been restated following the introduction of FRS17 - Retirement Benefits, with the result that profit before tax is higher than previously reported by £0.3m.)

- Satisfactory results after very challenging year
- Strong Gross Margin performance
- Growth in Fibre Channel IT Products - driven by "Emulex" and "QLogic" product
- Flotation of Westech Electronics on Singapore Stock Exchange in May 2002 with Acal retaining a 36.7% shareholding
- Acquisition of ATM Parts Company in April 2002
- Disposal of Cisco distribution business
- Since the year end: Acquisition of Computer Parts International, now part of IT Parts Services

Commenting on the results John Curry, Chairman said:-

"I am pleased to report another year which has produced returns on trading assets well above the industry average, successful acquisitions which add to the strengths of our IT Parts Services division and the growth of our Fibre Channel range of products.

We look forward to the future with confidence."

For further information:-

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Notes to Editors:-

The Acal Group is a leading European, value-added distributor providing specialist design-in, sales and marketing services for international suppliers in the fields of Electronic Components, IT Products, IT Parts Services and Industrial Controls. Its value-added philosophy and geographic coverage enables Acal to provide specialist knowledge and support to customers on a pan-European basis.

Design-in is the process by which Acal's sales engineers work with customers and suppliers to procure components which meet the specific technical and performance needs of the customers.

Acal has operating companies in the UK, Netherlands, Belgium, Germany, France, Italy, Scandinavia and the USA. Westech Electronics, an associated company, is based in Singapore and covers the Far East region.

CHAIRMAN'S STATEMENT

Overview

We have achieved a satisfactory financial result after a very challenging year when the financial markets crashed for a third year in a row. During this period, industry and business at large was damaged by scandals such as Enron and WorldCom, and the downturn in the telecoms sector has damaged some companies from a shareholder's perspective to the extent that the business has been effectively handed over to its creditors. In the background the drums of war provided uncertainty which led to delays in the investment decisions of our customers.

As a shareholder, it is disappointing not to see growth every year, but in a competitive environment we are affected by the underlying rate of economic growth and those companies that seek to generate unrealistic returns to shareholders and defy basic economic principles usually finish up eroding shareholder value. In contrast to many technology driven companies Acal, without growth, has produced a robust performance, maintained or improved its customer service and market share with positive operating cash flow.

Based on the operating profit before goodwill amortisation, the Group has continued to provide a return on average shareholder funds in excess of 20% (considerably greater than the cost of capital) and 6% operating profit on sales. This is a measure of our ability to meet the needs and create sustainable value propositions for our customers, grow the business of our suppliers, and provide a satisfactory working environment for our committed employees. Our success in meeting these goals delivers the above average returns to shareholders that I have been pleased to report every year since our flotation.

Results

This year sales decreased to £272m from £297m, down 8%, excluding acquisitions and disposals the reduction was 7%. This produced Group operating profit before goodwill and associated companies of £16.7m compared to £17.6m, a fall of 5%. Gross margins have again been broadly sustained or increased in all divisions, producing an overall improvement from 22.7% to 24.8%.

Operating expenses have been contained by reducing overheads in declining markets, although we have continued to invest in growth opportunities.

The final result for the year is profit before tax and goodwill of £16.2m (£16.9m - restated) a 4% fall. With taxation at 33.2% this has translated into earnings per share before goodwill amortisation of 41.3p (43.2p - restated), down 4%.

Your Board is proposing a final dividend of 13.4p (12.2p) per share making a total for the year of 20.1p per share, an increase of 10%, confirming our confidence in the underlying strength of the business.

An analysis of divisional performance during the year is set out in Tony Laughton's Chief Executive's review. This explains the difficult conditions affecting all the businesses, particularly the Electronic Components activities, and highlights continuing developments in the IT Products and IT Parts Services

activities.

A great success during the year has been the control of working capital and the cash flow from the reduction of stock by £6m after a similar reduction in the previous year. This was an achievement and local management deserves every credit for bringing stocks in line with the current sales level without any exceptional charge to the profit and loss account.

Strategy

From the formation of Acal in 1986 to 1993 we were a distribution business in Electronic Components and Industrial Controls. In 1993 we first identified IT products as an area of interest, and in 1994 added the beginning of what has become the IT Parts Services division. We are now a technology distribution group with the following areas of focus: Electronic and Industrial Components, IT Products and IT Parts Services where the IT divisions account for over 50% of our business and profit.

Similarly, on a geographical basis we were solely focused on Europe - first expanding our Electronics Components business across Europe with the IT divisions following. Though we still have a lot of continental Europe to cover in the IT divisions, in the late 1990's we began to look outside Europe to the Far East. Primarily through our investment in Westech (which was floated on the Singapore Stock Exchange in May 2002) we expect this geographical expansion to show material benefit to shareholder value in the coming decade.

As an evolving entity we aim to continue to combine organic growth with successful acquisitions in our areas of focus, while weathering the storm of difficult market conditions. I believe we have done just that over the last twelve months.

The start of the year began with the acquisition of ATM Parts Company Ltd for our IT Parts Services division, while in October we sold our Cisco distribution business, as it no longer fitted our strategic or financial objectives. During the year we considered a number of other acquisitions and this culminated in the acquisition of a 70% holding in Computer Parts International Ltd in May 2003 - another IT Parts Services business.

Employees

In spite of a market environment which has continued to be more difficult than we, or economic experts, forecast twelve months ago, our team of just under 1,000 has performed very creditably. There are real signs that a few major suppliers who review their channels of distribution at times like these are recognising our strengths, of which our employees are a prime ingredient, and we expect this to bear fruit in the coming year.

Your Board, as always, is grateful to all our staff for their efforts, their loyalty and their commitment.

Board Changes

We announced the retirement of John Pomeroy from the Board on 23rd May 2003. He joined the Board in February 1987 with the acquisition of Centre Industries prior to flotation in 1988. He has been a wise and loyal member of the team and a good friend to me and many executives in the Group. We will miss his balanced view and his friendship and I sincerely thank him for his contribution over sixteen years.

Corporate Governance

No Chairman can be against good corporate governance, particularly with the scandals of the last twelve months. However, most of the scandals have been in the USA. Major disasters in the UK in our industry have arisen from bad business decisions and the falls in share price of some large corporations have little to do with corporate governance.

The key to governance is quality of people and integrity. Without quality and integrity all the rules and regulations will have limited success.

There is nothing in the Higgs proposals that is wrong, but that does not mean to say it is right for the diverse spread of companies quoted on the London Stock Exchange. Eighty-two percent of "FTSE 100" company Chairmen were critical of the report proposal for the senior independent director. The Association of Pension Fund members at their recent conference registered a 40% lack of support for the provision that at least half the Board (other than the Chairman) should be independent. Why is this? In my view, it is because the Higgs report is too prescriptive. The report itself is good common sense - however, the level of prescription has moved the report's balance from offering sound guidance to a

framework of rules, which will have too many exceptions reported in the average annual report to be valuable - or even worse, diminish entrepreneurial diversity by complying because, in some cases, of misguided media and shareholder pressure.

More and more time is now taken up with procedural compliance whether it be in employment, environment, finance, health & safety or corporate governance matters, detracting in many cases from the achievement of valuable goals in these areas as well as customer satisfaction and wealth creation. Higgs may or may not be appropriate for the FTSE 100 but for the bulk of smaller companies the prescriptive compliance may be a burden too far. It is yet another proposal on corporate governance which will incur cost, at a time when the majority of Boards are battling with maintaining enterprise value, let alone increasing it.

Higgs places an onus on directors, particularly the non-executives, which is likely to lead in some cases to decisions which incur increasing costs without financial benefit, therefore reducing shareholder value. The emphasis on prescriptive accountability is over-shadowing the Board's prime responsibility - the prosperity of the business. Non-executive directors are there primarily to help in the few key decisions made each year which truly create value, and also provide good corporate governance with the rest of the Board. As the Cadbury Report (Code of Best Practice) said long before Higgs and before Greenbury, Hampel and Turnbull: the non-executive director should bring independent judgement to bear on key issues and be independent of management. The key ingredients for that are experience, integrity and judgement.

During over 30 years on boards of public quoted companies I have seen more and more time taken at Board meetings on corporate governance which concentrates on procedural and compliance issues to the detriment of focus and discussion of key operational issues and decisions which affect the wealth creation of the business. A good example of apparent priorities of lawmakers and regulators is the report on Marconi. In this case the focus seemed to be on questioning the delay in their profit warning statement (which if late was certainly indefensible), rather than whether the Board properly reached the decision to convert the company into a telecoms equipment maker and whether the Board controlled and tested the proposals rigorously with regard to the prices paid for acquisitions and the way these purchases were funded - that these decisions impacted on the value of the business was a much more fundamental issue than whether the profit warning may or may not have been 24 hours late.

Of course we as shareholders need sound corporate governance, and of course the Higgs report is valuable in moving the debate forward. However, Higgs does little more than reiterate existing good practice as established in the Hampel report five years' ago, and to that extent it is positive, but in trying to add something extra it has become overly prescriptive. However, let us agree the principles and not let the report lead to rules and box ticking - the detailed regulations do not seem to place wealth creation very high on the list of critical criteria. Each Board should explain what it is doing and let the shareholders decide whether it is appropriate considering the size of the business, characteristics and record of the organisation. What matters is not so much who does what but does the Board attract good quality people and do they produce good results for the shareholders.

Prospects

I said at the interim stage that the economic climate remains tough and uncertain. Little has changed - customers still remain cautious. However, there are some signs of customers beginning to make decisions to invest in newer technologies and the picture as far as the Iraq War is concerned is a little clearer, although the final outcome is still unpredictable.

We no longer see the continuing deterioration in the level of bookings year-on-year that we saw some twelve months ago, although electronic components' orders in Continental Europe still remain weak. To use a yachting metaphor, we are through the storm, but there is no following wind as yet. It would therefore be optimistic to predict growth year-on-year in the first half of this financial year. Nevertheless, throughout the group there are growth opportunities, but it is difficult to forecast when these will begin to bear fruit.

We have strengthened our position within the market place and are financially strong and thus remain confident of our ability to be successful in the future maintaining our focus on above average return on trading assets to produce a positive cash flow.

John Curry
2 June 2003

CHIEF EXECUTIVE'S REVIEW

Trading conditions have remained tough throughout the year as expected and as experienced by all companies operating in our markets. During this time we have continued to manage the businesses tightly whilst ensuring that support and service levels to our suppliers and customers are maintained.

Electronic Components

The overall decline in the components market place since 2000/2001 has now stabilised but there is still no sign of any meaningful improvement, particularly in the telecoms sector, which accounts for less than 10% of current sales versus 30% two years ago. Growth, albeit at much lower absolute levels, has been in the defence, security, medical, automotive and embedded systems markets. Overall sales have declined 19% from £115.2m to £93.3m and notwithstanding the small growth in gross margins and controls on overheads, the EBITA decline was 46% to £3.4m. This decline in EBITA has been greater in Continental Europe (75%) than the UK (26%) and whilst these results are disappointing we are encouraged that our market share has grown and we believe that we are well positioned, not only for any recovery but more particularly to take advantage of rationalisation of the distribution strategies of many component manufacturers. Specifically, in recent months we have signed agreements with Sirenza Microdevices Inc. and Linear Technology Corporation which we expect will bring some benefits this year.

IT Products

In previous years a major proportion of our IT sales have been into the financial and associated markets. Whilst this remains an important sector, growth has come from central and local government bodies and state owned organisations which continue to invest into cost effective IT solutions such as those provided by Acal's Fibre Channel and Headway businesses.

Excluding sales of the Cisco distribution business which was sold in October, sales have grown 5% and at £94.5m are now similar to our electronic component sales, whilst EBITA has grown 11% on a like-for-like basis to £6.9m.

Headway, our document imaging and management business mirrored the overall pattern with sales and profits at almost identical levels to the prior year. The UK continues to be the dominant force but over the year our market share in both hardware sales and service has increased throughout Europe.

Acal's Fibre Channel business, which supplies connectivity for the Storage Area Network (SAN) market, achieved year-on-year growth in sales and EBITA of 22% and is now established as Europe's leading independent storage connectivity distributor. This successful growth is the result of the development of a true value-added philosophy of supplying best of breed products with first class pre and post sales technical support, training, consultancy, installation and project management.

The last of our IT product businesses, comprising security, specialised networking and computer components has had a small sales and profit decline excluding the impact of the Cisco disposal and is in a period of rebuilding around niche wired and wireless network and security products.

IT Parts Services

The IT Parts Services division has seen growth in sales of 19% to £56.1m and EBITA of 71% to £5.3m thanks primarily to the acquisition of ATM Parts Co. in May 2002. This business has to date produced results above our original expectations and the anticipated synergy with EAF is clear and tangible.

The core of the EAF business is the distribution of new spare parts for O.E.M.'s, the supply of spare parts for service companies and the recycling of returns. The added value includes the management of warranty claims, the monitoring, planning and reporting of inventory and contracted service level agreements.

This business, which performed well and grew in sales and profits in the UK and Germany suffered as a result of losses in the Netherlands and France. The latter arose from the costs associated with realigning the focus of the Dutch business from being predominantly a broker, and in France where we are still investing to achieve the critical mass which will result in profits. Management changes have taken place in both countries and we are working to replicate some of the key added-value offerings that have been successfully implemented in the UK and Germany.

Industrial Controls

Like-for-like sales are down 5% to £18.9m and EBITA 29% to £1.1m. However, all activities are profitable. During the year we have consolidated our AC&R

business into five profit centres to serve the expanding coverage of sales, particularly outside Europe. We now have sales personnel in all the key countries that we wish to cover including the major growth markets in S.E. Asia, China and Australia.

The small medical instrumentation business which is part of our Industrial Controls Division had another successful year and produced results similar to the prior year.

Acal IT Systems

In the past year we have successfully extended the implementation of our ERP system to include Acal Netherlands as well as Acal Technology and Radiatron in the UK. Today, around 40% of our business has migrated to the new platform, a move which is anticipated will improve operating efficiencies and service to both our customers and suppliers as the roll-out continues and further enhancements are made.

Tony Laughton
2 June 2003

FINANCIAL REVIEW

The table below shows the performance of Acal's divisions in each of the years ended 31 March 2003 and 2002:-

	2003				2002			
	SALES		EBITA*		SALES		EBITA*	
	£M	as % of Group	£M	as % of Sales	£M	as % of Group	£M	as % of Sales
Electronic Components	93.3	34%	3.4	3.7%	115.2	39%	6.4	5.5%
Industrial Controls	18.9	7%	1.1	5.8%	21.4	7%	1.6	7.3%
Components TOTAL	112.2	41%	4.5	4.0%	136.6	46%	8.0	5.9%
IT Products	103.8	38%	6.9	6.6%	113.1	38%	6.5	5.8%
IT Parts Services	56.1	21%	5.3	9.4%	47.3	16%	3.1	6.6%
IT TOTAL	159.9	59%	12.2	7.6%	160.4	54%	9.6	5.9%
	272.1	100%	16.7	6.1%	297.0	100%	17.6	5.9%

(*EBITA being calculated as operating profit excluding goodwill amortisation and the Group's share of associated undertakings.)

Changes in the Group's performance between the two years have not been affected to any material extent by exchange rate movements, as on average sterling was around 4% weaker compared to the prior year in terms of its exchange rate against the Continental European currencies in which Acal companies operate.

The global economic slowdown which has taken place over the last two years has had a more severe effect on the Group's Electronic Components business than its IT businesses. This has resulted in the majority of the Group's sales and EBITA now originating in its IT activities.

Although the sales of both the Electronic Components and Industrial Controls activities have declined, adjusting for the effect of acquisitions and disposals, both the IT Products and IT Parts Services activities have shown some underlying growth.

All of the Group's divisions have either improved or sustained their gross margins despite the difficult trading conditions, reflecting the benefits of Acal's value-added approach. This, together with the beneficial "mix" effect resulting from the disposal of the Group's lower margin Cisco distribution business, has resulted in overall margins stronger at 24.8% as compared to 22.7%

in the prior year.

The Group has continued to be successful in controlling its overheads and net operating expenses (excluding goodwill amortisation) for the year ended 31 March 2003 were £50.9m as compared to £49.9m in the previous year and £53.0m in the year before. Taking into account the net additional overheads of £1.3m arising from acquisitions and disposals, this demonstrates stability in the Group's underlying overall cost base over the last two years. Acal endeavours to ensure that the Group's long-term growth strategy and its "design-in" efforts are not adversely affected by any cost-saving measures which are adopted.

Westech, a distributor of electronic components in the Far East, is our major associated company. In common with others, it too has been affected by the difficulties in the global trading environment. It has also been investing in people to develop its coverage of the Far East. As a result, this year its contribution to the Group operating profit is much lower, at £0.4m, than the £1.1m of last year.

Net interest cost (before FRS17 finance cost or income) of £1.6m (2002: £2.1m) reflects the lower level of debt resulting from the cash generation of the Group and is covered 10 times (2002: 9 times) by profit before interest and goodwill amortisation.

The Group's effective tax rate for the year ended 31 March 2003, based on profit before taxation and amortisation of goodwill, was 33.2%, showing little change from the 33.5% reported rate of the previous year.

It has always been Acal's policy that all its pension schemes should be of the defined contribution type so that the extent of the Group's financial obligations can be clearly ascertained and accounted for. However when Sedgemoor Limited ("Sedgemoor"), then a listed public company, was acquired in June 1999, it brought with it certain defined benefit schemes, the principal one of which is the Sedgemoor Group Pension Fund ("the Sedgemoor Scheme"). Soon after the acquisition the Sedgemoor Scheme was curtailed and all future service accrual ceased. Of the 1057 members of the Sedgemoor Scheme, only 143 have ever worked for a business which is now part of the Acal Group, the remainder being employees or former employees of businesses which Sedgemoor had sold prior to its acquisition by Acal. From the time of the acquisition we have made it clear to the Trustees of the Sedgemoor Scheme that we regard the Scheme as an onerous liability acquired with Sedgemoor rather than an ongoing pension scheme, and therefore will only meet our legal obligations for funding it or on winding it up.

This year we have adopted FRS 17 in respect of pension schemes. The effect in respect of the Sedgemoor Scheme is that a net pension liability of £5.9m is recognised in the financial statements. At the end of the previous year, when we accounted for the Sedgemoor Scheme under SSAP 24, a liability of £2.7m was recognised in the financial statements in this respect. The net liability at 31 March 2003 of £5.9m has been calculated using the bases and assumptions specified in FRS 17 for an on-going scheme. Our legal obligation, if the Scheme had been wound up on 31 March 2003, would have been £3.7m (net of deferred tax), of which £2.7m, as stated above, was already recognised at the beginning of the year. The calculations of both the amount of liability under FRS 17 and the legal liability depended on the market conditions at 31 March 2003 and therefore are liable to fluctuation from time to time.

Considerable emphasis is placed on managing the Group's balance sheet, particularly in times of economic downturn. Acal has a model for this process which is based on comparing each item of trading assets to the three-month moving average of sales (TMMA). The table below shows the model and how the actual position compared with the model. For example, it shows that our target for stock is that it should represent 1.2 months of sales whereas as the actual level of stock at 31 March 2003 represented 1.1 months and at 31 March 2002, 1.2 months of sales.

	Target Model TMMA Ratio	31 March 2003 TMMA Ratio	31 March 2002 TMMA Ratio
Trading Fixed Assets	0.5	0.6	0.5
Current Assets:-			
Stock	1.2	1.1	1.2
Debtors	2.3	2.3	2.1
Current Liabilities:-			
Creditors	(2.2)	(2.3)	(2.2)
Tax	(0.2)	(0.1)	(0.1)

TOTAL Trading Assets	1.6	1.6	1.5

(Note: This trading assets model excludes goodwill, investments, net debt/cash and long-term liabilities)

The Group's operating companies have worked hard at controlling their working capital. An area of particular success has been stock, where the overall level has now come down to £24.4m compared to £30.3m at 31 March 2002 and a peak level of £40m in May 2001. This has been achieved without the need for any exceptional provision or write-off.

Return on average capital employed (which is calculated using profit before interest, goodwill amortisation and tax, and net tangible assets adding back net debt), was 43% compared to the 45% for the previous year. This is a satisfactory performance for a period of economic downturn and demonstrates the robustness of Acal's "financial model".

Capital expenditure during the year was £3.9m (2002: £6.9m) reflecting the lower level of expenditure this year on the Group's new ERP system. The programme of implementing this system continues.

The Group's balance sheet continues to be strong. Shareholders' funds at 31 March 2003 were £68.0m compared to the £67.2m reported in the prior year, reflecting retained profit of £2.8m for the year and the effect of recognising the net pension liability under FRS 17. Net debt at the end of the year was £13.4m (19.7% of shareholders' funds) compared to £12.9m (19.2% of shareholders' funds - as reported) at 31 March 2002. This is after net expenditure of £8.8m on the acquisition of ATM Parts Company Limited, certain other investments and the disposal of the Cisco distribution business. Since the year end the Group has made a cash payment of £5.8m for the acquisition of a 70% interest in Computer Parts International Limited, and the final instalment for the acquisition of ATM is payable later this calendar year.

The ordinary dividends declared and recommended for the year ended 31 March 2003 will absorb £5.3m (2002: £4.8m) and are covered 2.1 times (2002: 2.3 times - as reported) by attributable profit before deducting the amortisation of goodwill.

Jim Virdee
2 June 2003

Audited Consolidated Profit and Loss Account
for the Year ended 31 March 2003

	Year ended 31 March 2003	2002 (restated)
Turnover	£'000	£'000
Continuing business		
Ongoing activities	254,517	272,633
Activities sold (note 2)	9,295	24,380
Acquisition	8,329	-
	272,141	297,013
Operating Profit		
Continuing business	14,661	17,552
Goodwill amortisation	(2,468)	(2,614)
	12,193	14,938
Acquisition	2,049	-
Goodwill amortisation	(306)	-
	1,743	-
Group Operating Profit (excluding Associates)	13,936	14,938
Group Share of Operating Profits of Associates	440	1,119

Total Operating Profit (including

Associates)	--------	---------
Excluding goodwill amortisation	17,152	18,673
Goodwill amortisation	(2,776)	(2,616)
	--------	---------
	14,376	16,057
Profit on disposal of business	575	-
Net interest payable and similar charges - group	(1,452)	(1,609)
Net interest payable - associates	(108)	(161)
	--------	---------
Profit before Taxation		
Excluding goodwill amortisation		
Continuing business	14,323	16,903
Acquisition	1,844	-
Goodwill amortisation	(2,776)	(2,616)
	--------	---------
Profit on Ordinary Activities before Taxation	13,391	14,287
Tax on Profit on Ordinary Activities	--------	---------
United Kingdom	(3,400)	(3,306)
Overseas	(1,889)	(2,118)
Associates	(73)	(230)
	--------	---------
	(5,362)	(5,654)
	--------	---------
Profit on Ordinary Activities after Taxation	--------	---------
Excluding goodwill amortisation	10,805	11,249
Goodwill amortisation	(2,776)	(2,616)
	--------	---------
	--------	---------
Profit Attributable to Ordinary Shareholders	8,029	8,633
Dividends on Ordinary Shares	(5,262)	(4,769)
	--------	---------
Retained Profit for the Period	2,767	3,864
	========	=========
Earnings per Share	30.7p	33.2p
	========	=========
Diluted Earnings per Share	30.6p	33.0p
	========	=========
Earnings per Share Excluding Goodwill Amortisation		
	41.3p	43.2p
	========	=========
Dividends per share	20.1p	18.3p
	========	=========

The results for the year and prior year relate wholly to continuing operations.

Audited Consolidated Balance Sheet
as at 31 March 2003

	At 31 March 2003	2002 (restated)
	£'000	£'000
FIXED ASSETS		
Intangible assets	46,287	42,383
Tangible assets	13,827	12,506
Investments	6,028	4,556
	----------	---------
	66,142	59,445
	----------	---------
CURRENT ASSETS		
Stocks	24,443	30,323
Debtors	53,242	53,470
Cash at bank and in hand	20,246	10,639
	----------	---------
	97,931	94,432
CREDITORS:		
Amounts falling due within one year	(65,413)	(67,359)

NET CURRENT ASSETS	32,518	27,073
TOTAL ASSETS LESS CURRENT LIABILITIES	98,660	86,518
CREDITORS: Amounts falling due after more than one year	(22,487)	(15,369)
PROVISIONS FOR LIABILITIES AND CHARGES	(2,279)	(1,215)
NET ASSETS - excluding pension liability	73,894	69,934
Net pension liability	(5,931)	(1,473)
NET ASSETS - including pension liability	67,963	68,461
CAPITAL AND RESERVES		
Called up share capital	1,309	1,304
Share premium account	37,109	36,786
Revaluation reserve	334	296
Profit and loss account and other reserves	29,211	30,075
EQUITY SHAREHOLDERS' FUNDS	67,963	68,461

Audited Summary Cash flow Statement for the Year ended 31 March 2003

	Year ended 31 March	
	2003 £'000	2002 £'000
OPERATING ACTIVITIES		
Operating profit	13,936	14,938
Depreciation and other non cash items	6,146	5,482
Decrease in working capital	3,492	2,562
NET CASH INFLOW FROM OPERATING ACTIVITIES	23,574	22,982
Dividends from associated undertakings	82	-
Net interest paid	(1,527)	(1,905)
Tax paid	(7,250)	(6,353)
Net expenditure on tangible fixed assets and investments	(4,869)	(5,204)
Net cash flow from acquisitions and disposals	(3,920)	195
Equity dividends paid	(4,935)	(4,450)
NET CASH INFLOW BEFORE FINANCING	1,155	5,265
Increase/(decrease) in debt and finance leases	6,570	(302)
Issue of share capital	328	235
NET INCREASE IN CASH	8,053	5,198

Reconciliation of net cash flow to movements in net debt

NET INCREASE IN CASH	8,053	5,198
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(6,570)	302
Issue of loan notes	(1,616)	-
Debt acquired with subsidiary	(257)	-
New finance leases	(13)	(84)

Translation differences	(123)	64
MOVEMENT IN NET DEBT	(526)	5,480
Net (debt) at beginning of the period	(12,878)	(18,358)
Net (debt) at end of the period	(13,404)	(12,878)

Consolidated Statement of Total Recognised Gains and Losses

	Year ended 31 March	
	2003	2002 (restated)
	£'000	£'000
Profit attributable to shareholders	8,029	8,633
Actuarial loss on pension scheme	(7,150)	(3,106)
Deferred tax relating to pension scheme	1,911	926
Net gain/(loss) on currency translation	1,646	(353)
Dilution of investment in associated undertakings	-	(44)
Total recognised gains and losses for the financial period	4,436	6,056
Prior year adjustment	1,227	
Total gains and losses recognised since the last annual report	5,663	

Notes:-

1
The preliminary results were approved by the Board on 2 June 2003. The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 March 2003 or 2002, but is derived from those accounts, after adjustment for the adoption of FRS17 (see note 3). Statutory accounts for 2002 have been delivered to the Registrar of Companies whereas those for 2003 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

2
Turnover of the Group's Cisco distribution business, which was sold in October 2002, and the UK industrial instrumentation business, which was sold in October 2001 have been shown under "Activities sold".

3
These preliminary results have been prepared in accordance with the accounting policies normally adopted by the Company. During the year, Financial Reporting Standard ("FRS") No. 17 on Retirement Benefits has been adopted. The effect is explained in the Financial Review, and has resulted in the restatement of certain items for the prior year.

4
The final dividend is payable on 25 July 2003 to shareholders on the register on 13 June 2003.

5
Earnings per share for the year to 31 March 2003 have been calculated on the profit attributable to ordinary shareholders of £8,029,000 using the weighted average number of ordinary shares in issue during the period.

6
The Annual Report and Accounts will be mailed to shareholders on or before 20 June 2003. Copies will also be available from: -

Acal plc
2 Chancellor Court
Occam Road
Surrey Research Park
Guildford GU2 7AH

The results will not be advertised in any newspaper

Ends

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