

**Premier Farnell Limited**

**Annual report and financial statements**

**Registered number 876412**

**2 July 2017**



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## **Strategic report**

The directors present their strategic report for the 17 month period ended 2 July 2017.

### **Business review**

Premier Farnell Limited (the “Company”) was formerly Premier Farnell plc the ultimate parent company of the Premier Farnell group, a global distributor of technology products and solutions operating in 36 countries, and listed on the London Stock Exchange.

On 17 October 2016 the company was acquired by Avnet Bidco Limited, an indirect wholly-owned subsidiary of Avnet Inc. As a result of this the Premier Farnell chairmen, non-executive directors and chief executive officer resigned on this date. Trading in Premier Farnell Limited shares on the London Stock Exchange was suspended with effect from 17 October 2016 and the shares delisted. The Company re-registered from a public company to a private limited company.

The Company continues to be that of the parent company for the Premier Farnell subsidiary companies, and incurs administrative expenses relating to the Premier Farnell senior management team and central functions. The Company receives operating income from group companies in respect of recharges for management services and for the use of trademarks.

Following the acquisition by Avnet, external bank loans and US dollar private placement notes were repaid in December 2016 and January 2017.

On 29 December 2016 the Company acquired the entire share capital of Element14 US Holdings Inc. from InOne Holdings Limited, a subsidiary company. On the same date the company transferred all of the shares in Element14 US Holding Inc. to Avnet Bidco Limited.

Before the acquisition by Avnet, the following events occurred:

On 16 March 2016 the Premier Farnell group sold its investment in Akron Brass Holding Corp to IDEX Corporation.

On 27 June 2016 the Premier Farnell group sold its investment in CadSoft Computer GmbH to Autodesk Inc.

The proceeds arising from the disposals were used to reduce the Company’s existing indebtedness and to redeem its preference shares.

On 29 April 2016 the Company’s preference shares were redeemed in full in accordance with their terms.

The directors do not consider, on a company only basis, there to be any material risks or uncertainties which require disclosure. The principal risks and uncertainties of Avnet Inc. are disclosed in that company’s financial statements.

### **Key performance indicators**

Due to the nature of the business following the acquisition by Avnet, disclosure of the Company’s key performance indicators is not considered to be necessary.

By order of the board



M McCoy  
Director

8 March 2018

## **Directors' report**

The directors present their annual report and the audited financial statements of the company for the 17 month period ended 2 July 2017.

### **Directors**

The directors who held office during the period were as follows:

Mike McCoy (appointed 17 October 2016)  
William Crowell (appointed 17 October 2016)  
Val Gooding (resigned 17 October 2016)  
Jos Opdeweegh (appointed 11 April 2016 and resigned 17 October 2016)  
Mark Whiteling (resigned 14 June 2016)  
Paul Withers (resigned 17 October 2016)  
Gary Hughes (resigned 17 October 2016)  
Thomas Reddin (resigned 17 October 2016)  
Peter Ventress (resigned 17 October 2016)  
Geraint Anderson (resigned 17 October 2016)

### **Result**

The loss for the financial period ended 2 July 2017 amounted to £80,142,000 (2016: profit of £271,801,000).

### **Dividend**

Dividends paid during the year comprise a final dividend of £13,256,000 in respect of the year ended 31 January 2016, together with an interim dividend in respect of the period ended 2 July 2017 of £223,000,000.

The directors do not propose a final dividend.

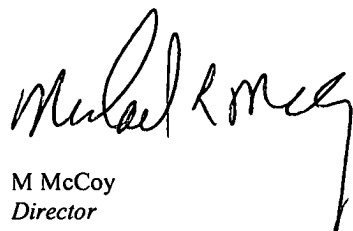
### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

The auditors, KPMG LLP, having been appointed in the period, have indicated their willingness to continue in office and pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



M McCoy  
Director

Farnell House  
Forge Lane  
Leeds  
West Yorkshire  
LS12 2NE

8 March 2018

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the Strategic Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIER FARNELL LIMITED**

We have audited the financial statements of Premier Farnell Limited for the 17 month period ended 2 July 2017 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2 July 2017 and of its profit for the 17 month period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIER FARNELL 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.



David Morritt (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

13 March 2018

## Profit and Loss Account

For the 17 month period ended 2 July 2017

	Note	Period ended 2 July 2017 £000	Year ended 31 Jan 2016 £000
Administrative expenses		(65,160)	(28,201)
Other operating income	2	30,020	17,883
<b>Operating loss</b>	3	<b>(35,140)</b>	<b>(10,318)</b>
Income from shares in group undertakings		-	479,525
Impairment of group receivable		(47,523)	(190,800)
Other interest receivable and similar income	6	9,716	6,802
Interest payable and similar expenses	7	(13,867)	(16,408)
<b>(Loss)/ profit before taxation</b>		<b>(86,814)</b>	<b>268,801</b>
Tax on (loss)/ profits	8	6,672	3,000
<b>(Loss)/ profit for the financial year</b>		<b>(80,142)</b>	<b>271,801</b>




**Other Comprehensive Income**  
*For the 17 month period ended 2 July 2017*

Note	17 month period ended 2 July 2017 £000	Year ended 31 Jan 2016 £000
(Loss)/ profit for the year	(80,142)	271,801
<b>Other comprehensive (expense)/ income</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurements of defined benefit liability	(2,537)	5,900
Income tax on items that will not be reclassified to profit or loss	100	(1,400)
<b>Other comprehensive (expense)/ income for the year, net of income tax</b>	(2,437)	4,500
<b>Total comprehensive (expense)/ income for the year</b>	(82,579)	276,301

**Balance Sheet**  
*at 2 July 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
<b>Fixed assets</b>			
Intangible assets	<i>9</i>	<b>9,866</b>	10,977
Investments	<i>10</i>	<b>294,219</b>	293,334
		<hr/>	<hr/>
		<b>304,085</b>	304,311
<b>Current assets</b>			
Debtors: amounts receivable within one year	<i>11</i>	<b>71,626</b>	66,260
Debtors: amounts receivable after more than one year	<i>12</i>	<b>267,997</b>	722,296
		<hr/>	<hr/>
		<b>339,623</b>	788,556
<b>Creditors: amounts falling due within one year</b>	<i>14</i>	<b>(258,257)</b>	(182,225)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>81,366</b>	606,331
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>385,451</b>	910,642
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	<i>15</i>	<b>(92,590)</b>	(299,616)
Pension Liability	<i>18</i>	<b>(13,800)</b>	(15,800)
		<hr/>	<hr/>
<b>Net assets</b>		<b>279,061</b>	595,226
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	<i>19</i>	<b>18,674</b>	18,581
Preference shares	<i>19</i>	-	8,532
Share premium account		<b>34,135</b>	33,101
Capital redemption reserve		<b>8,416</b>	5,180
Merger reserve		<b>583</b>	583
Profit and loss account		<b>217,253</b>	529,249
		<hr/>	<hr/>
<b>Shareholders' funds</b>		<b>279,061</b>	595,226
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 8 March 2018 and were signed on its behalf by:



M McCoy  
Director

Company registered number: 876412

## Statement of Changes in Equity

	Called up share capital £000	Share Premium Account £000	Equity element of preference shares £000	Capital redemption reserve £000	Merger reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 February 2015	18,581	32,824	8,532	5,180	583	283,776	349,476
<b>Total comprehensive income for the period</b>							
Profit or loss	-	-	-	-	-	271,801	271,801
Other comprehensive income	-	-	-	-	-	4,500	4,500
Total comprehensive income for the period	-	-	-	-	-	276,301	276,301
<b>Transactions with owners, recorded directly in equity</b>							
Issue of shares	-	277	-	-	-	-	277
Share based payment transactions	-	-	-	-	-	800	800
Dividends	-	-	-	-	-	(31,628)	(31,628)
Total contributions by and distributions to owners	-	277	-	-	-	(30,828)	(30,551)
<b>Balance at 31 January 2016</b>	<b>18,581</b>	<b>33,101</b>	<b>8,532</b>	<b>5,180</b>	<b>583</b>	<b>529,249</b>	<b>595,226</b>

	Called up share capital £000	Share Premium Account £000	Equity element of preference shares £000	Capital redemption reserve £000	Merger reserve £000	Profit and loss account £000	Total equity £000
Balance at 31 January 2016	18,581	33,101	8,532	5,180	583	529,249	595,226
<b>Total comprehensive income for the period</b>							
Profit or loss	-	-	-	-	-	(80,142)	(80,142)
Other comprehensive income	-	-	-	-	-	(2,437)	(2,437)
Total comprehensive income for the period	-	-	-	-	-	(82,579)	(82,579)
<b>Transactions with owners, recorded directly in equity</b>							
Issue of shares	93	1,034	-	-	-	-	1,127
Purchase of preference shares	-	-	(8,532)	-	-	8,532	-
Transfer to non-distributable reserves	-	-	-	3,236	-	(3,236)	-
Share based payment transactions	-	-	-	-	-	1,543	1,543
Dividends	-	-	-	-	-	(236,256)	(236,256)
Total contributions by and distributions to owners	93	1,034	(8,532)	3,236	-	(229,417)	(233,586)
<b>Balance at 2 July 2017</b>	<b>18,674</b>	<b>34,135</b>	<b>-</b>	<b>8,416</b>	<b>583</b>	<b>217,253</b>	<b>279,061</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Premier Farnell Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 876412 and the registered address is Farnell House, Forge Lane, Leeds, LS12 2NE. On 16 October 2016 the Company delisted from the London Stock Exchange. Following this the company was re-registered from a public company to a private company.

The Company is exempt by virtue of s400 the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on a going concern basis and under the historical cost basis with the exception of certain financial assets and financial liabilities (including derivative financial instruments) which are recognised as fair value.

The Company’s ultimate parent undertaking, Avnet Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Avnet Inc. are prepared in accordance with US GAAP and are available to the public and may be obtained from Avnet Inc., 2211 South 47th Street, Phoenix, AZ85034, USA or by visiting Avnet Inc.’s Investor Relations website at [www.ir.avnet.com](http://www.ir.avnet.com).

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### Key sources of estimation and uncertainty

The preparation of financial statements with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies.

The key sources of estimation uncertainty that have the most significant effect on the carrying value of assets and liabilities are:

- The estimation of the cost of pensions and other post-employment benefits (note 18); and
- The estimation of the carrying value of investments.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.1 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.2 Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

*Trade and other creditors* Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Investments*

Investments in subsidiaries are carried at cost less impairment.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### 1.3 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### 1.4 Intangible assets

##### *Intangible assets and amortisation*

Intangible assets are stated at cost less accumulated amortisation. Intangible assets acquired are capitalised at cost, and are amortised to nil by equal annual instalments over their useful economic lives.

#### 1.5 Impairment

##### *Financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Employee benefits

##### *Defined contribution plans*

Payments to the defined contribution plan are charged as an expense in the periods during which services are rendered by employees. The Group has no further payment obligations once contributions have been paid.

##### *Defined benefit plans*

The Company is the sponsoring employer of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is the Company.

The net asset or obligation of the plan at the balance sheet date is calculated by a qualified actuary using the projected unit credit method. The obligation is calculated by discounting the amount of future benefits that employees have earned in return for their service in the current and prior periods.

Plan assets are recorded at fair value. The net income statement credit/charge comprises principally the service cost, and the finance income/costs, which are recognised in the period in which they arise. The net income statement impact is credited/ charged in arriving at operating profit. The net pension deficit/surplus of each pension plan is recorded on the balance sheet.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive.

Administration costs are recognised in the income statement when the administration services are provided.

#### 1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### 1.8 Expenses

##### *Operating lease payments*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

*Interest receivable and Interest payable* -Interest payable and similar expenses include interest payable, finance expense on shares classified as liabilities, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include, interest receivable on group loans and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### 2 Other operating income

	17 month period ended 2 July 2017 £000	Year ended 31 Jan 2016 £000
Income from group companies	30,020	17,883

### 3 Operating profit

Included in profit/loss are the following:

	17 month period ended 2 July 2017 £000	Year ended 31 Jan 2016 £000
Operating lease expenses	499	353
Audit fees payable to the company's auditor	10	100

### 4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

Number of employees	
2017	2016
77	94

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	23,846	13,077
Social security costs	1,566	1,089
Contributions to defined contribution plans	689	689
Expenses related to defined benefit plans	1,100	1,100
Share based payments	658	200
	27,859	16,155



## Notes (continued)

### 5 Directors' remuneration

	17 month period ended 2 July 2017 £000	Year ended 31 Jan 2016 £000
Directors' remuneration	818	811
Benefits	440	13
Amounts receivable under long term incentive schemes	629	-
Company contributions to money purchase pension plans	226	121
Compensation for loss of office	1,416	-
	<u>1,416</u>	<u>-</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £1,260,000 (2016: £461,000), and company pension contributions of £175,000 (2016: £121,000) were made to a money purchase scheme on his behalf. During the period, the highest paid director exercised share options and received shares under a long term incentive scheme.

Retirement benefits were accruing for two (2016: two) directors under money purchase schemes.

### 6 Other interest receivable and similar income

	17 month period ended 2 July 2017 £000	Year ended 31 Jan 2016 £000
Interest receivable from group undertakings	9,557	6,802
Net foreign exchange gains	117	-
Interest receivable on bank accounts	42	-
	<u>9,716</u>	<u>6,802</u>
Total interest receivable and similar income	<u>9,716</u>	<u>6,802</u>

### 7 Interest payable and similar expense

	17 month period ended 2 July 2017 £000	Year ended 31 Jan 2016 £000
Interest payable on bank borrowings	640	1,203
Other interest payable	10,281	10,525
Amortisation of arrangement fees	1,979	704
Net foreign exchange loss	-	289
Preference dividend	736	2,887
Premium on redemption of preference shares	231	800
	<u>13,867</u>	<u>16,408</u>
Total other interest payable and similar expense	<u>13,867</u>	<u>16,408</u>

## Notes (continued)

### 8 Taxation

#### Recognised in the profit and loss account

	17 month period ended 2 Jul 2017 £000	Year ended 31 January 2016 £000
<i>UK corporation tax</i>		
Current tax on income for the period	(7,417)	(3,291)
Adjustments in respect of prior periods	(55)	(109)
		<hr/>
Total current tax	(7,472)	(3,400)
<i>Deferred tax</i>		
Origination and reversal of temporary differences	800	400
		<hr/>
Tax on profit	(6,672)	(3,000)
	<hr/>	<hr/>

#### Income tax recognised in other comprehensive income

	£000	£000
Remeasurement of defined benefit liability	(100)	1,400
	<hr/>	<hr/>

#### Reconciliation of effective tax rate

	£000	£000
(Loss)/ profit before taxation	(86,814)	268,801
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19.8% (2016: 20.16%)	(17,209)	54,190
	<hr/>	<hr/>
Impairment of group receivable not deductible	9,421	38,468
Non-taxable dividends	-	(96,680)
Other current year items	1,171	731
Under / (over) provided in prior years	(55)	(109)
	<hr/>	<hr/>
Total tax expense	(6,672)	(3,400)
	<hr/>	<hr/>

#### Factors affecting current and future tax charges

During the period, the UK main corporation tax rate reduced from 20% to 19% from 1 April 2017. A further reduction to 17% is to take effect from 1 April 2020.

## Notes (continued)

### 9 Intangible assets

	Brand and Trade marks £000
<b>Cost</b>	
Balance at 31 January 2016	11,761
Additions	-
	<hr/>
Balance at 2 July 2017	11,761
	<hr/>
<b>Amortisation and impairment</b>	
Balance at 31 January 2016	(784)
Amortisation for the period	(1,111)
	<hr/>
Balance at 2 July 2017	(1,895)
	<hr/>
<b>Net book value</b>	
At 31 January 2016	10,977
	<hr/>
<b>At 2 July 2017</b>	<b>9,866</b>
	<hr/>

The amortisation charge is recognised in administrative expenses in the profit and loss account.

Intangible assets relate to the element14 brand and associated trademarks for the Asia Pacific region. The brand will be amortised over its useful economic life of 15 years.

### 10 Fixed asset investments

	Shares in group undertakings £000	Share based payments £000	Total £000
<b>Cost and net book value at 31 January 2016</b>	279,534	13,800	293,334
Additions	273,306	885	274,191
Disposals	(273,306)	-	(273,306)
	<hr/>	<hr/>	<hr/>
<b>Cost and net book value at 2 July 2017</b>	<b>279,534</b>	<b>14,685</b>	<b>294,219</b>
	<hr/>	<hr/>	<hr/>

On 29 December 2016 the Company acquired the entire share capital of Element14 US Holdings Inc. from InOne Holdings Limited for consideration of £105,620,000.

On 29 December 2016 the Company capitalised a £167,686,000 receivable from Element14 US Holdings Inc.

On 29 December 2016 the Company sold the entire share capital of Element14 US Holdings Inc. to Avnet Bidco Limited for consideration of £273,306,000.

Share based payments relate to investments in subsidiaries.

## Notes (continued)

### 10 Fixed asset investments (continued)

The Company has the following investments in subsidiaries:

	Ownership (direct)	Ownership (indirect)	Country of incorporation and operation
Celdis Limited	100%	-	150 Armley Road, Leeds, West Yorkshire,, LS12 2QQ, United Kingdom
Combined Precision Components Limited	-	100%	150 Armley Road, Leeds, West Yorkshire,, LS12 2QQ, United Kingdom
element14 Asia Pte Limited	-	100%	15 Tai Seng Drive, #03-00 Element 14, 535220, Singapore
element14 BV	-	100%	Zonnebaan 9, 3542EA Utrecht, Netherlands
element14 BVBA	-	100%	Rue de l'Aéropostale 11 4460 Grâce-Hollogne, Belgium
element14 Co. Ltd	-	100%	27th Floor, Q House Lumpini, 1 South Sathorn Road, Kwaeng Tungmahamek, Khet Sathorn, Bangkok, Thailand
element14 Electronics Limited	-	100%	Riverside One, Sir John Rogerson's Quay, Dublin, 2, Ireland
element14 Finance UK Limited	-	100%	150 Armley Road, Leeds, West Yorkshire,, LS12 2QQ, United Kingdom
element14 Holding BV	-	100%	Zonnebaan 9, 3542EA Utrecht, Netherlands
element14 India Pvt Ltd	-	100%	11th Floor, Tower "D", IBC Knowledge Park, 4/1, Bannerghatta Main Rd, Suddagunte Palya, Bengaluru, Karnataka, 560029, India
element14 Limited	-	100%	Simpson Grierson, Level 27, 88 Shortland Street, Auckland, 1010, New Zealand
element14 Limited	-	100%	6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
element14 Ltd	-	100%	(Mok-dong, Hyundai 41 Tower), #3101, 293, Mokdongdong-ro, Yangcheon-gu, Seoul, Korea, Republic of
element14 Pte Ltd	-	100%	15 Tai Seng Drive, #05-00 Element 14, 535220, Singapore
element14 Pty Ltd	-	100%	DibbsBarker, Level 8 Angel Place, 123 Pitt Street, Sydney, NSW 2000, Australia
element14 SDN BHD	-	100%	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
element14 sp. Zoo	-	100%	Al. Gen. T. Bora-Komorowskiego 25B, 31-476 Krakow, Poland
element14 UG	-	100%	Element14 UG, Keltnering 14, 82041, Oberhaching, Germany
eluomeng electronics (China) Co. Ltd	-	100%	Block 57, No. 180, Ri Ying North Road , Waigaoqiao Free Trade Zone, Shanghai, 200131, China
eluomeng Limited	-	100%	6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
eluomeng Limited Company	-	100%	11F.-2, No. 333, Sec. 4, Zhongxiao E. Rd, Da-An District, Taipei City, 10696, Taiwan
Farnell (Belgium) NV	-	100%	Rue de l'Aéropostale 11 4460 Grâce-Hollogne, Belgium
Farnell (France) SAS	-	100%	314 Allée des Noisetiers, Zone d'Aménagement Concerté des Bruyères, 69760, Limonest, France
Farnell (Netherlands) BV	-	100%	Zonnebaan 9, 3542EA Utrecht, Netherlands
Farnell AG	-	100%	Farnell AG, c/o Centralis Switzerland GmbH, Bahnhofstr. 38, 6300, Zug, Switzerland
Farnell Components (Ireland) Limited	-	100%	Riverside One, Sir John Rogerson's Quay, Dublin, 2, Ireland
Farnell Components (Israel) Ltd	-	100%	P.O. Box 10078, 61100 Tel Aviv, Israel
Farnell Components AB	-	100%	Farnell Components AB, c/o KPMG AB, Box 227, 201 22, Malmö, Sweden
Farnell Components SL	-	100%	Paseo Castellana, 28, Piso 2, 28046, Madrid, Spain
Farnell Danmark AS	-	100%	Farnell Danmark A/S, Marielundvej 48 C, 2730, Herlev, Denmark
Farnell Electronic Components Limited	-	100%	150 Armley Road, Leeds, West Yorkshire,, LS12 2QQ, United Kingdom
Farnell Finance Limited	100%	-	FARNELL HOUSE, Forge Lane, Leeds, LS12 2NE, United Kingdom

## Notes (continued)

### 10 Fixed asset investments (continued)

Farnell GmbH	-	100% Farnell GmbH, Karl-Hammerschmidt-Str. 38, 85609, Aschheim, Germany
Farnell Holding Limited	100%	- FARNELL HOUSE, Forge Lane, Leeds, LS12 2NE, United Kingdom
Farnell Italia SRL	-	100% Via Ramazzotti 12, 20020, Lainate (MI), Italy
Farnell Newark Brasil Distribuidora de Produtos Electronicos Limitada	-	100% Rua Emir Macedo Nogueira, No 240, Diadema, Sao Paulo, SP, CEP 09961-720, Brazil
Farnell Overseas	100%	- FARNELL HOUSE, Forge Lane, Leeds, LS12 2NE, United Kingdom
InOne Holdings Limited	-	100% FARNELL HOUSE, Forge Lane, Leeds, LS12 2NE, United Kingdom
InOne Worldwide Limited	-	100% FARNELL HOUSE, Forge Lane, Leeds, LS12 2NE, United Kingdom
Oy Farnell (Finland) AB	-	100% OY Farnell (Finland) AB, c/o KPMG Oy Ab , PO Box 1037, Helsinki, 00101, Finland
Premier Farnell (Scotland) Limited	-	100% 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ, United Kingdom
Premier Farnell Electronics Limited	-	100% FARNELL HOUSE, Forge Lane, Leeds, LS12 2NE, United Kingdom
Premier Farnell Finance Limited	-	100% Riverside One, Sir John Rogerson's Quay, Dublin, 2, Ireland
Premier Farnell International S.A.R.L.	-	100% 6, Rue Eugène Ruppert , L - 2453, Luxembourg
Premier Farnell Pension Funding Scottish Limited Partnership	-	100% 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ, United Kingdom
Premier Farnell Pension Trustees Limited	-	100% 150 Armley Road, Leeds, West Yorkshire,, LS12 2QQ, United Kingdom
Premier Farnell UK Limited	-	100% 150 Armley Road, Leeds, West Yorkshire,, LS12 2QQ, United Kingdom
Shenzhen Embest Technology Co. Ltd	-	100% Tower B 4/F, Shanshui Building, Nanshan Yungu Innovation Industry Park, Liuxian Ave. No. 1183, Nanshan District, Shenzhen, China

### 11 Debtors: amounts receivable within one year

	2 July 2017 £000	31 Jan 2016 £000
Corporation tax recoverable	71,285	65,948
Other debtors	155	93
Prepayments and accrued income	186	219
	<u>71,626</u>	<u>66,260</u>

### 12 Debtors: amounts receivable after more than one year

	2 July 2017 £000	31 Jan 2016 £000
Amounts owed by group undertakings	265,697	719,296
Deferred tax assets (see note 17)	2,300	3,000
	<u>267,997</u>	<u>722,296</u>

The company does not hold any collateral as security. The carrying amount of debtors is a reasonable approximation to fair value.

## Notes (continued)

### 13 Cash and cash equivalents/ bank overdrafts

Cash and cash equivalents/ bank overdrafts comprise bank and short term deposits repayable on demand and available within one day without penalty.

### 14 Creditors: amounts falling due within one year

	2 July 2017 £000	31 Jan 2016 £000
Bank overdrafts	120,148	120,656
Taxation and social security	169	66
Other creditors	1,241	3,909
Accruals and deferred income	1,627	4,307
Preference shares	-	53,287
Amounts owed to group undertakings	135,072	-
	<u>258,257</u>	<u>182,225</u>

### 15 Creditors: amounts falling after more than one year

	2 July 2017 £000	31 Jan 2016 £000
Amounts owed to group undertakings	92,590	83,681
Bank loans	-	31,490
5.2% US dollar Guaranteed Senior Notes payable 2017	-	20,947
4.4% US dollar Guaranteed Senior Notes payable 2018	-	40,720
4.8% US dollar Guaranteed Senior Notes payable 2021	-	63,607
4.0% US dollar Guaranteed Senior Notes payable 2024	-	59,171
	<u>92,590</u>	<u>299,616</u>

### 16 Interest-bearing loans and borrowings

Amount owed to group undertakings are held at amortised cost. The carrying value is deemed to reflect the fair value.

Following the acquisition by Avnet, bank loans and US dollar Guaranteed senior notes were repaid in December 2016 and January 2017.

Amounts due to group undertakings are unsecured, interest bearing at rates between LIBOR plus 0.5% and LIBOR plus 2.75% per annum.

### 17 Deferred tax assets

Deferred tax assets are attributable to the following:

	Assets 2 July 2017 £000	Assets 31 Jan 2016 £000
Employee benefits	2,300	3,000
Tax assets	<u>2,300</u>	<u>3,000</u>

## Notes (continued)

### 17 Deferred tax assets (continued)

Movement in deferred tax during the year:

	2 July 2017 £000	31 Jan 2016 £000
Asset at beginning of period	3,000	4,800
Recognised in income	(800)	(400)
Recognised in equity	100	(1,400)
Asset at end of period	2,300	3,000

### 18 Defined benefit pension plan

The Company is the sponsoring employer of the Premier Farnell UK Pension Scheme, a defined benefit plan. The plan is a final salary pension plans providing a guaranteed level of pension payable for life. The plan is closed to further accrual of future pensionable service with pensions calculated based on salaries up until the date of closing the plan. Pensions in payment can be updated in line with the UK inflation indices, subject to caps and collars. Benefit payments are from trustee administered funds. Plan assets are held in trust funds and are governed by UK regulations by a trustee board, which is independent of the Company. In conjunction with the Company, the trustees are responsible for the operation and governance of the fund, including making decisions relating to funding and investment strategy.

The Company's subsidiaries are partners in the Premier Farnell Pension Funding Scottish Limited Partnership (SLP), under which the Company has contributed an interest in the SLP worth £18.0 million to the UK Plan, and transferred a number of properties under sale and leaseback arrangements to the SLP. The SLP made distributions to the UK Plan of £1.9 million during the year, and will make annual contributions of £1.5 million per year until 31 January 2026, or until the UK Plan is fully funded, if earlier. The UK Plan's interest in the SLP reduces the deficit on a funding basis, although it does not impact the deficit on an IAS 19 accounting basis, as the investment held by the UK Plan in the SLP does not qualify as an asset for the purposes of the fair value of scheme assets included in the Company's consolidated financial statements.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, inflation risk, interest rate risk and market (investment) risk. The Company is not exposed to any unusual, entity specific or plan specific risks.

In respect of the defined contribution plans, the Company has no further payment obligations once the contributions have been paid.

The net balance sheet liability of the Company's pension plan is as follows:

	2 July 2017 £000	31 Jan 2016 £000
Defined benefit pension asset	112,800	94,600
Defined benefit pension liability	(126,600)	(110,400)
Net liability for defined benefit pension obligations	(13,800)	(15,800)

## Notes (continued)

### 18 Employee benefits (continued)

#### Movements in net defined benefit liability

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2 July 2017 £000	31 Jan 2016 £000	2 July 2017 £000	31 Jan 2016 £000	2 July 2017 £000	31 Jan 2016 £000
Balance at beginning of year	(110,400)	(122,300)	94,600	98,400	(15,800)	(23,900)
<b>Included in profit or loss</b>						
Interest cost	(5,600)	(3,600)	5,000	3,000	(600)	(600)
Administrative costs paid	-	-	(500)	(500)	(500)	(500)
	(5,600)	(3,600)	4,500	2,500	(1,100)	(1,100)
<b>Included in OC</b>						
Remeasurements gain/(loss):						
Changes in demographic assumptions	3,600	(900)	-	-	3,600	(900)
Change in financial assumptions	(20,900)	11,000	-	-	(20,900)	11,000
Return on plan assets excluding interest income			12,900	(5,700)	12,900	(5,700)
Contributions paid by other group companies	-	-	1,863	1,500	1,863	1,500
	(17,300)	10,100	14,763	(4,200)	(2,537)	5,900
<b>Other</b>						
Contributions paid by the employer	-	-	5,637	3,300	5,637	3,300
Benefits paid	6,700	5,400	(6,700)	(5,400)	-	-
	(126,600)	(110,400)	112,800	94,600	(13,800)	(15,800)
<b>Balance at end of year</b>						

#### Plan assets

The major categories of plan assets as a percentage of total plan assets are as follows:

	2 July 2017 %	31 Jan 2016 %
Cash and cash equivalents	17.0	0.4
Diversified growth funds	22.0	46.8
Liability driven investment	23.1	-
Overseas equities	20.0	-
Infrastructure	7.8	-
Property	7.1	-
Corporate bonds	3.0	24.7
Index-linked gilts	-	28.1



## Notes (continued)

### 18 Employee benefits (continued)

#### Actuarial assumptions

The significant actuarial assumptions were as follows:

	2 July 2017	31 Jan 2016
Rate of increase in pensionable salaries	4.0%	3.4%
Rate of increase in pensions in payment		
- RPI inflation capped at 5% pa	3.1%	2.8%
- RPI inflation capped at 3% pa	2.3%	2.1%
Discount rate	2.7%	3.7%
Inflation assumption (RPI)	3.4%	2.9%
Inflation assumption (CPI)	2.4%	1.9%
Life expectancy of a 60-year-old male/female current retiree	27/29 yrs	27/29 yrs
Life expectancy of a 60-year-old male/female future retiree	27/29 yrs	28/30 yrs

For the 2016 calculations, the rates of longevity for the UK Plan were based on the standard tables known as the "S2" tables projected from 2007 using the 2014 Core Projection Model with a long term rate of 1.25% pa. These were in line with those used in the 5 April 2014 actuarial valuation with allowances for prudence removed. For the 2017 calculations, the same tables were adopted, but future improvement projections were updated to reflect the 2016 Core Projection Model with a long term rate of 1.25% pa.

#### Sensitivity analysis

A sensitivity analysis on the principal assumptions used to measure the plan assets and liabilities at the year-end, with all other variables held constant, is given below

	Sensitivity analysis	(Increase) in obligation £000	Increase in plan assets £000	Net balance sheet impact £000
Discount rate <sup>1</sup>	1% decrease	(21,500)	17,300	(4,200)
Inflation <sup>2</sup>	0.5% increase	(3,700)	4,100	400
Mortality	Increase of 1 year	(3,800)	-	(3,800)

1 The change in discount rate is assumed to be due to a 1% per annum decrease in corporate and government bond yields.

2 The sensitivities to inflation assumption changes include corresponding changes to the future salary and pension increase assumptions.

In practice the assumption that all other variables are held constant is unlikely to occur and changes in some of the assumptions may be correlated. The same method for calculating the sensitivity of the defined benefit obligation to changes in the principal assumptions has been applied as that used when calculating the pension liability recognised within the statement of financial position.

Through its defined benefit pension plans, the Company is exposed to a number of direct risks, the most significant of which are detailed below.

**Asset volatility** – plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create or increase a deficit.

**Changes in bond yields** – decreases in corporate bond yields will increase plan liabilities, partially offset by an increase in the value of the plans' bond holdings.

**Inflation risk** – some of the Group's pension obligations (UK's) are linked to inflation. Rises in inflation will lead to higher liabilities (with caps and floors on the level of inflationary increases to protect against extreme inflation). The index-linked bonds within plan assets will be directly affected by inflation, with the remainder being unaffected directly.

**Life expectancy** – plan obligations are to provide benefits for the lifetime of the member. Increases in life expectancy will lead to increased plan liabilities

## Notes (continued)

### 18 Employee benefits (continued)

#### Funding

The previous triennial valuation was at 5 April 2014, a valuation as at 5 April 2017 is currently in progress.

The weighted average duration of the defined obligation for the UK is 17 years.

Assets and obligations associated with the schemes may be sensitive to changes in market values of assets and market related assumptions used in the valuation of scheme liabilities. Changes to asset values, discount rates or inflation could change future pension costs and funding requirements.

#### Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current period was £689,000 (2016: £689,000).

#### Share based payments

The Company operated five equity settled, share based incentive schemes: an Executive Share Option Plan, a Equity Award Plan, a Performance Share Plan, a Deferred Share Bonus Plan and a Save As You Earn Scheme.

On the acquisition by Avnet Inc. at a price of £1.85 per share, awards under the share plans were governed by the share schemes were governed by the scheme rules. The rules included whether all conditions vested, performance conditions applied and if pro-rating applied. Depending on the performance conditions and exercised price, options were either exercised, cancelled or lapsed.

A charge for share-based payments in respect of the Company was £658k (2016: £200k) relating to grants made to employees of Premier Farnell plc.

In addition, the cost for share-based payments in respect of shares in the Company granted to employees of Group companies other than Premier Farnell plc was £885k (2016: £600k), and is treated as an increase in investments in subsidiary undertakings.

The credit relating to the combined amount of £1,543k (2016: £800k) has been credited directly to reserves.

At the yearend there were no options outstanding. A reconciliation of the movements in the options in the period was as follows:

	Deferred Share Bonus Plan	Performance Share Plan	Executive Share Option Plan	Equity Award Plan	Save As You Earn Scheme 2016	Total
Outstanding at the beginning of the period	187,320	1,499,618	2,249,700	245,153	279,517	4,461,308
Adjustments to opening position	15,475	57,894	15,637	54,540	(5,113)	138,433
Granted	-	1,132	1,546,804	-	495,399	2,043,335
Exercised	(193,285)	(52,352)	(413,469)	(285,633)	(160,106)	(1,104,845)
Cancelled	-	-	(290,943)	-	(388,658)	(679,601)
Transfers in/ (out)	10	-	-	-	(4,065)	(4,055)
Lapsed and forfeited	(9,520)	(1,506,292)	(3,107,729)	(14,060)	(216,974)	(4,854,575)
Outstanding at the end of the period	-	-	-	-	-	-

## Notes (continued)

### 19 Capital and reserves

#### Share capital

	2 July 2017 £'000	Ordinary shares 31 Jan 2016 £'000
<b>Authorised</b>		
500,000,000 ordinary shares of 5p each (2016: 500,000,000)	25,000	25,000
<b>Allotted, called up and fully paid</b>		
At 31 January 2016 (371,618,211 shares)	18,581	18,581
Allotted under share option schemes (1,861,738 shares)	93	-
	<hr/>	<hr/>
<b>At 2 July 2017 (373,479,949 shares)</b>	<b>18,674</b>	<b>18,581</b>
	<hr/>	<hr/>

#### Preference shares

Cumulative, convertible redeemable preference shares of £1 each.

	2 July 2017 Number	31 Jan 2016 Number
Authorised	-	32,000,000
Allotted and fully paid	-	3,236,471
	<hr/>	<hr/>

The Company's preference shares were redeemed in full in accordance with their terms (US preference shares in issue redeemed for US\$25 for every £1 of nominal value and all the sterling preference shares in issue at £16.518 for every £1 of nominal value) on 29 April 2016

At 31 January 2016, the preference shares comprised 95,122 US\$1.35 cumulative, convertible, redeemable preference shares of £1 each (the "US preference shares") and 3,141,349 (89.2 pence cumulative, convertible, redeemable preference shares of £1 each (the "sterling preference shares" and, together with the US preference shares, the "preference shares").

Under IAS 39, the Company's cumulative, convertible, redeemable preference shares are required to be split into debt and equity components with the preference dividend being classified as a finance cost. The fair value of the debt element is established on issue of the shares, based on the discounted cash flows of the instrument to the date of maturity, and is then increased each year on a straight-line basis through the income statement in order to arrive at the redemption amount payable on maturity of the shares.

	Equity element £000	Debt element £000
At 31 January 2016	8,532	53,287
Premium on redemption		231
Redemption		(53,518)
Transfer to profit and loss reserve	(8,532)	
	<hr/>	<hr/>
<b>At 2 July 2017</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
	<b>2 July 2017 £000</b>	<b>31 Jan 2016 £000</b>
Preference share dividends paid	736	2,887
	<hr/>	<hr/>

## Notes (continued)

### 19 Capital and reserves (continued)

#### Dividends

The following dividends were recognised during the period:

	2 July 2017 £000	31 Jan 2016 £000
Prior year final paid of 3.6p (2016 6.0p) per share	13,256	22,062
Interim paid of nil (2016: 2.6p) per share	-	9,566
Dividend paid to Avnet Bidco Limited	223,000	-
	<u>236,256</u>	<u>31,628</u>

### 20 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2 July 2017 £000	31 Jan 2016 £000
Less than one year	3	204
Between one and five years	-	511
More than five years	-	-
	<u>3</u>	<u>715</u>

### 21 Ultimate parent company and parent company of larger group

The ultimate parent company and ultimate controlling party of Premier Farnell Limited is Avnet Inc., a company incorporated in the United States of America.

The company's immediate parent and controlling party is Avnet Bidco Limited, which is registered in England.

The largest and the smallest group in which the results of Premier Farnell Limited are consolidated is that headed by Avnet Inc. The consolidated financial statements of this group are available to the public and may be obtained from Avnet Inc., 2211 South 47th Street, Phoenix, AZ85034, USA or by visiting Avnet Inc.'s Investor Relations website at [www.ir.avnet.com](http://www.ir.avnet.com).

The Company is exempt under s.401 of the Company Act 2016 from producing consolidated accounts since its financial results are included in the consolidated financial statements of Avnet Inc. which is incorporated in the United States of America.

### 22 Subsequent event

Subsequent to the balance sheet date, the loan between Premier Farnell Limited and Avnet Bidco Limited was waived in its entirety. The loan balance as at 2 July 2017 was £135,072,000 and is included within creditors due within one year.