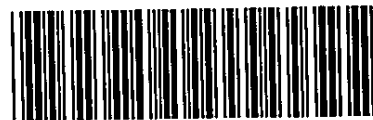


Company Number 439733

FARNELL ELECTRONIC COMPONENTS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL
YEAR ENDED 29 JANUARY 2012**

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FARNELL ELECTRONIC COMPONENTS LIMITED

CONTENTS

	Page
Report of the directors for the year ended 29 January 2012	1 - 2
Independent auditors' report to the members of Farnell Electronic Components Limited	3 - 4
Profit and loss account for the year ended 29 January 2012	5
Statement of total recognised gains and losses for the year ended 29 January 2012	5
Balance sheet at 29 January 2012	6
Notes to the financial statements for the year ended 29 January 2012	7 – 13

FARNELL ELECTRONIC COMPONENTS LIMITED
REPORT OF THE DIRECTORS OF FARNELL ELECTRONIC COMPONENTS
LIMITED COMPANY NUMBER 439733

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the financial year ended 29 January 2012

Results and dividends

The profit on ordinary activities before taxation for the financial year ended 29 January 2012 amounted to £639,000 (2011 £358,000) The directors have not paid any interim dividend in respect of the financial year (2011 £nil) The directors do not propose a final dividend (2011 £nil) and, consequently the profit of £404,000 (2011 £189,000) has been transferred to reserves

Review of the business and future developments

The principal activity of the company is warehousing activities in Liege, Belgium The directors consider the financial position of the Company to be satisfactory and expect trading levels to be maintained in the foreseeable future

Directors

The directors of the company who held office during the year and up to the date of signing the financial statements were

DJ Gaskin
S Webb
G Manson

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 prepared 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 accounting 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,
- 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

FARNELL ELECTRONIC COMPONENTS LIMITED
REPORT OF THE DIRECTORS OF FARNELL ELECTRONIC COMPONENTS
LIMITED COMPANY NUMBER 439733 (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Key Performance Indicators

The Company's parent undertaking, Premier Farnell plc, manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the European division of Premier Farnell plc Group, which includes the Company, is discussed in the Group's Annual Report which does not form part of these financial statements.

Principal Risks and Uncertainties

There are a number of risks and uncertainties that could have an effect on the Company's performance. These risks and uncertainties are similar to those faced by the Premier Farnell plc Group as a whole, and are discussed fully in the Group's Annual Report, which does not form part of these financial statements.

Disclosure of information to auditors

The directors confirm that so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and that each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board



S Webb
Company Secretary

150 Armley Road
Leeds
West Yorkshire
LS12 2QQ

26 July 2012

FARNELL ELECTRONIC COMPONENTS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARNELL
ELECTRONIC COMPONENTS LIMITED

We have audited the financial statements of Farnell Electronic Components Limited for the year ended 29 January 2012, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 January 2012 and of its 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.

FARNELL ELECTRONIC COMPONENTS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARNELL
ELECTRONIC COMPONENTS LIMITED (continued)

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



Caroline Roxburgh (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
Date 26 July 2012

FARNELL ELECTRONIC COMPONENTS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 29 JANUARY 2012

	Note	2012 £'000	2011 £'000
Turnover		9,501	9,162
Administrative expenses		(9,072)	(8,970)
Operating profit	2	429	192
Interest receivable and similar income	5	210	166
Profit on ordinary activities before taxation		639	358
Tax on profit on ordinary activities	6	(235)	(169)
Profit for the financial year	12	404	189

All of the company's operating result relates to continuing operations

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2012 £'000	2011 £'000
Profit for the financial year	404	189
Exchange adjustments offset in reserves	(18)	(22)
Movement in deferred tax relating to foreign exchange translation adjustments	20	2
Total recognised gains and losses relating to the year	406	169

FARNELL ELECTRONIC COMPONENTS LIMITED
BALANCE SHEET AT 29 JANUARY 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	7	2,393	3,028
Current assets			
Debtors	8	12,970	12,062
Cash at bank and in hand		682	616
		<u>13,652</u>	<u>12,678</u>
Creditors - amounts falling due within one year	9	<u>(1,704)</u>	<u>(1,654)</u>
Net current assets		11,948	11,024
Total assets less current liabilities		14,341	14,052
Provisions for liabilities	10	<u>(155)</u>	<u>(272)</u>
Net assets		<u>14,186</u>	<u>13,780</u>
Capital and reserves			
Called-up share capital	11	11	11
Profit and loss account	12	<u>14,175</u>	<u>13,769</u>
Total shareholders' funds	13	<u>14,186</u>	<u>13,780</u>

These financial statements on pages 5 to 13 were approved by the board of directors on 26 July 2012 and were signed on its behalf by



D J Gaskin
Director

Company number: 439733

FARNELL ELECTRONIC COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 29 JANUARY 2012

1 Basis of accounting

These financial statements are prepared under the historical cost convention, on the going concern basis and in accordance with applicable UK accounting standards and the Companies Act 2006. A summary of important accounting policies, which the directors consider to be the most appropriate for the company and have been applied consistently, are set out below.

Cashflow

The company is a wholly owned subsidiary of Premier Farnell plc and is included in the consolidated financial statements of Premier Farnell plc, which are publicly available. Consequently, the company has taken advantage of the exemption from disclosing a cash flow statement under Financial Reporting Standard 1 (revised 1996).

Related party transactions

As the company is a wholly owned subsidiary of Premier Farnell plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Premier Farnell plc, within which this Company is included, can be obtained from the address given in note 16.

Turnover and revenue recognition

Turnover comprises the invoiced value of goods and services supplied during the year excluding value added and sales taxes and are recognised when the significant risks and rewards of ownership have been passed to the customer.

Tangible assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Interest is not capitalised.

Depreciation is provided at rates appropriate to write off the original cost of all tangible fixed assets from the time they become operational over their expected useful lives as follows:

Freehold buildings	2% on cost
Fixtures, fittings, tools & equipment	10% to 33% on cost
Motor vehicles	25% reducing balance

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Profits and losses of branches which have currencies of operation other than sterling are translated into sterling at average rates of exchange except for material items which are translated at the rate ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rates.

Exchange differences arising from the retranslation of the opening net assets of branches which have currencies of operation other than sterling and any related loans are taken to reserves together with the differences arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the year end. Other exchange differences are taken to the profit and loss account.

The principal exchange rate prevailing at the balance sheet date was Euro 1.19 (2011: Euro 1.16).

FARNELL ELECTRONIC COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 29 JANUARY 2012 (Continued)

Financial Instruments

The company is unlisted and a wholly owned subsidiary of Premier Farnell plc and is exempt from applying the full disclosure and measurement requirements of FRS 25 'Financial Instruments – disclosure and presentation' and FRS 26 'Financial Instruments – recognition and measurement', nor does it currently voluntarily comply with the Companies Act fair value rules

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date

Full provision is made, on an undiscounted basis, for deferred taxation resulting from timing differences between profits computed for taxation purposes and profits stated in the accounts to the extent that there is an obligation to pay more tax in the future as a result of the reversal of those timing differences. Deferred tax assets are recognised to the extent they are expected to be recoverable

Operating leases

Annual payments under operating leases are charged to the profit and loss account as they fall due

2 Operating profit

Operating profit is stated after charging/(crediting)

	2012	2011
	£'000	£'000
Depreciation		
Owned	821	852
Operating lease rentals		
Land and buildings	698	780
Other	73	75
Rentals received	-	(8)

Audit fees are borne by the ultimate parent undertaking (note 16)

3 Directors emoluments

The directors did not receive any emoluments in respect of their services to the company (2011 £nil). The emoluments of DJ Gaskin are borne by a fellow subsidiary which makes no recharge to the company. The emoluments of G Manson and S Webb are borne by the ultimate parent company which makes no recharge to the company. G Manson and S Webb are employed by the ultimate parent company and are directors of a number of fellow subsidiaries. It is not possible to make an accurate apportionment of their emoluments in respect of the parent and each of the subsidiaries. Accordingly, the above details include no emoluments in respect of any director.

FARNELL ELECTRONIC COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 JANUARY 2012 (Continued)

4 Staff costs

	2012 £'000	2011 £'000
Wages and salaries	3,964	4,141
Social security costs	2,169	2,058
	<u>6,133</u>	<u>6,199</u>

The average number of persons employed including directors was as follows

	2012 Number	2011 Number
	<u>167</u>	<u>171</u>

5 Interest receivable and similar income

	2012 £'000	2011 £'000
Group interest receivable	<u>210</u>	<u>166</u>

6 Tax on profit on ordinary activities

	2012 £'000	2011 £'000
Group relief payable	43	28
Overseas Tax		
Current tax on income for the year	<u>289</u>	<u>213</u>
Total current tax	332	241
Deferred taxation (note 10)	<u>(97)</u>	<u>(72)</u>
	<u>235</u>	<u>169</u>

The differences are explained below

	2012 %	2011 %
UK corporation tax rate	26.3%	28 0
Accelerated capital allowances	13.8%	17 0
Items not deductible for Belgian tax purposes	8.9%	16 8
Items not deductible for tax purposes	3.0%	5 7
Current tax rate on profit before tax	<u>52%</u>	<u>67 5</u>

FARNELL ELECTRONIC COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 29 JANUARY 2012 (Continued)

6 Tax on profit on ordinary activities (continued)

Factors affecting current and future tax charges

During the year, as a result of the change in the UK main corporation tax rate from 26% to 25% that was substantively enacted on 5 July 2011 and effective from 1 April 2012, the relevant deferred tax balances have been re-measured. Further reductions to the UK corporation tax rate were subsequently announced in the March 2012 Budget to reduce the rate of 25% by a further 1% to 24% from 1 April 2012. It was also announced that the previously announced rate reductions in March 2011 of 1% for 2013 and 2014 will now reduce the rate to 23% from 1 April 2013 and then to 22% from 1 April 2014. These later changes are expected to be enacted separately each year. Any corporation tax rate changes which had not been substantively enacted at the balance sheet date, are not recognised in these financial statements.

7 Tangible assets

	Plant, equipment and motor vehicles £'000
Cost	
At 31 January 2011	11,527
Additions	262
Exchange translation adjustment	(290)
At 29 January 2012	11,499
Accumulated depreciation	
At 31 January 2011	8,499
Charge for period	821
Exchange translation adjustment	(214)
At 29 January 2012	9,106
Net book amount	
At 29 January 2012	2,393
At 30 January 2011	3,028

There were no assets held under finance leases in the current and prior year.

8 Debtors

	2012 £'000	2011 £'000
Amounts owed by parent undertaking	1,725	1,858
Amounts owed by group undertakings	11,005	9,995
Prepayments and accrued income	240	209
	12,970	12,062

Amounts owed by parent and group undertakings are unsecured interest bearing at LIBOR rates plus a margin of 0.675% and are repayable on demand.

FARNELL ELECTRONIC COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 29 JANUARY 2012 (Continued)

9 Creditors - amounts falling due within one year

	2012	2011
	£'000	£'000
Bank loans and overdrafts	41	101
Trade creditors	376	284
Group relief payable	57	21
Overseas tax payable	309	57
Other taxation and social security	124	22
Accruals	797	1,169
	<u>1,704</u>	<u>1,654</u>

10 Provisions for liabilities

The amounts relating to deferred taxation, being the full potential liability at 25% are analysed as follows:

	£000
As 30 January 2011	272
Profit and loss account (note 6)	(97)
Statement of total recognised gains and losses (note 13)	(20)
At 29 January 2012	<u>155</u>

Deferred taxation is provided in the accounts as follows

	2012	2011
	£000	£000
Capital allowances in advance of depreciation	<u>155</u>	<u>272</u>

11 Called up share capital

	2012	2011
	£000	£000
Authorised and issued share capital		
10,000 deferred shares of £1 each	10	10
1,000 ordinary shares of £1 each	1	1
	<u>11</u>	<u>11</u>

FARNELL ELECTRONIC COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 JANUARY 2012 (Continued)

11 Called up share capital (continued)

The rights and restrictions attaching to the shares are summarised below

Rights to income

The ordinary shares shall carry all rights to income which the company may determine to distribute in respect of any financial year. The deferred shares shall not entitle the holders thereof to receive any dividends or to participate in any distributions income or capital except to the extent provided by the next paragraph

Rights to capital

On a return of capital the surplus assets of the company after payment of its liabilities shall be applied first in repaying to the holders of ordinary shares the nominal amount paid up or credited as paid up thereon, and secondly in repaying to the holders of the deferred shares the nominal amount paid up or credited as paid up thereon. Any surplus thereafter shall be payable to the holders of the ordinary shares

Voting rights

The deferred shares shall not confer upon the holders thereof the right to receive notice of or to attend or vote at any general meetings of the company unless the meeting is convened for the purpose of reducing the capital, winding up, sanctioning a sale of the undertaking of the company or for considering a proposal or resolution directly affecting the special rights or privileges of the holders of deferred shares as a class

Other rights

In all other respects the ordinary shares and deferred shares shall rank *pari passu*

12 Profit and loss account

	£'000
At 30 January 2011	13,769
Profit for the financial year	404
Exchange translation adjustment	(18)
Movement in deferred tax relating to foreign exchange translation adjustments	20
At 29 January 2012	14,175

FARNELL ELECTRONIC COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 29 JANUARY 2012 (Continued)

13 Reconciliation of movements in total shareholders' funds

	2012 £'000	2011 £'000
Profit for the financial year	404	189
Exchange translation adjustment	(18)	(22)
Movement in deferred tax relating to foreign exchange translation adjustments	20	2
Opening total shareholders' funds	<u>13,780</u>	<u>13,611</u>
Closing total shareholders' funds	<u><u>14,186</u></u>	<u><u>13,780</u></u>

14 Operating leases

Annual commitments under non-cancellable operating leases are as follows

	2012		2011	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	-	18	-	25
In second to fifth year inclusive	-	155	-	84
Over five years	<u>694</u>	<u>-</u>	<u>689</u>	<u>-</u>
	<u><u>694</u></u>	<u><u>173</u></u>	<u><u>689</u></u>	<u><u>109</u></u>

15 Guarantees

The Company, together with a number of fellow UK subsidiary undertakings, has entered into a joint and several guarantee securing the indebtedness of Premier Farnell plc and these UK subsidiary undertakings to HSBC Bank plc with regard to UK banking arrangements. The indebtedness to HSBC Bank plc at 29 January 2012 under these arrangements was £nil (2011: £nil).

The Company has guaranteed the loans of the ultimate parent company and fellow subsidiary undertakings which at 29 January 2012 amounted to £105m (2011: £105m).

16 Parent undertaking

The immediate parent undertaking is Farnell Holding Limited, a company registered in England. The registered office for Farnell Holding Limited is Farnell House, Forge Lane, Leeds, LS12 2NE.

The ultimate parent undertaking, which is also the parent of the smallest and largest group of undertakings in which the financial statements are consolidated, is Premier Farnell plc, a company incorporated in England and Wales. Copies of the group financial statements can be obtained by writing to The Secretary, Premier Farnell plc, 150 Armley Road, Leeds, LS12 2QQ.