RS COMPONENTS LIMITED

Directors' report and financial statements

Registered number 1002091

31 March 2009

Contents

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2009.

Business review and Principal activity

The Company is a wholly owned subsidiary of Electrocomponents plc ('the Group').

The principal activity of the Company is the distribution of electronics, electrical, industrial and commercial supplies and services to industrial and commercial customers. There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

A summary of the Company's trading and its key performance indicators are set out below:

	2009 £m	2008 £m
Turnover	**493.7**	514.5
Profit on ordinary activities before taxation	**54.6**	47.6
Taxation	**(14.7)**	(14.9)
Profit on ordinary activities after taxation	**39.9**	32.7

The average number of employees employed during the year is as follows:

	2009	2008
Management and administration	**182**	171
Distribution and selling	**2,685**	2,735
	2,867	2,906

During the year turnover decreased by 4% and profit on ordinary activities before taxation increased by 15% compared to the previous year. The improved profit performance was principally due to a one off credit included in distribution and marketing costs relating to the Company's defined benefit pension scheme of £16.7m. This is explained in more detail in Note 21.

The balance sheet, on page 7 of the financial statements, shows the Company's financial position at the year end. Details of the amounts owed to its parent company and fellow subsidiary undertakings are shown in note 14 on page 17.

The Group comprises both operating companies that sell within a particular geographic region and central Processes that support the Group's operations across the world and monitors its operations on a regional basis. The Company comprises operations in the UK, Japan, Taiwan and South Africa as well as the majority of the Group's central Processes.

The Company has continued implementing the Group's strategy introducing further electronics products and exploiting its e-Commerce channel.

The performances of the Group's regions are discussed in the Group's Annual Report which does not form part of this report.

Directors' report *(continued)*

Principal risks and uncertainties

The current uncertain economic outlook, competitive pressures and changes in the manufacturing base are a risk for the Company which could result in a loss of sales.

The Company's sales in Japan, Taiwan and South Africa are in the currencies of those countries. In addition the UK has an export business, a small proportion of whose sales are denominated in Euros and Dollars. The Company is, therefore, exposed to the movement of these currencies against the pound sterling. The Group's treasury function manages this risk at a Group level.

Group risks are discussed in the Group's Annual Report which does not form part of this report.

Environment

We are committed to minimising the impact of our activities on the environment and to the continuous improvement of our environmental performance.

Dividends

A dividend of £38m was paid in respect of the year ended 31 March 2009 (2008: £20m).

Payments to suppliers

The Company agrees terms and conditions for its business transactions with suppliers. Payment is then made to these terms, subject to the supplier fulfilling its obligations.

There are 39 days of billings from suppliers outstanding at the year end (2008: 47 days).

Directors and directors' interests

The Directors who held office during the year were as follows:

P Quested	(appointed 30 September 2008)
I Mason	
S Boddie	
K Goeldenbot	(resigned 30 September 2008)

Directors and Officers liabilities

Insurance cover is held, on behalf of the Company, by Electrocomponents plc to indemnify directors and officers against liabilities as permitted by Section 310(3) of the Companies Act 1985.

Charitable donations

During the year the Company contributed £13,995 (2008: £5,601) for charitable purposes.

Employees

The Company recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Company's performance. During the year, through the Company's internal intranet site, staff newsletters and memoranda, employees were regularly provided with information affecting the performance of the Company and on other matters of concern to them as employees. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Directors' report (continued)

Employment of disabled persons

The Group is committed to a policy of Equal Opportunities with regard to its employment practices and procedures. The Group remains supportive of the employment and advancement of disabled persons. The Group has a "Diversity Policy" which includes its clear obligations towards employees or prospective employees to ensure that people with disabilities are afforded equal employment and development opportunities

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

In accordance with S384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Paul Quested

Director

Birchington Road
Weldon
Corby
Northants
NN17 9RS

1 August 2009

Statement of Directors' Responsibilities in respect of the Directors' Report and Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of RS Components Limited

We have audited the financial statements of RS Components Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB
7 August 2009

Profit and loss account
for the year ended 31 March 2009

	Note	2009 £m	2008 £m
Turnover	2	**493.7**	514.5
Cost of sales		**(300.0)**	(308.3)
Gross profit		**193.7**	206.2
Distribution and marketing costs		**(159.6)**	(169.1)
Administrative expenses		**(2.3)**	(0.2)
Other operating income		**24.6**	12.3
Operating profit		**56.4**	49.2
Interest payable and similar charges	7	**(1.8)**	(1.6)
Profit on ordinary activities before taxation	2-7	**54.6**	47.6
Taxation on profit on ordinary activities	8	**(14.7)**	(14.9)
Profit for the year		**39.9**	32.7

Statement of total recognised gains and losses
for the year ended 31 March 2009

	Note	2009 £m	2008 £m
Profit on ordinary activities after taxation		**39.9**	32.7
Actuarial (loss) / gain	21	**(4.1)**	4.6
Tax on items taken directly to equity		**1.0**	(1.3)
Exchange differences		**(20.9)**	(4.1)
Total recognised gains and losses relating to the year		**15.9**	31.9

A statement of movements on reserves is given in note 18.

The notes on pages 8 to 23 form part of these financial statements.

All profits shown above are stated at historical cost.

Balance sheet

at 31 March 2009

	Note		2009		2008
		£m	£m	£m	£m
Fixed assets					
Intangible assets	*9*		**0.2**		0.3
Tangible assets	*10*		**82.7**		90.7
Current assets					
Stocks	*12*	**75.6**		71.6	
Debtors	*13*	**69.4**		91.8	
Cash at bank and in hand		**0.1**		0.1	
		145.1		163.5	
Creditors: amounts falling due within one year	*14*	**(135.4)**		(168.6)	
Net current assets / (liabilities)			**9.7**		(5.1)
Total assets less current liabilities			**92.6**		85.9
Creditors: amounts falling due after more than one year	*15*		**(48.5)**		(6.8)
Provisions for liabilities and charges	*16*		**(7.0)**		(9.2)
Retirement benefit obligations	*22*		**(4.5)**		(15.7)
Net assets			**32.6**		54.2
Capital and reserves					
Called-up share capital	*17*		**0.1**		0.1
Share premium account	*18*		**0.1**		0.1
Profit and loss account	*18*		**32.4**		54.0
Shareholders' funds			**32.6**		54.2

The notes on pages 8 to 23 form part of these financial statements.

These financial statements were approved by the Board of Directors on 7 August 2009 and were signed on its behalf by:

S Boddie
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

All income received from Group companies relating to the recharge of Groupwide process costs has been disclosed as other operating income in both the year to 31 March 2009 and 2008. To reflect the growth in intercompany transactions, all costs relating to the recharge of Groupwide process costs have been disclosed as distribution and marketing costs.

Basis of preparation

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

The Company is taking advantage of the exemption available under FRS8 'Related Party Disclosures' not to disclose transactions with other Group companies on the grounds that it is a wholly owned and controlled subsidiary of Electrocomponents plc.

The accounts have been prepared on a going concern basis as financial support will be provided by the parent company Electrocomponents plc as required for the foreseeable future.

Cash flow statement

Under Financial Reporting Standard 1 'Cash Flow Statements' (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a parent undertaking preparing consolidated financial statements which includes a group cash flow statement.

Goodwill

Goodwill arising on acquisitions prior to 31 March 1998 has been written off against reserves. On disposal of a business, the gain or loss on disposal includes that goodwill previously written off on acquisition. Following the introduction of FRS 10 in the year ended 31 March 1999 the company chose not to restate goodwill that had been eliminated against reserves. Goodwill arising after 1 April 1998 will be amortised over its expected useful life. No goodwill arose in the year ended 31 March 2009.

Other intangibles

The cost of acquired intangible assets comprises their purchase cost together with any incidental costs of acquisition. Amortisation is calculated to write off the cost of the assets on a straight-line basis over their estimated useful life, with a maximum of 20 years.

Translation of foreign currencies

Overseas branch profits are translated at average exchange rates for the year and monetary assets and liabilities at rates ruling at the balance sheet date. Exchange differences arising on foreign currency net investments are taken to reserves. Exchange differences arising in the normal course of trading are taken to the profit and loss account.

Turnover

Turnover represents the amounts invoiced by the Company in respect of goods sold during the year, excluding Value Added Tax.

Notes *(continued)*

Operating expenses
Cost of sales comprises the cost of goods delivered to customers.
Distribution and marketing expenses include all operating company expenses, including freight costs and movements in the stock provisions, together with the Supply Chain, Product Management, Media Publishing, Facilities, Information Systems and e-Commerce Process expenses.
Administration expenses comprise Finance, Legal and Human Resources process expenses.

Pension costs
In the United Kingdom the Company operates a pension scheme providing benefits based on final pensionable pay for eligible employees who joined before 1 April 2003. The scheme is administered by a corporate trustee and the funds are independent of the Group's finances. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the working lives with the Group of those employees who are in the scheme. There are no significant prepayments or provisions included within the balance sheet. For employees who joined after 1 April 2003 the Group provides a defined contribution pension scheme.
The disclosures required by FRS 17 'Retirement Benefits' can be found in note 21.

Short term employee benefits
During the year the company has continued its policy of accruing for the short term benefits of extra work performed by an employee but not yet paid (for instance where a holiday allowance is permitted but not taken).

Share based payments
The Company has a number of schemes whereby its employees have options in the shares of the Company's parent, Electrocomponents plc. The largest of these are the Save As You Earn scheme (SAYE), the Long Term Incentive Option Plan (LTIOP), and the Long Term Incentive Plan (LTIP). The details of these schemes can be found in note 6.

Options granted via these schemes are treated as a contribution to capital in the Company's profit and loss reserve.

Government grants
Government grants relate to expenditure on tangible fixed assets and are credited to the profit and loss account at the same rate as the depreciation on the asset to which the grants relate. The unamortised balance of capital grants is included within creditors.

Taxation
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Depreciation
No depreciation has been charged on freehold land. Other assets have been depreciated to residual value, on a straight-line basis at the following annual rates:

Freehold buildings	- 2%
Leasehold premises	- term of lease, not exceeding 50 years
Warehouse systems	- 10-20%
Motor vehicles	- 25%
Mainframe computer equipment	- 20%
Network computer equipment	- 33%
Portable computers	- 50%
Computer software costs	- 12½-50%
Other office equipment	- 20%

Notes (continued)

Stock
Stock is stated at the lower of cost and net realisable value. In respect of goods for resale, cost includes a proportion of production overheads where appropriate.

Catalogue costs
The costs associated with the production and printing of catalogues are expensed to the income statement when incurred. Major investments in new catalogue production systems are capitalised as intangible assets and written off over the period during which the benefits of those investments are anticipated, such period not to exceed three years.

Deferred taxation
Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred Taxation'.

Leases
Leases in which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Each finance leased asset is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease less accumulated depreciation. The rental charges on assets held under operating leases are charged to the profit and loss account on a straight-line basis over the life of the lease.

2 Analysis of turnover and profit on ordinary activities before taxation

An analysis of turnover by geographical destination has not been given, since, in the opinion of the directors, this would be prejudicial to the commercial interests of the Company.

All turnover relates to the company's principal activity.

RS Components Limited (UK) exports to over 160 countries and operates branch offices in South Africa, Japan, Philippines and Taiwan.

3 Profit on ordinary activities before taxation

	2009 £m	2008 £m
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Loss on disposal of fixed assets	**0.7**	0.3
Remuneration of auditors:		
Company audit fee	**0.1**	0.1
Depreciation of tangible fixed assets – assets owned by the company	**18.2**	17.0
Depreciation of tangible fixed assets – assets held under finance leases	**1.5**	2.1
Amortisation of intangible fixed assets	**0.1**	-
Amortisation of capital grants	**-**	(0.1)
Hire of plant and machinery – rentals payable under operating leases	**1.4**	1.8
Other operating leases	**5.4**	5.1

4 Remuneration of Directors

Directors' emoluments shown are those paid for by RS Components Limited. Services predominantly performed for Electrocomponents plc, the parent company, are paid for by that company.

	2009 £m	2008 £m
Directors' emoluments	**0.3**	0.3

5 Staff numbers and costs

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	Number of employees 2009	2008
Management and administration	**182**	171
Distribution and selling	**2,685**	2,735
	2,867	2,906

The aggregate payroll costs of these persons was as follows:

	2009 £m	2008 £m
Wages and salaries	**72.6**	70.3
Social security costs	**6.0**	6.0
Other pension costs (see note 21)	**5.3**	4.8
	83.9	81.1

In addition to the pension costs above there was a net credit of £16.7m as a result of changes to the United Kingdom defined benefit scheme.

6 Share based payments

Electrocomponents plc group has a number of share-based incentive plans in which the Company's employees are able to participate. These comprise an Executive Incentive Plan (EIP) awarded to the most senior executives, a Long Term Incentive Plan (LTIP) awarded to senior managers, a Save As You Earn (SAYE) scheme that is made available to the majority of employees, and a Long Term Incentive Option Plan (LTIOP) operated until 2005, awarding options to senior managers. All the awards are made of shares in the Company's ultimate parent undertaking, Electrocomponents plc.

The LTIOP and SAYE schemes were in operation before the 7 November 2002 in addition to a pre-existing Long Term Incentive Plan. The recognition and measurement principles in FRS 20 have only been applied to grants made, under all these schemes, after 7 November 2002 in accordance with the transitional provisions in FRS 20 'Share-based Payments'.

Executive Incentive Plan

The EIP scheme was a one-off award on 1 February 2006 of conditional shares to the Company's most senior executive to be delivered following the financial year ended 31 March 2009. The number of shares to be awarded was dependent on the performance of the Electrocomponents Group during the year ended 31 March 2009 varying between 0 and 150,000. During 2007 further options to new senior executives were granted during the year. The fair value of the EIP options was calculated using a Black-Scholes model based on the assumptions below.

No further share options were issued during the year ended 31 March 2009. At 29 May 2009 all share options relating to the EIP scheme lapsed.

	EIP 2007	EIP 2006
Fair value at grant date	280p	300p
Assumptions used		
Share price	280p	300p
Expected volatility	22.4%	39.7%
Expected option life	1.75 years	3.25 years
Risk free interest rate	5.5%	4.4%

Volatility was estimated based on the historical volatility of the shares over a three and two year period respectively up to the date of grant.

Long Term Incentive Option Plan (LTIOP) and Long Term Incentive Plan (LTIP)

The LTIOP schemes were awarded to key senior employees at a grant price equal to Group's share price. The vesting conditions include a continuation of service, a minimum of three years, and the performance of the Group's shares against a comparator group. The share price is tested against this group after three years and can be retested after four and five years if the options have not vested. The proportion of the options vesting is also dependent on the comparative share performance. The share options can be exercised up to 10 years after the grant date. Any options remaining unexercised after 10 years from the date of grant will expire.

In June 2006 a new executive plan (the Long Term Incentive Plan "LTIP") conditional award of shares was made. The vesting conditions are based on performance of the Group versus the FTSE 250 over the three year life of the scheme. At the vesting date the share award will either vest or lapse. The awards include a right to receive dividend equivalents on vesting. The fair value was calculated at the grant date using a Monte Carlo model based on the assumptions below.

	LTIP 2008	LTIP 2007	LTIP 2006	LTIOP 2005	LTIOP 2004
Fair value at grant date	54.0p	106.0p	111.0p	35.6p	78.6p
Assumptions used					
Share price	147p	280p	237p	249p	369p
Exercise price	Nil	Nil	Nil	251p	365p
Expected volatility	27.2%	22.9%	24.9%	34.9%	39.7%
Expected option life	3 years	3 years	3 years	7 years	7 years
Expected dividend yield	9.1%	6.8%	7.0%	6.2%	4.9%
Risk free interest rate	4.9%	5.5%	4.7%	4.1%	5.0%

Volatility was estimated based on the historical volatility of the shares over a three year period at the date of grant.

Save as You Earn Scheme (SAYE)

The SAYE schemes are available to the majority of employees of the group. They provide an option price equal the daily average market price at the date of the offer less 20%. The option exercise conditions are the employees' continued employment of the three or five year period and the maintenance of the employees' regular monthly savings in an account. Failure of either of these conditions is deemed a forfeiture of the option. At the end of the period the employee has six months to either purchase the shares at the agreed price, or withdraw their savings with the accrued interest. There are no market conditions to the vesting of the options. The fair value calculated using a Black-Scholes model, and the assumptions used, are shown below:

	SAYE 3 yr 2008	SAYE 5 yr 2008	SAYE 3 yr 2007	SAYE 5 yr 2007
Fair value at grant date	18.2p	17.5p	38.1p	50.5p
Assumptions used				
Share price	141p	141p	262p	262p
Exercise price	131p	131p	241p	241p
Expected volatility	27.2%	27.2%	22.9%	29.8%
Expected option life	3 years	5 years	3 years	5 years
Expected dividend yield	9.0%	9.0%	6.7%	6.7%
Risk free interest rate	5.1%	5.1%	5.5%	5.5%

	SAYE 3 yr 2006	SAYE 5 yr 2006	SAYE 3 yr 2005	SAYE 5 yr 2005	SAYE 5 yr 2004
Fair value at grant date	42.7p	51.0p	55.2p	58.3p	126.8p
Assumptions used					
Share price	232p	232p	247p	247p	357p
Exercise price	196p	196p	212p	212p	283p
Expected volatility	26.9%	33.6%	34.8%	35.7%	38.4%
Expected option life	3 years	5 years	3 years	5 years	5 years
Expected dividend yield	7.1%	7.1%	6.3%	6.3%	4.9%
Risk free interest rate	4.8%	4.8%	4.1%	4.1%	5.0%

Volatility was estimated based on the historical volatility of the shares over a three or five year period, as appropriate, at the date of grant.

Number and weighted exercise price of share options

In thousands of options	**Weighted average exercise price 2009**	**Number of options 2009**	Weighted average exercise price 2008	Number of options 2008
Outstanding at the beginning of the year	**244p**	**8,733**	282p	8,221
Forfeited during the year	**197p**	**(735)**	409p	(246)
Lapsed during the year	**280p**	**(3,847)**	276p	(371)
Exercised during the year	**212p**	**-**	218p	(15)
Granted during the year	**103p**	**2,655**	96p	1,144
Outstanding at the end of the year	**174p**	**6,806**	244p	8,733
Exercisable at the end of the year	**n/a**	**Nil**	n/a	Nil

The options outstanding at 31 March 2009 have an exercise price in the range 0p to 686p and a weighted average contractual life of 5.7 years.

Employee expenses

	2009 £m	2008 £m
Share options granted in 2005	**-**	**0.3**
Share options granted in 2006	**0.1**	**0.3**
Share options granted in 2007	**0.2**	**0.2**
Share options granted in 2008	**0.2**	**-**
Total expense recognised as employee costs	**0.5**	**0.8**

7 Interest payable and similar charges

	2009 £m	2008 £m
Bank interest payable	**0.8**	1.6
Other interest payable	**0.2**	-
Interest payable to Group undertakings	**0.8**	-
	1.8	1.6

8 Taxation on profit on ordinary activities

	2009	2008
	£m	£m
UK corporation tax	**12.2**	13.1
Adjustment in respect of previous year	**(0.6)**	0.2
Overseas taxation	-	-
Current tax on income for the period	**11.6**	13.3
Deferred taxation	**3.1**	1.6
Tax Charge for the year	**14.7**	14.9

Current tax is reconciled to a notional 28% of profit before taxation as follows:

	2009	2008
	£m	£m
Expected tax charge at 28% *(2008: 30%)* on the profit for the year on ordinary activities	**15.3**	14.3
Timing differences – capital allowances	**2.0**	1.2
Timing differences – other	**(5.4)**	(3.1)
Prior year adjustment	**(0.6)**	0.2
Other permanent differences	**0.3**	0.7
	11.6	13.3

9 Intangible fixed assets

	Trademark
	£m
Cost	
At 1 April 2008	0.3
Additions	–
Disposals	–
At 31 March 2009	0.3
Amortisation	
At 1 April 2008	–
Charge for the year	0.1
At 31 March 2009	0.1
Net book value	
At 31 March 2009	**0.2**
At 31 March 2008	0.3

10 Tangible fixed assets

	Land and Buildings £m	Computer Systems £m	Plant and Machinery £m	Total £m
Cost				
At 1 April 2008	30.4	141.0	71.3	242.7
Additions	-	9.6	2.6	12.2
Disposals	-	(1.0)	(1.9)	(2.9)
Foreign exchange	-	1.3	0.6	1.9
At 31 March 2009	30.4	150.9	72.6	253.9
Depreciation				
At 1 April 2008	13.2	78.9	59.9	152.0
Charge for the year	0.6	16.9	2.2	19.7
Disposals	-	(0.6)	(1.6)	(2.2)
Foreign exchange	-	1.2	0.5	1.7
At 31 March 2009	13.8	96.4	61.0	171.2
Net book value				
At 31 March 2009	**16.6**	**54.5**	**11.6**	**82.7**
At 31 March 2008	17.2	62.1	11.4	90.7

The net book value of land and buildings comprises:

	2009 £m	2008 £m
Freehold land	**1.0**	1.0
Freehold buildings	**15.1**	15.6
Long leasehold	**0.3**	0.3
Short leasehold	**0.2**	0.3
Land and buildings	**16.6**	17.2

The net book of value of assets held under finance lease is as follows:

	2009 £m	2008 £m
Plant and Machinery	**2.9**	4.4

11 Capital Commitments

	2009 £m	2008 £m
Contracted capital expenditure at 31 March, for which no provision has been made in these accounts	**2.9**	0.6

12 Stock

	2009 £m	2008 £m
Raw materials and consumables	**12.0**	8.5
Goods for resale	**63.6**	63.1
	75.6	71.6

13 Debtors

	2009 £m	2008 £m
Trade debtors	**51.6**	59.6
Amounts owed by parent and fellow subsidiary undertakings	**11.0**	25.6
Other debtors	**0.1**	0.1
Prepayments and accrued income	**6.7**	6.5
	69.4	91.8

Included within debtors are prepayments and accrued income receivable in greater than one year of £0.4m (2008: £0.4m).

14 Creditors: amounts falling due within one year

	2009 £m	2008 £m
Bank overdraft	**36.5**	67.5
Finance lease liabilities (note 15)	**1.4**	0.9
Trade creditors	**45.0**	54.5
Amounts owed to parent and fellow subsidiary undertakings	**22.3**	21.0
Corporation tax	**6.3**	8.0
Other taxes and social security	**3.2**	2.4
Other creditors	**1.8**	0.7
Accruals	**18.8**	13.5
Capital grants	**0.1**	0.1
	135.4	168.6

15 Creditors: amounts falling due after more than one year

	2009 £m	2008 £m
Loans	**45.7**	4.0
Finance lease liabilities	**0.8**	0.8
Capital grants	**2.0**	2.0
	48.5	6.8

Amounts due between one and five years	**46.8**	5.1
Amounts due after five years	**1.7**	1.7
	48.5	6.8

Finance leases, net of finance charges, are repayable as follows:

Due in less than one year (note 14)	**1.4**	0.9
Due in more than one year and less than five years	**0.8**	0.8
	2.2	1.7

Finance leases are secured on the assets to which they relate.

16 Provisions for liabilities and charges

	Deferred Taxation £m
At 1 April 2008	(3.1)
Charge in the profit and loss for the year	(3.1)
Deferred tax taken directly to reserves	1.0
At 31 March 2009	(5.2)

The amounts provided for deferred taxation are set out below:

	2009 £m	2008 £m
Difference between accumulated depreciation and amortisation and Capital allowances	**(7.3)**	(9.7)
Other timing differences	**2.1**	6.6
	(5.2)	(3.1)

	2009 £m	2008 £m
Disclosed within Provisions for liabilities and charges	**(7.0)**	(9.2)
Disclosed within Pension scheme deficit	**1.8**	6.1
	(5.2)	(3.1)

Deferred tax is provided at the standard rate of United Kingdom Corporation tax applicable at the balance sheet date unless there is legislation enacted or substantially enacted by the balance sheet date changing the rate.

17 Called-up share capital

For both 2009 and 2008, the Company's share capital consisted of 50,000 authorised, allotted, called up and fully paid ordinary shares of £1 each.

18 Reserves

	Share premium Account £m	Profit and loss Account £m
At 1 April 2008 as reported	0.1	54.0
Retained profit for the year	-	1.9
Share options	-	0.5
Actuarial loss	-	(4.1)
Tax on items taken directly to equity	-	1.0
Exchange differences	-	(20.9)
At 31 March 2009	0.1	32.4

For both 2009 and 2008, the cumulative amount of goodwill on acquisitions prior to 31 March 1998 of £12.7m has been written off to reserves in respect of businesses and undertakings that form part of the Company's continuing activities at 31 March 2009.

19 Reconciliation of movements in shareholders' funds

	2009 £m	2008 £m
Profit for the financial year	**39.9**	32.7
Dividends	**(38.0)**	(20.0)
Retained profit for the year	**1.9**	12.7
Share options	**0.5**	0.8
Actuarial (loss) / gain	**(4.1)**	4.6
Tax on items taken directly to equity	**1.0**	(1.3)
Exchange differences	**(20.9)**	(4.1)
Net increase to shareholders' funds	**(21.6)**	12.7
Shareholders' funds at 1 April	**54.2**	41.5
Shareholders' funds at 31 March	**32.6**	54.2

20 Lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2009		2008	
	Land and Buildings	**Other**	Land and Buildings	Other
	£m	**£m**	£m	£m
Operating leases which expire:				
Within one year	**2.7**	**0.1**	0.8	0.2
In the second to fifth years inclusive	**0.3**	**1.7**	3.3	1.1
Over five years	**1.1**	**-**	0.9	-
	4.1	**1.8**	5.0	1.3

21 Pension scheme

The last actuarial valuation of the Electrocomponents plc Group defined benefit pension scheme was carried out as at 31 March 2007 and has been updated to 31 March 2009 by a qualified independent actuary in accordance with FRS 17 'Retirement Benefits'. The deficit on the Electrocomponents plc Group defined benefit pension scheme is included within the Company's balance sheet as it is this company which employs the majority of the scheme members. As allowed by FRS 17, the deficit has not been split between Electrocomponents plc and RS Components Limited as it is not possible to do so, on a consistent and reasonable basis.

As part of the formal triennial valuation of the United Kingdom defined benefit pension scheme at 31 March 2007, which has been agreed in principle with the Trustee of the scheme, the Group considered the prospective future cost and volatility of the UK defined benefit scheme structure. This has led to the Group concluding a consultation, on 3 April 2008, with the membership of the scheme over a number of proposed changes. These changes are designed to reduce the cost and volatility of maintaining the UK defined benefit scheme going forwards and were applied from June 2008.

The funding of the Company's defined benefit scheme is assessed in accordance with the advice of independent actuaries. The net pension credit for the year ended 31 March 2009 amounted to £13.5m (2008: charge £3.5m) of which £13.9m (2008 charge: £3.1m) was shown in RS Components Limited. The net credit of £13.9m booked to RS Components Limited includes a one off credit of around £16.7m principally relating to the changes to the UK defined benefit scheme referred to above.

The principal assumptions used in the valuation of the liabilities of the scheme are:

	2009	2008	2007
Discount rate	**6.25%**	5.90%	5.25%
Rate of increase in salaries	**2.55%**	3.80%	3.85%
Rate of increase of pensions in payment	**3.00%**	3.60%	3.10%
Inflation assumption	**3.00%**	3.60%	3.10%

The expected long term rates of return on the scheme's assets are:

	2009	2008	2007
Equities	**7.20%**	7.60%	7.40%
Corporate bonds	**5.75%**	5.40%	4.50%
Diversified growth funds	**6.70%**	7.10%	n/a
Enhanced matching funds	**3.40%**	4.25%	n/a
Government Bonds	**3.70%**	4.10%	3.90%
Cash	**0.00%**	4.75%	4.50%

The valuation of the assets of the scheme at 31 March was:

	2009 £m	2008 £m	2007 £m
Equities	**79.9**	113.2	203.7
Corporate Bonds	**14.4**	14.6	24.0
Government Bonds	**16.5**	18.9	41.6
Diversified growth funds	**94.0**	98.9	-
Enhanced matching funds	**34.8**	27.9	-
Cash	**0.7**	0.9	2.6
Total market value of assets	**240.3**	274.4	271.9

The valuation of the scheme at 31 March was:

	2009 £m	2008 £m
Total market value of assets	**240.3**	274.4
Present value of scheme liabilities	**(246.6)**	(296.2)
Deficit in the scheme before deferred tax	**(6.3)**	(21.8)
Deferred tax relating to deficit of pension scheme	**1.8**	6.1
Deficit in the scheme recognised in the accounts of the Company	**(4.5)**	(15.7)

The rules of the UK Electrocomponents Group Pension Scheme give the Trustee powers to wind up the Scheme, which it may exercise if the Trustee is aware that the assets of the scheme are insufficient to meet its liabilities. Although the Scheme is currently in deficit, the Trustee and the Company have agreed a plan to eliminate the deficit over time and the Trustee has confirmed that it has no current intention of exercising its power to wind up the Scheme.

The amounts (credited) charged to the profit and loss account were as shown below. The charge has been allocated between RS Components Limited and Electrocomponents plc based on the pensionable salaries of current employees. The net credit relating to RS Components Limited was £13.9m.

	2009 £m	2008 £m
Current service cost	**4.9**	5.6
Past service cost	**(5.2)**	-
Effect of curtailment	**(11.5)**	-
Interest cost	**17.3**	16.0
Expected return on assets	**(19.0)**	(18.1)
Total profit and loss account (credited) charge included in the accounts of RS Components Limited and Electrocomponents plc	**(13.5)**	3.5

The amount included within the statement of recognised gains and losses was:

	2009	2008	2007	2006	2005
Actual less expected return on scheme assets	**(52.5)**	(18.6)	(1.5)	36.1	4.2
As a % of scheme assets	**(21.8%)**	(6.8%)	(0.6%)	14.2%	2.1%
Experience (losses) and gains arising on the scheme liabilities	**(5.3)**	4.3	(0.8)	0.1	7.7
As a % of scheme liabilities	**(2.1%)**	1.5%	(0.3%)	0.0%	3.2%
Changes in the assumptions underlying the present value of the scheme liabilities	**(4.1)**	18.9	1.3	(32.0)	(10.1)
Actuarial (loss) gain recognised in the statement of total recognised gains and losses	**(4.1)**	4.6	(1.0)	4.2	1.8
As a % of scheme liabilities	**(1.7%)**	1.6	(0.3%)	1.5%	0.8%

The movement in the deficit was:

	2009 £m
Deficit in scheme at the beginning of the year	**(21.8)**
Movement in year:	
Current service cost	**(4.9)**
Past service cost	**5.2**
Contributions	**6.1**
Other finance income	**1.7**
Effect of curtailment	**11.5**
Actuarial loss	**(4.1)**
Deficit in scheme at the end of the year	**(6.3)**

The Group expects to pay £5.9m to its UK defined benefit pension plan in 2010.

Defined Contribution schemes

During the year the company contributed £2.5m (2008 £1.3m) to defined contribution schemes. The increase in contributions paid by the company to the defined contribution scheme is largely attributable to the introduction of a salary sacrifice scheme whereby the company contributes in place of employees' contribution.

22 Related party transactions

Under FRS8 'Related Party Transactions', the Company is exempt from the requirement to disclose related party transactions with Electrocomponents plc and associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of Electrocomponents plc.

23 Auditors remuneration

The auditor's remuneration is borne by the ultimate parent company. The fee assigned to the 2009 audit is £0.1m, (2008: £0.1m). Full disclosure of the amounts of remuneration given to the company's auditors from the supply of non-audit services to the company is included on a group wide basis in the group accounts of Electrocomponents plc. This can be obtained from the address given in note 24.

24 Ultimate holding company

The ultimate holding company is Electrocomponents plc, a company registered in England and Wales.

Copies of the financial statements of the ultimate holding company may be obtained from the International Management Centre, 8050 Oxford Business Park North, Oxford OX4 2HW.