

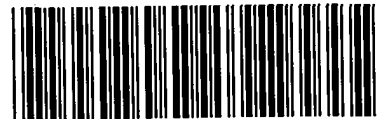
Registered No. 1618416

Acal Electronics Holdings Limited

Report and Financial Statements

31 March 2015

WEDNESDAY



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COMPANIES HOUSE

Company information

Directors

N J Jefferies
S M Gibbins
P G Webster
M F E Pangels
P H Neville

Secretary

G P Shillinglaw

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Banker

Lloyds TSB
11-15 Monument Street
London EC3V 5SA

Registered Office

2 Chancellor Court
Occam Road
Surrey Research Park
Guildford
Surrey GU2 7AH

Strategic report

The directors present their strategic report, directors' report and the financial statements for the year ended 31 March 2015.

Principal activity and review of the business

The principal activity of Acal Electronics Holdings Limited ('the company') is to act as an intermediate parent undertaking of a group which is a European leader in advanced technology solutions, providing marketing, engineering, design, manufacturing and other related services. Subsidiary undertakings are based in the United Kingdom and Europe.

On 23 February 2015, the company completed a capital reduction, whereby its issued and to be issued share capital was reduced by cancelling and extinguishing all but 100 of the issued ordinary shares of £1. The entire share premium account was also cancelled and the combined credit was reclassified as distributable profit under Part 23 of the Companies Act 2006.

The company's key financial and other performance indicators, as used by management in reviewing the performance of the business for the year, are as follows:

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Dividends from subsidiary undertakings | 436 | 237 |
| Investment value | 43,602 | 43,602 |

Principal risks and uncertainties

The company's principal risk is the valuation of its investments which is reliant on trading and performance of subsidiary undertakings. The directors continuously monitor the performance of its subsidiary undertakings and any indicators of impairment.

Approved by the Board and signed on its behalf by:



S M Gibbins
Director
Date

Registered No. 1618416

Directors' report

Results and dividends

The profit for the year after taxation amounted to £703,000 (2014 – profit of £158,000). An interim dividend of £30,000,000 was paid during the year (2014 – £236,814). The directors do not recommend a final dividend (2014 – £nil).

Going concern

The company's business activities together with the factors likely to affect its performance and financial position are described in the strategic report on page 2.

The company was in a net current liability position at the year-end. The ultimate parent undertaking, Acal plc, has agreed to provide financial support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the balance sheet. The Acal plc group has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

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

N J Jefferies
S M Gibbins
P G Webster
M F E Pangels
P H Neville

Disclosure of information to the auditor

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

Reappointment of auditor

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

On behalf of the Board



S M Gibbins
Director
Date

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Acal Electronics Holdings Limited

We have audited the financial statements of Acal Electronics Holdings Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report

to the members of Acal Electronics Holdings 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.



Zishan Nurmohamed (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 26/09/15

Profit and loss account

for the year ended 31 March 2015

| | Notes | 2015 £'000 | 2014 £'000 |
|---|-------|---------------|---------------|
| Administrative expenses – Loss on liquidation of subsidiary undertaking | 9 | – | (303) |
| Administrative expenses – Gain on disposal of investment | | 130 | – |
| Administrative expenses – Other | | 58 | 12 |
| Operating profit/(loss) | 2 | 188 | (291) |
| Income from shares in group undertakings | | 436 | 237 |
| Interest receivable and similar income | 5 | 302 | 325 |
| Interest payable and similar charges | 6 | (234) | (120) |
| Profit on ordinary activities before taxation | | 692 | 151 |
| Tax | 7 | 11 | 7 |
| Profit for the financial year | 13 | 703 | 158 |

The results of the current and prior year arise solely from continuing operations.

Statement of total recognised gains and losses

for the year ended 31 March 2015

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £703,000 in the year ended 31 March 2015 (2014 – £158,000).

Balance sheet

at 31 March 2015

| | Notes | 2015 £'000 | 2014 £'000 |
|---|-------|---------------|---------------|
| Fixed assets | | | |
| Investments | 9 | 43,602 | 43,602 |
| Current assets | | | |
| Debtors | 10 | 10 | 11,460 |
| Cash at bank and in hand | | 482 | 45 |
| | | 492 | 11,505 |
| Creditors: amounts falling due within one year | 11 | (39,404) | (21,120) |
| Net current liabilities | | (38,912) | (9,615) |
| Net assets | | 4,690 | 33,987 |
| Capital and reserves | | | |
| Called up share capital | 12 | – | 77 |
| Shares to be issued | 13 | – | 2,391 |
| Share premium account | 13 | – | 12,078 |
| Profit and loss account | 13 | 4,690 | 19,441 |
| Shareholders' funds | 13 | 4,690 | 33,987 |

The financial statements were authorised for issue by the board and signed on its behalf by :



S M Gibbins

Director

Date

Notes to the financial statements

at 31 March 2015

1. Accounting policies

Basis of preparation

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

Going concern

The company's business activities together with the factors likely to affect future developments, performance and position are described in the strategic report on page 2.

The company was in a net current liability position at the year-end. The ultimate parent undertaking, Acal plc, has agreed to provide financial support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the balance sheet. The Acal plc group has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

These financial statements have been prepared for the individual company only. The company has utilised the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements as the results of the company are included in the group financial statements of its ultimate parent undertaking and are publicly available (as set out in note 16).

Cash flow statement

The company is exempt from the requirement of FRS 1 to present a cash flow statement as over 90 per cent of the company's voting rights are controlled within the group of which the company is a member (note 16) and group financial statements that include the results of the company are publicly available.

Investments

Investments are shown at cost less provision for impairment. The carrying value is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Dividend income

Revenue is recognised when the Group's right to receive payment is established.

Interest received

Revenue is recognised as interest accrues using the effective interest method.

Deferred taxation

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

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Notes to the financial statements (continued)

at 31 March 2015

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2. Operating profit

This is stated after crediting:

| | 2015 £'000 | 2014 £'000 |
|-----------------------|---------------|---------------|
| Foreign exchange gain | 60 | 13 |

Auditor's remuneration was borne by another group company in the current and preceding year.

3. Directors' remuneration

No remuneration was paid or is payable to the directors in their capacity as directors of the company (2014 – nil). The directors also provide services to other group undertakings and received remuneration from a fellow group undertaking, Acal Management Services Limited in respect of services to the company. The directors consider that the proportion of the remuneration that relates to services to this company is £5,000 (2014 – £5,000).

4. Staff costs

The company had no employees other than the directors in either year.

5. Interest receivable and similar income

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Interest receivable on amounts owed from fellow group undertakings | 302 | 325 |

6. Interest payable and similar charges

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Interest payable on amounts owed to fellow group undertakings | 234 | 120 |

Notes to the financial statements (continued)

at 31 March 2015

7. Tax

(a) Tax on credit on ordinary activities

The tax credit is made up as follows:

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Current tax: | | |
| UK corporation tax (credit)/charge on the profit for the year | (10) | 9 |
| Adjustment in respect of prior year | (1) | (16) |
| Total current tax (note 7(b)) | <u>(11)</u> | <u>(7)</u> |

(b) Factors affecting the current tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21% (2014 – 23%). The differences are explained below:

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before tax | <u>692</u> | <u>151</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 – 23%) | 145 | 35 |
| Effects of: | | |
| Expenses not deductible | – | 29 |
| Non-taxable income | (155) | (55) |
| Prior year adjustment | (1) | (16) |
| Total tax credit (note 7(a)) | <u>(11)</u> | <u>(7)</u> |

(c) Deferred tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The company has an unrecognised deferred tax asset of £12,428 (2014 – £12,428) in relation to capital losses. The deferred tax asset has not been recognised as there is insufficient evidence to suggest that this will reverse in the foreseeable future.

(d) Factors affecting future tax charges

A reduction in the UK corporation tax rate from 23% to 21% was effective from 1 April 2014. In addition, the Government has further reduced the UK corporation tax rate to 20% from 1 April 2015.

8. Dividends

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Interim dividend paid – £300,000 per share (2014 – 3.06151 pence per share) | <u>30,000</u> | <u>237</u> |

Notes to the financial statements (continued)

at 31 March 2015

9. Investments

| | <i>Subsidiary undertakings £'000</i> |
|-----------------------------------|--|
| Cost: | |
| At 1 April 2014 and 31 March 2015 | <u>49,549</u> |
| Provision for impairment: | |
| At 1 April 2014 and 31 March 2015 | <u>5,947</u> |
| Net book amount: | |
| At 1 April 2014 and 31 March 2015 | <u>43,602</u> |

The principal subsidiary undertakings at 31 March 2015 were as follows:

| <i>Undertakings</i> | <i>Country of incorporation and registration</i> | <i>Nature of business</i> | <i>Percentage of ordinary issued share capital held</i> |
|--------------------------------------|--|---------------------------|---|
| Directly held | | | |
| Acal Europe Holding BV | Netherlands | Parent undertaking | 100% |
| Acal BFi UK Ltd | England and Wales | Agency marketing | 100% |
| Acal BFi Iberia SL | Spain | Agency marketing | 100% |
| Acal BFi France Holdings SAS | France | Parent undertaking | 100% |
| Acal BFi Central Procurement Limited | England and Wales | Central purchasing | 100% |
| MTC Micro Tech Components GmbH | Germany | Agency marketing | 100% |
| Acal GmbH | Germany | Parent undertaking | 100% |
| Indirectly held | | | |
| Acal BV | Netherlands | Parent undertaking | 100% |
| Acal BFi France SAS | France | Agency marketing | 100% |
| Acal BFi NV/SA | Belgium | Agency marketing | 100% |
| Acal BFi Germany GmbH | Germany | Agency marketing | 100% |
| Acal BFi Nordic AB | Sweden | Agency marketing | 100% |
| Acal BFi Italia Srl | Italy | Agency marketing | 100% |
| EAF Group Holding BV | Netherlands | Parent undertaking | 100% |
| Myrra SAS | France | Agency marketing | 100% |
| RSG Electronic Components GmbH | Germany | Agency marketing | 100% |
| Foss AS | Norway | Agency marketing | 100% |

During the year ended 31 March 2015 the company sold its 30% equity interest in an associate undertaking, Ceratech Holdings Limited for a profit of £130,000.

During the prior year, a wholly owned subsidiary, Compotron Limited was dissolved. The company incurred a loss of £303,516, being the difference between the value of the investment of £589,100 and the dividend in specie of £285,584 received on dissolution.

During the year, the company received a dividend of £436,364 (2014 - £236,814) from MTC Micro Tech Components GmbH.

In the opinion of the directors the aggregate value of the net assets of the company consisting of shares in, or amounts owing from the above subsidiaries and associated undertaking, is not less than the aggregate amount at which those net assets are included in the company's balance sheet.

Notes to the financial statements (continued)

at 31 March 2015

10. Debtors

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Amounts owed by parent and fellow group undertakings | – | 11,460 |
| Corporation tax | 10 | – |
| | <u>10</u> | <u>11,460</u> |

11. Creditors: amounts falling due within one year

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Amounts owed to fellow group undertakings | 39,404 | 21,111 |
| Corporation tax | – | 9 |
| | <u>39,404</u> | <u>21,120</u> |

12. Issued share capital

| | 2015 | | 2014 | |
|---|------------|------------|------------|---------------|
| <i>Allotted, called up and fully paid</i> | <i>No.</i> | <i>£</i> | <i>No.</i> | <i>£</i> |
| Ordinary shares of £1 each | 100 | <u>100</u> | 77,352 | <u>77,352</u> |

During the year the issued share capital of the company was reduced to 100 shares of £1 each. See note 13.

Notes to the financial statements (continued)

at 31 March 2015

13. Reconciliation of shareholders' funds and movements on reserves

| | <i>Called up share capital</i> | <i>Shares to be issued</i> | <i>Share premium account</i> | <i>Profit and loss account</i> | <i>Total share- holders' funds</i> |
|-------------------------------|------------------------------------|--------------------------------|--------------------------------------|------------------------------------|--|
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| At 1 April 2013 | 77 | 2,391 | 12,078 | 19,520 | 34,066 |
| Profit for the financial year | – | – | – | 158 | 158 |
| Dividends paid | – | – | – | (237) | (237) |
| At 1 April 2014 | 77 | 2,391 | 12,078 | 19,441 | 33,987 |
| Capital reduction | (77) | (2,391) | (12,078) | 14,546 | – |
| Profit for the financial year | – | – | – | 703 | 703 |
| Dividends paid | – | – | – | (30,000) | (30,000) |
| At 31 March 2015 | – | – | – | 4,690 | 4,690 |

On 23 February 2015, the company completed a capital reduction, whereby its issued and to be issued share capital was reduced by cancelling and extinguishing all but 100 of the issued ordinary shares of £1. The entire share premium account was also cancelled and the combined credit was reclassified as distributable profit under Part 23 of the Companies Act 2006.

14. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other wholly owned members of the Acal plc group.

15. Guarantees and financial commitments

During the year there were limited intra group guarantees in operation in respect of monies due to the group's bankers.

16. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Acal plc, a company registered in England and Wales.

The parent undertaking of the smallest and largest group that prepares group financial statements and of which the company is a member is Acal plc. Copies of the group financial statements of Acal plc can be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.