Registered number 291521

# Denmans Electrical Wholesalers Limited

## Report and Financial Statements

31 December 2012



## Directors

H P Laschkar
N Croxson

## Auditors

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire LU1 3LU

## Registered Office

5th Floor, Maple House
Mutton Lane
Potters Bar
Hertfordshire EN6 5BS

Registered No 291521

# Directors' report

The directors present their report and financial statements for the year ended 31 December 2012

## Results and dividends

The profit for the year after taxation amounted to £252,000 (2011 – profit of £4,458,000) The directors do not recommend a final dividend (2011 – £nil)

On 6 November 2012, a reduction of capital of the company was registered at Companies House reducing the allotted, called up and fully paid ordinary shares to one ordinary share of £1 in issue

On 30 November 2012, the company assigned the benefit of the net receivable of £7,971,999 to its parent company by way of a dividend in specie, with the effect that such assignment would cancel Rexel UK Limited's liability to pay £7,971,000 net receivable to the company

## Principal activities and review of the business

The Company is not expected to trade in the foreseeable future

## Events since the balance sheet date

There have been no material events since the balance sheet date

## Going concern

The directors after making enquiries and following a review of the Company budget for the next 12 months, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation for the foreseeable future

## Directors

The directors who served the company during the year were as follows

H P Laschkar
N M Croxson
R Gill – (resigned 26 April 2012)

The directors participate in share plans of Rexel S A , the parent undertaking, in respect of Long Term Plans within the Group As a senior employee of Rexel, the share plan of H-P Laschkar is specifically disclosed within the financial report and financial statements of Rexel S A

## Political and charitable contributions

The Company made no political or charitable contributions during the current or prior year

## Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

## Auditors

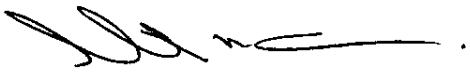
A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

# Directors' report

## Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

On behalf of the Board



N M Croxson
Director
23 May 2013

# Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

# Independent auditors' report

**to the members of Denmans Electrical Wholesalers Limited**

We have audited the financial statements of Denmans Electrical Wholesalers Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company s members as a body, for our audit work, for this report, or for the opinions we have formed

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company s and the parent undertaking circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

## Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company s affairs as at 31 December 2012 and of it's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

# Independent auditors' report

**to the members of Denmans Electrical Wholesalers Limited**

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Fraser Bull (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Luton
23 May 2013

# Profit and loss account

**for the year ended 31 December 2012**

| | Notes | 2012 £000 | 2011 £000 |
|---|---|---|---|
| ***Turnover*** | 2 | - | 40,479 |
| Cost of sales | | - | (25,968) |
| ***Gross profit*** | | - | 14,511 |
| Operating expenses | | - | (10,139) |
| ***Operating profit before other operating expenses*** | | - | 4,372 |
| Other operating income | | - | (124) |
| ***Operating profit*** | 3 | - | 4,248 |
| Interest receivable and similar income | 6 | 252 | 504 |
| Interest payable and similar charges | 7 | - | (310) |
| ***Profit on ordinary activities before taxation*** | | 252 | 4,442 |
| Tax | 8 | - | 16 |
| ***Profit for the financial year*** | 12 | 252 | 4,458 |

# Statement of total recognised gains and losses

**for the year ended 31 December 2012**

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £252,000 in the year ended 31 December 2012 (2011 – profit of £4,458,000)

# Balance sheet

**at 31 December 2012**

| | Notes | 2012 £000 | 2011 £000 |
|---|---|---|---|
| ***Fixed assets*** | | | |
| Investments | 10 | - | - |
| ***Current assets*** | | | |
| Debtors – amounts owed by group undertakings | | - | 9,704 |
| | | - | 9,704 |
| ***Creditors*** amounts falling due within one year – amount owed to group undertakings | | - | 1,984 |
| ***Net current assets*** | | - | 7,720 |
| ***Net assets*** | | - | 7,720 |
| ***Capital and reserves*** | | | |
| Called up share capital | 11 | - | 12 |
| Share premium | 12 | - | 2,331 |
| Capital redemption reserve | 12 | - | 5,150 |
| Profit and loss account | 12 | - | 227 |
| ***Shareholders' funds*** | 12 | - | 7,720 |

The financial statements were approved by the Board on 23 May 2013 and signed on its behalf by

N M Croxson

Director

# Notes to the financial statements

**at 31 December 2012**

## 1. Accounting policies

***Basis of preparation***

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

The directors after making enquiries and following a review of the Company budget for the next 12 months, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation for the foreseeable future The Company is now dormant and is not expected to trade in the foreseeable future

***Group financial statements***

The financial statements contain information about Denmans Electrical Wholesalers Limited ("Denmans") as an individual company and do not contain group financial information as the parent of a Group The Company is exempt under section 405 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiary undertakings are included by full consolidation in the group financial statements of its ultimate parent undertaking, Rexel S A , a company incorporated in France

***Statement of cash flows***

As permitted under FRS 1 (revised), the Company has not prepared its own statement of cash flows, as it is a wholly owned subsidiary undertaking of Rexel S A , which prepares a group statement of cash flows

***General information***

The principal activity of the Company was the wholesale supply and distribution of electrical products in the UK up until 31 July 2011 when the trade, assets and liabilities were all transferred to Rexel UK Limited after which time the Company has been dormant other than receiving interest on an intercompany loan given to Rexel UK Limited which has now been settled

The Company is incorporated and domiciled in England and Wales The address of the registered office is 5th Floor, Maple House, Mutton Lane, Potters Bar, Hertfordshire, EN6 5BS

***Goodwill***

Goodwill arising on acquisitions has been capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a maximum of 20 years It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

***Turnover***

Turnover represents the invoiced value of goods supplied by the Company in the normal course of business, net of trade discounts Value Added Tax and other related taxes

***Investments***

The investments in subsidiary undertakings are included at cost less provision for any impairment

The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

# Notes to the financial statements

**at 31 December 2012**

## 1. Accounting policies (continued)

***Deferred taxation***

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

***Foreign currencies***

Foreign currency transactions are converted into sterling at the rates ruling when they occurred Assets and liabilities in foreign currencies are translated at rates ruling at the balance sheet date Any differences are taken to the profit and loss account

***Operating leases***

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis Benefits received and receivable as an incentive to an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case, the shorter period is used

***Pensions***

*Defined contribution plans*

Contributions to defined contribution pension plans are recognised as an expense in the profit and loss account as incurred

# Notes to the financial statements

**at 31 December 2012**

## 2. Turnover

All turnover in the prior year was derived from the United Kingdom

## 3. Operating profit

This is stated after charging/(crediting)

| | | | 2012 £000 | 2011 £000 |
|---|---|---|---|---|
| Auditors' remuneration | | | - | 30 |
| Depreciation of owned fixed assets | | | - | 113 |
| Goodwill amortisation | | | - | 124 |
| Operating lease rentals | – | plant and machinery | - | 290 |
| | – | other assets | - | 771 |

## 4. Directors' remuneration

| | 2012 £000 | 2011 £000 |
|---|---|---|
| Remuneration | - | 148 |
| Company contributions paid to defined contribution pension schemes | - | 8 |

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £Nil (2011 – £92,000), and company pension contributions of £Nil (2011 – £6,000) were made on his behalf

# Notes to the financial statements

**at 31 December 2012**

## 5. Staff costs

| | *2012* | *2011* |
|---|---|---|
| | *£000* | *£000* |
| Wages and salaries | - | 5,139 |
| Social security costs | - | 564 |
| Other pension costs | - | 63 |
| | - | 5,766 |

The average monthly number of employees (including directors) during the year was made up as follows

| | *No* | *No* |
|---|---|---|
| Selling and distribution | - | 373 |
| Management/administration | 2 | 11 |
| | 2 | 384 |

## 6. Interest receivable and similar income

| | *2012* | *2011* |
|---|---|---|
| | *£000* | *£000* |
| Bank interest | - | 1 |
| Interest receivable from group companies | 252 | 503 |
| | 252 | 504 |

## 7. Interest payable and similar charges

| | *2012* | *2011* |
|---|---|---|
| | *£000* | *£000* |
| Bank interest | - | (157) |
| Debtors securitisation interest | - | (153) |
| | - | (310) |

# Notes to the financial statements

**at 31 December 2012**

## 8. Tax

(a) Tax on profit on ordinary activities

The tax credit is made up as follows

| | *2012* £000 | *2011* £000 |
|---|---|---|
| ***Current tax.*** | | |
| Corporation tax on profit for the year | - | - |
| ***Deferred tax.*** | | |
| Timing differences, origination and reversal | - | (15) |
| Adjustment in respect of prior years | - | (1) |
| Tax on profit on ordinary activities | - | (16) |

(b) Factors affecting current tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24 5% (2011 – 26 5%) The differences are explained below

| | *2012* £000 | *2011* £000 |
|---|---|---|
| Profit on ordinary activities before tax | 252 | 4,442 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24 5% (2011 – 26 5%) | 62 | 1,177 |
| *Effects of* | | |
| Expenses not deductible for tax purposes | - | 59 |
| Group relief | (62) | (1,251) |
| Other timing differences | - | 16 |
| Current tax for the year (note 8(a)) | - | - |

(c) Factors that may affect future tax charges

On 21 March 2012 the UK Chancellor made an announcement to reduce the rate of corporation tax to 24% from April 2012, to 23% from April 2013 and ultimately to 22% from April 2014 On 3 July 2012, the reduction in the rate to 23% with effect from 1 April 2013 was substantively enacted and so deferred tax assets have been calculated at the rate of 23% at 31 December 2012

A further reduction to 21% has been proposed This has not been substantively enacted by the year end and has therefore not been included in these financial statements Such a reduction in rate would not have an impact on the deferred tax as the balance is nil

# Notes to the financial statements

**at 31 December 2012**

## 9. Dividends

| | *2012* | *2011* |
|---|---|---|
| | *£000* | *£000* |
| Declared and paid during the year | | |
| Equity dividend on equity shares | | |
| Interim dividend for 2011 - £912 68 per share | - | 10,682 |
| Dividend in specie for 2012 - £681 13 per share | 7,972 | - |
| | 7,972 | 10,682 |

There were no further dividends proposed at the year end

## 10. Investments

The company holds 100% of the ordinary share capital of Power Industries Limited, a company registered in England and Wales This investment is held at cost less impairment at £Nil (2011 – £Nil) The subsidiary is dormant

## 11. Issued share capital

| | | *2012* | | *2011* |
|---|---|---|---|---|
| *Allotted, called up and fully paid* | *No* | *£000* | *No* | *£000* |
| Ordinary shares of £1 each | 1 | - | 11,704 | 12 |

On 6 November 2012, a reduction of capital of the Company was registered at Companies House reducing the allotted, called up and fully paid ordinary shares to one ordinary share of £1 in issue

## 12. Reconciliation of shareholders' funds and movements on reserves

| | *Share capital* | *Capital redemption reserve* | *Share premium account* | *Retained earnings* | *Total* |
|---|---|---|---|---|---|
| | *£000* | *£000* | *£000* | *£000* | *£000* |
| At 1 January 2011 | 12 | 5,150 | 2,331 | 6,451 | 13,944 |
| Equity dividends | – | – | – | (10,682) | (10,682) |
| Profit for the year | – | – | – | 4,458 | 4,458 |
| At 1 January 2012 | 12 | 5,150 | 2,331 | 227 | 7,720 |
| Profit for the year | - | - | - | 252 | 252 |
| Share capital reduction (see note 11) | (12) | (5,150) | (2 331) | 7,493 | - |
| Dividend in specie | - | - | - | (7,972) | (7,972) |
| At 31 December 2012 | - | - | - | - | - |

# Notes to the financial statements

**at 31 December 2012**

## 12. Reconciliation of shareholders' funds and movements on reserves (continued)

***Nature and purposes of reserves***

Share capital and share premium account includes the total net proceeds in issue of the Company's equity share capital

Capital redemption reserve reflects the value of shares redeemed or purchased by the Company from distributable profits

Retained earnings are used to record the profit for the year and the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration

On 30 November 2012, the company assigned the benefit of the net receivable of £7,971,999 to its parent company by way of a dividend in specie, with the effect that such assignment would cancel Rexel UK Limited s liability to pay £7,971,000 net receivable to the company

## 13. Events since the balance sheet date

There are no material events after the balance sheet date

## 14. Related party transactions

The Company, as a wholly owned subsidiary undertaking of Rexel S A , has taken advantage of exemptions available in FRS8 and not disclosed transactions with fellow wholly owned subsidiaries as group financial statements in which it is included are publicly available

## 15. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Rexel UK Limited

At the balance sheet date, the Company's ultimate parent undertaking and controlling party was Ray Investment Sarl, a company registered and incorporated in Luxembourg Copies of the group financial statements of Ray Investment Sarl, the parent undertaking of the largest group preparing group financial statements which include Denmans Electrical Wholesalers Limited can be obtained from 10, avenue de la Liberte, L-1930 Luxembourg

The parent undertaking of the smallest group preparing group financial statements which include Denmans Electrical Wholesalers Limited is Rexel S A , incorporated in France Its financial statements can be obtained from 189-193 Boulevard Malesherbes, CS 60002, 75838 Paris Cedex 17, France