Final Results

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Acal PLC
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ACAL plc

(Leading pan-European, value-added, technology based distributor providing specialist design-in, sales and marketing services)

Announcement of Preliminary Results for the Year Ended 31 March 2005

	2005	2004 (restated)	Change
Turnover	£260.7m	£268.4m	-3%
EBITA* (pre associated companies)	£12.7m	£14.0m	-9%
Profit before tax:-			
Before goodwill amortisation	£11.3m	£11.9m	-5%
Before goodwill amortisation and exceptionals	£11.3m	£12.5m	-10%
After goodwill amortisation	£8.3m	£9.0m	-8%
Earnings per share:-			
Before goodwill amortisation	26.9p	29.0p	-7%
After goodwill amortisation	15.3p	17.9p	-15
Dividends per share	21.6p	21.0p	+3%

- 9% growth in sales in the Components Divisions with EBITA* up 8%
- Offset by 11% reduction in sales and 18% reduction in EBITA* in the IT Divisions
- Underlying sales stable compared to last year (at constant exchange rates and eliminating the effects of acquisition and closed activities)
- Improved gross margins: up at 26.6% overall from 25.9% last year
- Pre-tax return of 36% on average capital employed
- Further dividend growth: up 3% at 21.6p per share
- Acal is well positioned to take advantage of opportunities for extending product and service offerings

(* EBITA = Operating profit excluding amortisation of goodwill and the Group's share of operating profit of associates)

Commenting on the results Richard Moon, the Chairman said:-

"2004/05 has been a mixed year with a strong performance by the Components Divisions and weak results from the IT Divisions. However, improved gross margins and a 36% return on capital employed provide a sound basis to build upon as our focus on demand creation and value-added distribution is producing opportunities for us to extend our product and service offerings."

For further information:-

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Notes to Editors:-

1 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.

2 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.

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

CHAIRMAN'S STATEMENT

Since being appointed Chairman on 1 April I have spent time getting to know Acal and considering how, working with the Board, I can best add value for our shareholders. Put simply this involves framing the appropriate strategy for the Group, ensuring the right team is in place to deliver it and monitoring the team's performance against it. In addition we need to maintain high standards in our corporate governance and integrity whilst promoting effective and open communications, both within the Board and in the Group as a whole.

Turning to last year, the Group has continued to operate in the difficult economic climate and demanding market conditions which have characterised recent years. This has seen sales fall to £261m from £268m, a reduction of 3%, whilst operating profit before goodwill amortisation at £13.3m fell from £14.4m last year, a reduction of 8%. Despite this the Group continued to make a healthy 36% return on average capital employed.

Costs remained under close scrutiny with further selective headcount reductions and the implementation of the UK Electronic Components and IT Product businesses re-organisation announced in the interim report which is now complete.

Profit before taxation, goodwill amortisation and, last year, exceptionals was £11.3m (2004 £12.5m). This reflects the fall in operating profits of £1.1m described above and a small increase in interest expense.

From 2005/6 Acal will report its financial results under International Financial Reporting Standards (IFRS) and later this year it is our intention to restate the results for 2004/5 in accordance with these new standards.

Dividend

The Board is recommending a final dividend of 14.4p per share (2004 14p) payable to shareholders on the register as at 15 June 2005. Together with the interim dividend of 7.2p it will make a total of 21.6p (2004 21p) for the year. This represents an increase of approximately 3% on last year.

Strategy

During the Group's annual long term planning review each separate subsidiary / division formulates its own strategy for maximising business results. These individual plans are then reviewed by the Board as part of the formulation of an overall Group plan.

Acal will continue to review its strategy for growth and maximising shareholder value within the context of a technology distribution group focused on Electronic and Industrial Components, IT Products and IT Parts Services.

Further consolidation is expected in the Electronics Components sector and Acal expects to play an active part in this process. Geographically we have our roots in Western Europe but have a strategically important investment in the Far East.

Corporate Governance

There has been much change in this area for all companies, both in how they

report to stakeholders and in the priority this is given. We seek standards which are high for a Company of our size and we are reporting continuing compliance with the Combined Code, now in its revised form.

Board Composition

I have taken over from John Curry under whose stewardship, together with that of Tony Laughton, Acal has grown into one of the UK's leading value-added distributors. The Board is grateful to John for his great contribution over many years and wishes him a long and happy retirement.

Rhys Williams, who has been Acal's Senior Independent Director, is to stand down at the AGM after 11 years as a Non-executive Director. His wise counsel and judgement will be missed but, at the age of 71, Rhys has decided to retire. Again the Board takes this opportunity to thank him for his outstanding service and to wish him well for the future. We are, however, pleased to announce that Eric Barton has agreed to assume the role of Senior Independent Director with effect from the AGM. A search has already commenced to find a new Non-executive Director.

Following a process of appraisal and review by the Board, I am pleased to recommend both Jim Virdee and Eric Barton for re-election as Directors. In addition, having been appointed during the year, I am required to submit myself for election. The Board, under the leadership of the Senior Independent Director, is recommending my election.

Employees

Despite another tough year the Board would like to acknowledge the contribution and effort made by its hard working and loyal work force. Their efforts are very much appreciated.

Trading Outlook

Acal's Components activities showed growth in the year to 31 March 2005, although order patterns in recent months would suggest that the rate of growth is slowing down, particularly in Continental Europe. However our focus on demand creation and value-added distribution is producing opportunities for us to extend our product range and the geographical coverage of our existing products.

Demand in the IT Products activities remains weak and often volatile, but we continue to develop our product range concentrating on the higher margin value-added activities.

The Group's IT Parts Services activities have in the recent past been affected by changes in channel strategy by some major brand OEMs. However recent success in winning new contracts demonstrates our skills in enabling service organisations to outsource their parts management and procurement, and these, we believe, will continue to offer significant further opportunities.

The general economic backdrop has deteriorated over recent months, and we do not expect any meaningful improvement in market conditions in the short-term. We will continue to take measures to enhance the service we provide to our customers and suppliers, and to improve our financial returns. Acal is well positioned to take advantage of the opportunities described above.

Richard Moon
Chairman
6 June 2005

OPERATING REVIEW

Introduction

Whilst the past year saw a continuation of the difficult economic climate in Europe with sales falling from £268m to £261m, including this year's small acquisition, there have been some very positive developments. The most important of these are the growth in each of our Components businesses in both sales and profits and the improvement of our gross margins.

Our IT product businesses suffered primarily as a result of price pressures and whilst IT Parts Services had reduced sales, elimination of losses enabled this division to achieve a very creditable 8.9% net margin.

Overall, we have confidence in the positioning of each of the businesses from the key standpoints of our product and service offerings, our technical and commercial abilities and our competitive position.

Performance Review

The performance of Acal's divisions in each of the years ended 31 March 2005 and 2004 is set out below:-

	2005				2004 (restated*)			
	Sales		EBITA		Sales		EBITA	
	£m	as % of Group	£m	as % of Sales	£m	as % of Group	£m	as % of Sales
Electronic Components	100.1	38%	3.6	3.6%	91.9	34%	3.4	3.7%
Industrial Controls	20.6	8%	1.6	7.8%	18.7	7%	1.4	7.5%
Components TOTAL	120.7	46%	5.2	4.3%	110.6	41%	4.8	4.3%
IT Products	88.7	34%	2.9	3.3%	98.7	37%	4.3	4.4%
IT Parts Services	51.3	20%	4.6	8.9%	59.1	22%	4.9	8.2%
IT TOTAL	140.0	54%	7.5	5.4%	157.8	59%	9.2	5.8%
	260.7	100%	12.7	4.9%	268.4	100%	14.0	5.2%

(EBITA is operating pofit excluding goodwill amortisation and the Group's share of operating profit of associates)

*The restatement of the prior year's figures arises from a change in accounting policy relating to service contract revenues

Electronic Components

The Electronic Components Division produced an impressive increase in sales of 9% from £91.9m to £100.1m with a 6% improvement in EBITA up from £3.4m to £3.6m.

The improvement has come not from an increase in the available market, which grew at less than half our growth rate, but from a combination of factors which lie at the heart of our electronic components strategy. These comprise the continued focus on demand creation, which not only differentiates Acal from most of its competitors but also provides enhanced margins, greater customer loyalty, increased supplier support and superior staff satisfaction. As a result we have been able to expand our product coverage, particularly in the key area of niche semiconductors where historically we have not been sufficiently represented. This has had a two-fold effect - firstly of course that of expanding sales - but almost as importantly it provides an important rationale for new customers to consider Acal as their preferred supplier. With consolidation taking place in the component distribution market we anticipate that our supplier portfolio and the geographical coverage of our existing suppliers will continue to grow.

Pursuing this strategy of enhancing our semiconductor product offering, in July 2004 we acquired Mecodis S.A., a specialised French company which is that country's number one distributor for Microchip Technology Inc., in turn the world's leading microcontroller manufacturer.

In November 2004 we appointed Steve Sydes to the position of UK Divisional Director. Steve had previously been Managing Director of Acal Technology, a role he retains and one of his first tasks has been to rationalise our approach to the UK market. This has involved merging the components activities of Acal Electronics into Acal Technology to provide one of the most powerful, technically orientated distributors in the market.

Industrial Controls

Another good performance was achieved by our Industrial Controls Division with sales up 10% from £18.7m to £20.6m and EBITA up 14% from £1.4m to £1.6m. There have been a number of successes in the year and of particular note are the sales in Russia, India, the Asia Pacific region and via our medical instrumentation business.

During the year our major Air Conditioning and Refrigeration supplier Sporlan Valve, was acquired by Parker Hannifin Corp and I am glad to be able to report that our rapport with the new owners remains as strong as previously and we anticipate being able to build the business faster as a result of the increased product capability they are able to provide.

IT Products

Sales of our IT Products declined 10% in the year from a restated £98.7m to £88.7m with EBITA down 33% from £4.3m to £2.9m.

The major part of the profit reductions are as a result of price and margin erosion in our storage networking business in the UK and Germany. Volumes steadily increased but not sufficiently to offset this erosion.

Headway, our document imaging and management product group, has however grown its sales and market share whilst largely being able to maintain margins. The third of our IT Products groups, Networks, also had considerable sales reduction but this was largely by design as we gradually wound down our computer component sales from £12.2m in 2003/04 to £5.4m in this year. This business ceased at the year end.

On a more positive note Benelux based AVAS (Acal Value Added Services) produced an excellent performance growing its maintenance, service, training, installation and network managed security activities which support and enhance our hardware sales.

Just prior to the year end a distribution agreement was signed with EMC, the world's largest storage company, for their Centera product range. Whilst this occurred too late to benefit the results, it should enhance and strengthen our storage business in the new year.

Immediately post the year end we merged all the UK IT Products activities into one location in order to facilitate a greater degree of synergistic sales plus some back office efficiencies. This new organisation, Acal IT, is now managed totally by David Lewis who had previously been responsible for the Headway activity alone.

IT Parts Services

This division had a reduction in sales of 13% from £59.1m to £51.3m and EBITA down 6% from £4.9m to £4.6m. The reductions were across all business units except CPI, the business we bought in May 2003, which grew both sales and profits. As stated above, the elimination of the loss making business in the prior year enabled us to achieve a net margin of 8.9%, up from 8.2%.

Whilst the business in 2004 was depressed there has been a marked change since the beginning of this calendar year. The second half of 2004/05 experienced sales and EBIT growth of 8% and 19% respectively and this trend is forecast to continue as the leading European Service Organisations prepare to outsource their non-core activities. This has led to significant opportunities for this division in our core business of parts management and supply. There was a major win in this area in the UK in April which we anticipate will be one of a number of contracts that we expect during the course of the year. The importance of such contracts is their sustainability for the medium term, typically three to five years, which will help to minimise our recent experiences of the unpredictability of demand.

Acal IT Systems

Our ERP system has now been extended to all the intended pan-European locations and has already facilitated the reorganisation of part of the UK Electronic Components business and Acal IT as mentioned above. We will continue to develop enhancements, both for efficiency and to meet the demands of our suppliers and customers.

John Curry

Whilst reference to John Curry's premature retirement has been made elsewhere I must add my appreciation to John for all that he has done during our 18 years together since Acal started. We all wish him a long, well deserved and happy retirement.

Tony Laughton
Chief Executive
6 June 2005

FINANCIAL REVIEW

Results for the year

The Group's overall sales for the year ended 31 March 2005 were £260.7m (2004: £268.4m, as restated) and operating profit excluding goodwill amortisation and the Group's share of associated undertakings ("EBITA") was £12.7m (2004: £14.0m, as restated). The restatement of the prior year's figures arises from a change in accounting policy relating to service contract revenues.

Acal's Components' activities have increased sales by 9% whereas the IT activities have contracted by 11%, resulting in their relative contribution to the Group's sales changing to 46% and 54% respectively as compared to 41% and 59% respectively in the prior year. During the year the computer components activity in the Netherlands, which was part of the IT Products division, was closed. Similarly last year the EAF operation in the Netherlands, which was part of the IT Parts Services division, was closed. If the sales of these closed activities are excluded, the IT division saw sales of ongoing activities reduce from £142.9m in the year to 31 March 2004 to £134.6m in the year to 31 March 2005, a reduction of 6%.

The year under review saw sterling, on average, approximately 1.4% stronger as compared to the Euro and approximately 8.2% as compared to the US Dollar. The table below shows the effect of acquisitions, the closure of the EAF operation in the Netherlands last year, the closure of the computer components activity in the Netherlands this year and movements in exchange rates on the Group's sales:-

	Sales £m	Change
Year ended 31 March 2004	268.4	
Acquisition	3.0	+1.1%
Effect of closed activities	(9.5)	-3.5%
Effect of exchange rate movements	(2.3)	-0.9%
Underlying increase	1.1	+0.4%
Year ended 31 March 2005	260.7	-2.9%

Thus overall sales were stable at constant exchange rates when the effect of the acquisition and closed activities is excluded.

The global downturn in the technology industries over the last few years has affected the Group's activities in Continental Europe more severely than those in the UK, resulting in relatively lower levels of profits denominated in currencies other than sterling. Accordingly exchange rate movements had no material effect on the Group's results.

Acal's strategy of focusing on value-added distribution has continued to show its benefits in the gross margins being achieved. Pricing pressures in storage area networking products have resulted in some weakening of margins in that activity. However the improvements in other areas more than compensated for this and overall Group margins increased to 26.6% from 25.9% last year.

Net operating expenses (excluding goodwill amortisation) for the year were £56.8m compared to £55.4m, for the prior year. The net effect of acquisitions and closures was immaterial, thus the underlying change was an increase of 2.5%. The number of employees working for the Group at the end of the year was 998, as compared to 1020 for the previous year, and this includes 25 employees who joined the Group with the acquisition of Mecodis. In reviewing its overheads, Acal endeavours to ensure that its long-term strategy of growth and its "design-in" activities are not adversely affected by any cost-saving measures adopted.

During the year we sold our investment in our South African associate, Premark Products (Pty) Ltd, resulting in a small profit. Our main associated company is Westech, which distributes electronic components in the Far East. It continues to grow its coverage of the Far East and its sales for the year to 31 March 2005 were S$119m (approximately £38.5m) compared to S$107m (approximately £36.3m) in the prior year. The contribution of associated companies to the Group's operating profit was £0.6m (2004: £0.4m).

The expense for goodwill amortisation was £3.0m this year compared to £2.9m last year, the small increase reflecting the acquisition of Mecodis in July 2004.

Net interest cost for the year was £1.8m (2004: £1.6m) before the FRS17 financing cost of £0.2m (2004: £0.3m) and was covered 7.4 times (2004: 9 times) by operating profit before goodwill amortisation. The higher interest cost for 2004/05 reflects the higher average debt level during the year and slightly higher interest rates.

The Group's effective tax rate was 33.4% (2004: 34.5%, as restated) based on the profit before taxation and amortisation of goodwill, reflecting a lower level of unrelieved tax losses in some operating companies as compared to the prior year.

Earnings per share were 26.9p (2004: 29.0p, as restated) before goodwill amortisation and 15.3p (2004: 17.9p, as restated) after goodwill amortisation.

The interim and proposed final ordinary dividends for the year will absorb £5.7m (2004: £5.5m), and are covered 1.2 times (2004: 1.4 times) by attributable profit before goodwill amortisation.

Working Capital and Balance Sheet

The Group places particular emphasis on the management of working capital, especially in periods of economic downturn. For this purpose Acal uses a model 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 and the actual level of stock at 31 March 2005 represented 1.2 months of sales, thus achieving the target:-

	Target Model TMMA Ratio	31 March 2005 TMMA ratio	31 March 2004 TMMA ratio
Trading Fixed Assets	0.5	0.5	0.6
Current Assets:-			
Stock	1.2	1.2	1.1
Debtors	2.3	2.4	2.1
Current Liabilities:-			
Creditors	(2.2)	(2.6)	(2.1)
Tax	(0.2)	(0.1)	(0.1)
TOTAL Trading Assets	1.6	1.4	1.6

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

Stock levels increased from £23.6m at 31 March 2004 to £25.5m at 31 March 2005, reflecting in part a need to increase stock in some instances to improve customer service, and partly the taking on of new stock in the IT Parts division in order to be able to service a new contract which commenced in April 2005. This level is consistent with our TMMA target of 1.2 months. Although there was an overall reduction in working capital, this was achieved in part as a result of terms negotiated with suppliers, some of the benefit of which may be short-term. We will continue to endeavour to improve our performance on management of debtors and stock to ensure that working capital levels continue at efficient levels even if this benefit reverses.

Capital expenditure for the year was £2.2m (2004: £3.7m) as compared to depreciation of £3.2m (2004: £3.5m). The programme of implementation of the Group's new ERP system was completed in October 2004 and thus capital expenditure will be returning to more normal levels, although this year it has been lower than would be normal. Following the acquisition of Mecodis in July 2004, consideration amounting to €4.9m (£3.3m) was paid during the year ended 31 March 2005. A further amount, currently estimated to be around £0.4m, will be payable during the year ending 31 March 2006, based on the performance of the business acquired.

Shareholders' funds at 31 March 2005 were £65.3m, after further goodwill amortisation of £3.0m during the year, as compared to £66.7m (as restated) a year before. Net debt at 31 March 2005 was £12.3m (representing 18.8% of shareholders' funds) as compared to £15.2m (representing 22.8% of shareholders' funds) a year earlier.

The Group's debt is provided principally by bilateral bank facilities negotiated centrally in the UK as well as locally at the operating companies. There are committed long-term facilities of around £35 million available to the Group in addition to short-term facilities which are mainly used for working capital needs.

Return on Capital Employed

Return on average capital employed (which is calculated using operating profit before goodwill amortisation and net assets excluding goodwill and adding back net debt) was 36% compared to 38% last year. Although not up to our target of 40%, and the levels we have been used to, we believe that this was a satisfactory performance in a period of difficult trading conditions in technology-based industries.

Pensions

It has always been Acal's policy that its pension schemes should be of the

defined contribution type so that the extent of the Group's financial obligations can be clearly ascertained. However, when Sedgemoor Limited, 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 (together "the Sedgemoor Scheme"). Soon after the acquisition the Sedgemoor Scheme was curtailed and all future service accrual ceased.

In 2003 we adopted FRS17 relating to pension schemes. The effect in respect of the Sedgemoor Scheme was that a net pension liability of £5.9m was recognised in the financial statements. At 31 March 2005 the net liability was £4.5m (2004: £4.8m), reflecting primarily the appreciation of investments as a result of stronger stock markets and contributions made since that date. The next triennial actuarial valuation of the Sedgemoor Scheme is due at 31 March 2006.

International Financial Reporting Standards

Following the decision of the European Union, International Financial Reporting Standards ("IFRS") are to be implemented by listed companies for reporting periods commencing on or after 1 January 2005. Thus Acal will apply IFRS in its financial statements for the year ending 31 March 2006, including the interim results for the six months ending 30 September 2005. Acal has established a project for the implementation of IFRS and this project is on schedule. The Group intends to provide a reconciliation of its results for the six months ended 30 September 2004 and the year ended 31 March 2005, prepared under Generally Accepted Accounting Principles in the UK (UK GAAP) and under IFRS, prior to the publication of its first set of IFRS results which will cover the period of six months ending 30 September 2005.

The principal effects of IFRS on the Group's financial statements are expected to be as set out below:-

- Goodwill: IFRS 3 - Business Combinations does not permit the amortisation of goodwill through the profit and loss account. Instead, goodwill is carried at cost and reviewed for impairment annually and also when there are indications that the carrying value may not be recoverable. Under the transitional arrangements of IFRS 1 - First Time Adoption, the Group has decided to apply the standard prospectively rather than restate all previous business combinations and reinstate goodwill previously amortised. Consequently, all prior business combination accounting will be frozen at the transition date of 1 April 2004 and amortisation of the remaining goodwill through the profit and loss account will cease.

- Share-based payments: Under IFRS 2 - Share-based Payments, the Group will be required to recognise a charge to income representing the fair value of any share based payments, i.e., awards made under its Share Option schemes. The Group intends to calculate this charge using an appropriate options valuation model and to expense the overall amount, as adjusted to reflect actual and expected levels of vesting, over the relevant vesting periods. Under the transitional arrangements of IFRS 1 - First Time Adoption, the Group intends to apply this standard to share-based payments made since 7 November 2002.

- Proposed dividends: IAS 10 - Events After the Balance Sheet Date prohibits the recording of a balance sheet liability in relation to a proposed final dividend distribution until the distribution has formally been approved.

- Reporting of Group's share of results of associated undertakings: IAS 1 - Income Statement and Balance Sheet requires the Group's share of operating profit, interest and tax from its associated undertakings to be reported as a single line item on the face of the profit and loss account, whereas UK GAAP requires these items to be reported separately under each line item within the profit and loss account.

- Deferred tax: IAS 12 - Income Taxes requires a deferred tax provision for all capital gains rolled over and inherent in revalued fixed assets. Under IAS 12, the Group will be required to recognise a deferred tax liability in relation to the surplus recorded on property revaluations.

- Pensions accounting: The accounting treatment required under IAS 19 - Employee Benefits is now broadly similar to that under FRS 17. One minor difference is that IAS 19 allows financing costs in relation to retirement benefit schemes to be recorded within operating profit. FRS 17 requires financing costs or income recognised in relation to retirement benefit schemes to be recorded as other financing charges or income. Further IAS 19 permits a range of options in relation to the recognition of actuarial gains or losses. The Group intends to continue with its policy of recognising such gains or losses immediately through the IFRS statement which is equivalent to the UK GAAP's statement of recognised gains and losses.

J S Virdee
Finance Director
6 June 2005

ACAL plc

Audited Consolidated Profit and Loss Account
for the year to 31st March 2005

		Year ended 31 March	
		2005	2004 (restated)
		£'m	£'m
Turnover	Note 2.		
Ongoing activities		252.3	253.5
Closed activities		5.4	14.9
Acquisition		3.0	-
		260.7	268.4
Operating profit			
Excluding goodwill amortisation		12.7	14.0
Goodwill amortisation		(3.0)	(2.9)
Group operating profit (excluding associates)		9.7	11.1
Group share of operating profits of associates		0.6	0.4
Total operating profit (including associates)			
Excluding goodwill amortisation		13.3	14.4
Goodwill amortisation		(3.0)	(2.9)
		10.3	11.5
Loss on termination of operation		-	(0.6)
Net interest payable and similar charges		(2.0)	(1.9)
Profit before taxation			
Excluding goodwill amortisation		11.3	11.9
Goodwill amortisation		(3.0)	(2.9)
Profit on ordinary activities before taxation		8.3	9.0
Tax on profit on ordinary activities			
United Kingdom		(3.4)	(3.8)
Overseas		(0.3)	(0.2)
Associates		(0.1)	(0.2)
		(3.8)	(4.2)
Profit after taxation			
Excluding goodwill amortisation		7.5	7.7
Goodwill amortisation		(3.0)	(2.9)
Profit on ordinary activities after taxation		4.5	4.8
Minority interest		(0.4)	(0.2)
Profit attributable to ordinary shareholders		4.1	4.6
Dividends on ordinary shares		(5.7)	(5.5)
Retained loss for the year		(1.6)	(0.9)
Earnings per share		15.3p	17.9p
Diluted earnings per share		15.3p	17.9p

Earnings per share excluding goodwill amortisation	26.9p	29.0p
Earnings per share excluding goodwill amortisation and loss on termination of operation	26.9p	31.3p
Dividends per share	21.6p	21.0p

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

The impact of the Acquisition on the Group's operating profit for the period was immaterial

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Audited Consolidated Balance Sheet
at 31st March 2005

	At 31st March 2005 £'m	2004 (restated) £'m
FIXED ASSETS		
Intangible assets	45.7	46.9
Tangible assets	12.5	14.1
Investments	6.1	6.4
	64.3	67.4
CURRENT ASSETS		
Stocks	25.5	23.6
Debtors	55.5	54.2
Cash at bank and in hand	15.9	10.8
	96.9	88.6
CREDITORS: Amounts falling due within one year	(68.4)	(62.0)
NET CURRENT ASSETS	28.5	26.6
TOTAL ASSETS LESS CURRENT LIABILITIES	92.8	94.0
CREDITORS: Amounts falling due after more than one year	(20.2)	(20.3)
PROVISIONS FOR LIABILITIES AND CHARGES	(1.6)	(1.3)
NET ASSETS - excluding pension liability	71.0	72.4
Net pension liability	(4.5)	(4.8)
NET ASSETS - including pension liability	66.5	67.6
CAPITAL AND RESERVES		
Called up share capital	1.3	1.3
Share premium account	38.0	37.8
Revaluation reserve	0.3	0.3
Merger reserve	0.8	0.8
Profit and loss account	24.9	26.5
EQUITY SHAREHOLDERS' FUNDS	65.3	66.7
Minority interest	1.2	0.9

TOTAL CAPITAL EMPLOYED	66.5	67.6

ACAL plc

Audited Summary Cash flow Statement
for the Year to 31st March 2005

	Year ended 31st March 2005 £'m	2004 (restated) £'m
OPERATING ACTIVITIES		
Group operating profit	9.7	11.1
Depreciation and amortisation	6.2	6.4
Profit on disposal of fixed assets	(0.3)	(0.1)
Decrease in working capital	1.3	2.4
NET CASH INFLOW FROM OPERATING ACTIVITIES	16.9	19.8
Dividends from associates	0.3	0.1
Net interest paid	(1.9)	(1.8)
Tax paid	(3.9)	(4.9)
Net expenditure on tangible fixed assets and investments	(0.8)	(3.9)
Net cash flow from acquisitions and disposals	(2.3)	(6.3)
Equity dividends paid	(5.7)	(5.4)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	2.6	(2.4)
Decrease in debt and finance leases	(0.1)	(3.8)
Issue of share capital	0.2	0.7
NET INCREASE/(DECREASE) IN CASH	2.7	(5.5)

Reconciliation of net cash flow to movements in net debt

NET INCREASE/(DECREASE) IN CASH	2.7	(5.5)
Cash outflow from decrease in debt and lease financing	0.1	3.8
Translation differences	0.1	(0.1)
DECREASE/(INCREASE) IN NET DEBT	2.9	(1.8)
Net debt at beginning of the period	(15.2)	(13.4)
Net debt at end of the period	(12.3)	(15.2)

ACAL plc

Audited Consolidated Statement of
Total Recognised Gains and Losses
for the year to 31st March 2005

	Year ended 31st March 2005 £'m	2004 (restated) £'m
Profit attributable to shareholders	4.1	4.6
Actuarial gain on pension scheme	-	1.2
Deferred tax relating to pension scheme	(0.2)	(0.5)
Net gain/(loss) on currency translation	0.3	(1.0)
Total recognised gains and losses for the financial period	4.2	4.3
Prior period adjustment - Deferred revenue on service contracts	(1.0)	

Notes

1 The preliminary results were approved by the Board on 6 June 2005. The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 March 2005 or 2004, but is derived from those accounts. Statutory accounts for 2004 have been delivered to the Registrar of Companies whereas those for 2005 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 These preliminary results have been prepared in accordance with the accounting policies normally adopted by the Company with the exception of a change in the accounting policy relating to revenue earned from service contracts which is detailed in note 3 below.

3 Revenues earned from service contracts where the service was provided by third parties were previously included in turnover in the period in which the relevant contracts were sold with full provision for amounts payable to third parties which were to provide the services under these contracts. Where service under the contract was provided by the Group, revenues were included in turnover over the period of the contract with the costs of providing the service being charged as incurred. Recent developments in accounting practice in this area suggest that where the seller's contractual obligations are performed gradually over time, revenue should be recognised as contract activity progresses to reflect the seller's partial performance of its obligations. Accordingly, turnover in respect of all service contracts is now recognised over the life of the agreement on performance of the contractual obligations to the customer. Related costs are charged to the profit and loss account as incurred. This change has been accounted for as a prior period adjustment and previously reported figures have been restated accordingly. The effect of the change is to decrease sales by £0.8 million in 2004/5 and £0.5 million in 2003/4. Operating profit is decreased by £0.2 million in 2004/5 and £0.1 million in 2003/4. The effect on brought forward reserves is a reduction of £1.0 million.

4 The closure of EAF Nederland BV was announced on 29 March 2004 and completed during the half year ended 30 September 2004. Acal Netherlands's Computer Components activity was closed during the second half of the year ended 31 March 2005. The turnover of these activities is shown under "Closed activities". The acquisition of Mecodis S.A. was announced on 16 July 2004. Its turnover is shown under "Acquisition". The impact of the Closed activities and the Acquisition on the operating profits of the relevant periods was immaterial.

5 The final dividend is payable on 25 July 2005 to shareholders on the register on 15 June 2005.

6 Earnings per share for the year to 31 March 2005 have been calculated on the profit attributable to ordinary shareholders of £4.1 million using the weighted average number of ordinary shares in issue during the period.

7 The Annual Report and Accounts will be mailed to shareholders on or before 20 June 2005. 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

This information is provided by RNS
The company news service from the London Stock Exchange