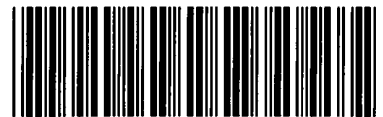


Registered number: 05944260

**AVNET LOGISTICS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

MONDAY



\*A6LKKMFS\*

A15

18/12/2017

#284

COMPANIES HOUSE

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

---

**COMPANY INFORMATION**

---

**DIRECTORS**

M McCoy  
P Bielefeld  
M McKrell (appointed 9 December 2016)  
J Schofield (appointed 4 September 2017)

**REGISTERED NUMBER**

05944260

**REGISTERED OFFICE**

Avnet House  
Rutherford Close  
Stevenage  
Hertfordshire  
SG1 2EF

---

---

**AVNET LOGISTICS LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' Report</b>	1 - 2
<b>Independent Auditors' Report</b>	3 - 5
<b>Statement of Comprehensive Income</b>	6
<b>Statement of Financial Position</b>	7
<b>Statement of Changes in Equity</b>	8 - 9
<b>Notes to the Financial Statements</b>	10 - 27

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

---

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 1 JULY 2017**

---

The Directors present their report and the financial statements for the period ended 1 July 2017.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

**PRINCIPAL ACTIVITY**

The company's principal activity for the financial period was the provision of distribution services for the Avnet Electronics Marketing EMEA group.

The company has no branches outside of the United Kingdom.

**DIRECTORS**

The Directors who served during the period were:

W Crowell (resigned 1 August 2017)  
M McCoy  
P Bielefeld  
M McKrell (appointed 9 December 2016)

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**AUDITORS**

The auditors, BDO LLP, statutory auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 11 December 2017 and signed on its behalf.



M McKrell  
Director

---

---

**AVNET LOGISTICS LIMITED**

---

---

---

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVNET LOGISTICS LIMITED**

---

**OPINION**

We have audited the financial statements of Avnet Logistics Limited ("The Company") for the period ended 1 July 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 July 2017 and of its profit for the period 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.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

---

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVNET LOGISTICS LIMITED  
(CONTINUED)**

---

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

---

---

**AVNET LOGISTICS LIMITED**

---

---

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVNET LOGISTICS LIMITED  
(CONTINUED)**

---

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditors' Report.

**BDO LLP**

David Butcher (Senior Statutory Auditor)

for and on behalf of  
**BDO LLP, statutory auditor**

London  
United Kingdom

Date: **11 December 2017**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 1 JULY 2017**

	Note	2017 £000	2016 £000
Turnover		5,745	3,780
<b>GROSS PROFIT</b>		<b>5,745</b>	<b>3,780</b>
Distribution costs		(4,421)	(2,407)
Administrative expenses		(1,214)	(1,289)
Other operating income	4	14	422
Other operating charges		(20)	(110)
Exceptional other operating charges	8	-	(75)
<b>OPERATING PROFIT</b>	5	<b>104</b>	<b>321</b>
Interest receivable and similar income		3	-
Interest payable and expenses		(16)	(12)
Other finance charges on defined benefit pension scheme		-	(2)
<b>PROFIT BEFORE TAX</b>		<b>91</b>	<b>307</b>
Tax on profit	7	-	(60)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>91</b>	<b>247</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>			
Impact of defined benefit pension scheme		-	(22)
Movement on deferred tax asset relating to pension scheme		-	13
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-</b>	<b>(9)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>91</b>	<b>238</b>

The notes on pages 10 to 27 form part of these financial statements.


**AVNET LOGISTICS LIMITED**  
**REGISTERED NUMBER: 05944260**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 1 JULY 2017**

	Note	1 July 2017 £000	2 July 2016 £000
<b>FIXED ASSETS</b>			
Tangible assets	9	2,073	2,216
		<u>2,073</u>	<u>2,216</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	1,098	659
		<u>1,098</u>	<u>659</u>
Creditors: amounts falling due within one year	11	(1,388)	(1,201)
		<u>(1,388)</u>	<u>(1,201)</u>
<b>NET CURRENT LIABILITIES</b>		(290)	(542)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,783</u>	<u>1,674</u>
<b>NET ASSETS</b>		<u>1,783</u>	<u>1,674</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		18,000	18,000
Revaluation reserve	14	278	278
Profit and loss account	14	(16,495)	(16,604)
		<u>1,783</u>	<u>1,674</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2017.



**M McKrell**  
Director

The notes on pages 10 to 27 form part of these financial statements.

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 1 JULY 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 3 July 2016	18,000	278	(16,604)	1,674
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>				
Profit for the period	-	-	91	91
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	91	91
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>				
Share scheme charge	-	-	18	18
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	-	-	18	18
<b>AT 1 JULY 2017</b>	<b>18,000</b>	<b>278</b>	<b>(16,495)</b>	<b>1,783</b>

The notes on pages 10 to 27 form part of these financial statements.

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 2 JULY 2016**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 28 June 2015	18,000	278	(16,857)	1,421
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>				
Profit for the period	-	-	247	247
Impact of defined benefit pension scheme (after deferred tax adjustment)	-	-	(9)	(9)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	(9)	(9)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	238	238
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>				
Share scheme charge	-	-	15	15
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	-	-	15	15
<b>AT 2 JULY 2016</b>	<b>18,000</b>	<b>278</b>	<b>(16,604)</b>	<b>1,674</b>

The notes on pages 10 to 27 form part of these financial statements.

---

---

**AVNET LOGISTICS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**1. GENERAL INFORMATION**

AVNET LOGISTICS LIMITED is a private company limited by share capital, incorporated in the United Kingdom, with its registered office in Stevenage, Hertfordshire and the principal place of business, in Newcastle-under-Lyme, Staffordshire.

Throughout the notes to the Financial Statements references are made to the Income Statement. The Income Statement is included within the Statement of Comprehensive Income.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 Section 1A Small entities in respect of the following disclosures:

- Cash Flow Statement;
- Key Management Personnel compensation;
- Related party transactions. The Company is exempt under the terms of FRS 102.33 Related Party Disclosures from disclosing related party transactions with entities that are part of the Avnet Inc. group provided that any subsidiary which is party to the transaction is wholly owned by the group;

The following principal accounting policies have been applied:

**2.2 Going concern**

The directors have considered the going concern of the company and have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Avnet Inc., the ultimate parent company in the group that owns this company, has provided to the directors confirmation that Avnet, Inc. undertakes to both provide additional funds as necessary and not to seek repayment, unless adequate funds are available, of existing loans by Avnet Group Companies to the company, so as to enable the company to continue to trade normally and meet its liabilities as they fall due for at least one year from the date of signing of these financial statements..

---

---

**AVNET LOGISTICS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- over 30 years
Plant and machinery	- over 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

---

---

**AVNET LOGISTICS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.7 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

---

---

**AVNET LOGISTICS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**2.9 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.



<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.10 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

**2.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 29 June 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

---

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**Defined benefit pension plan**

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

**2.14 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.15 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

**2.16 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements and sources of estimation uncertainty have had the most significant effect on amounts recognised in the financial statements.

**Taxation**

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future profits.

**Accruals**

Management estimation is required to determine the probability of economic outflow arising from a legal or constructive obligation as a result of a past event, as well as estimating the magnitude of the outflow.

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**4. OTHER OPERATING INCOME**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Amounts paid by immediate parent on behalf of the company relating to the Defined Benefit Pension Scheme	-	327
Foreign exchange gain	14	95
	<u>14</u>	<u>422</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	188	182
Loss on disposal of tangible fixed assets	-	9
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	14	13
Net exchange loss	6	14
Other operating lease rentals	51	83
Share based payment	18	15
Defined contribution pension scheme costs	115	108
Defined benefit pension scheme costs	-	22
	<u>          </u>	<u>          </u>

**6. EMPLOYEES**

The average monthly number of employees, including the Directors, during the period was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Administration and distribution	<u>72</u>	<u>68</u>

AVNET LOGISTICS LIMITED
-------------------------

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017

7. TAXATION

	2017 £000	2016 £000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	3
	-	3
<b>TOTAL CURRENT TAX</b>	-	3
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	-	57
<b>TOTAL DEFERRED TAX</b>	-	57
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	-	60

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**7. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE PERIOD**

The tax assessed for the period is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	91	307
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	18	62
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	4	8
Capital allowances for period in excess of depreciation	(148)	(190)
Increase or decrease in pension fund prepayment leading to a decrease in tax	(163)	(211)
Short term timing difference leading to an increase in taxation	-	57
Other timing differences leading to an increase in taxation	-	3
Non-taxable income	-	2
Tax deduction arising from exercise of employee share scheme	(6)	(1)
Unrelieved tax losses carried forward	2	-
Group relief surrendered but not paid for	293	330
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	<b>-</b>	<b>60</b>

Tax losses amounting to £1,987,000 are available to relieve future profits of the company (2016: £1,977,000). There is significant uncertainty over the magnitude of future profits and therefore no deferred tax asset has been recognised (2016: £Nil). There remains an unrecognised deferred tax asset of £358,000 on losses available (2016: £356,000).

**8. EXCEPTIONAL ITEMS**

	2017 £000	2016 £000
Expenses paid on the wind up of the Deltron Stan Plan F defined benefit pension scheme	-	75
	-	75

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**9. TANGIBLE FIXED ASSETS**

	Freehold property £000	Plant and machinery £000	Total £000
<b>COST</b>			
At 3 July 2016	3,190	1,221	4,411
Additions	-	46	46
Disposals	-	(7)	(7)
At 1 July 2017	3,190	1,260	4,450
<b>DEPRECIATION</b>			
At 3 July 2016	1,228	967	2,195
Charge for the period on owned assets	114	74	188
Disposals	-	(6)	(6)
At 1 July 2017	1,342	1,035	2,377
<b>NET BOOK VALUE</b>			
At 1 July 2017	1,848	225	2,073
At 2 July 2016	1,962	254	2,216

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**10. DEBTORS**

	<b>1 July 2017 £000</b>	<b>2 July 2016 £000</b>
Amounts owed by group undertakings	752	426
Other debtors	10	1
Prepayments and accrued income	336	232
	<b>1,098</b>	<b>659</b>

**11. CREDITORS: Amounts falling due within one year**

	<b>1 July 2017 £000</b>	<b>2 July 2016 £000</b>
Trade creditors	479	244
Amounts owed to group undertakings	620	733
Other taxation and social security	42	139
Accruals and deferred income	247	85
	<b>1,388</b>	<b>1,201</b>



<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**12. FINANCIAL INSTRUMENTS**

	1 July 2017 £000	2 July 2016 £000
<b>FINANCIAL ASSETS</b>		
Financial assets that are debt instruments measured at amortised cost	762	437
	762	437
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	(1,388)	(1,201)
	(1,388)	(1,201)

Financial assets measured at amortised cost comprise amounts due from fellow group undertakings under credit and current accounts and other receivables including salary advances.

Financial liabilities measured at amortised cost comprise amounts due to fellow group undertakings under credit and current accounts, amounts payable to third party suppliers for products and services purchased, amounts payable to employees for expenses claimed, amounts due to government authorities for taxes due and accruals for services and products purchased but not yet invoiced.

**13. DEFERRED TAX**

A deferred tax asset had previously been recognised in respect of pension scheme liabilities. Since the wind up of pension scheme is now nearing completion, there is now no deferred tax asset relating to this scheme.

Other deferred tax assets have not been recognised on the basis that there is insufficient certainty that the timing differences will reverse and there is uncertainty over the profitability of the business in the foreseeable future.

There are unrecognised deferred tax assets amounting to £785k consisting of £358k for tax losses carried forward, £425k for Accelerated Capital allowances and £2k for share scheme timing differences (2016: £1,124k consisting of £356k for tax losses carried forward, £601k for Accelerated Capital allowances, £2k for share scheme timing differences and £165k for the impact of pension spreading).

**14. RESERVES**

**Revaluation reserve**

The revaluation reserve was created as a result of capital restructuring and a business combination.

**Profit and loss account**

The profit and loss account consists of all current and prior period retained profits and losses.

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**15. PENSION COMMITMENTS**

The Company operates defined contribution schemes for its directors and employees. The assets of these schemes are held separately from those of the Company in independently administered funds. The pension charge in the financial statements represents contributions payable by the Company to the funds which amounted to £115,071 (2016: £108,179). There were no outstanding contributions at the period-end (2016: £nil).

The Company operated a Defined Benefit Pension Scheme, the Deltron Stan Plan F scheme, which was established as a separate trustee administered fund for the purpose of holding the pension scheme assets to meet long term pension liabilities. The obligations for future pensions under this scheme were bought out by Legal and General in May 2014, and now the scheme has no members, is closed to new entrants and has no future obligations for the pension payments to past members.

There were no contributions due or paid to the scheme by the company or by the members during the period (2016: Company contribution £327,275 and Members contributions £nil).

The only remaining obligation by the company relating to this scheme is for any expenses incurred by the trustees in winding up the legal substance of the scheme.

Since there are no future obligations to pension scheme members, all liabilities having been bought out by Legal and General, the directors are of the opinion that there is no requirement for any actuarial valuation for the purpose of presenting these accounts.

Reconciliation of present value of plan liabilities:

	1 July 2017 £000	2 July 2016 £000
<b>RECONCILIATION OF PRESENT VALUE OF PLAN LIABILITIES</b>		
At the beginning of the year	17	589
Interest expense	-	7
Actuarial gains/losses	-	17
Benefits paid and expenses	(17)	(75)
Expenses	-	75
Losses extinguished on settlements	-	(596)
<b>AT THE END OF THE YEAR</b>	<b>-</b>	<b>17</b>

Composition of plan liabilities:

	1 July 2017 £000	2 July 2016 £000
Future expenses of the scheme	-	17
<b>TOTAL PLAN LIABILITIES</b>	<b>-</b>	<b>17</b>

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**15. PENSION COMMITMENTS (CONTINUED)**

Reconciliation of present value of plan assets:

	<b>1 July 2017 £000</b>	<b>2 July 2016 £000</b>
At the beginning of the year	17	383
Interest income	-	5
Actuarial gains/losses	-	(4)
Contributions by the company	-	327
Benefits paid and expenses	(17)	(75)
Gain/loss on settlement or curtailment	-	(619)
<b>AT THE END OF THE YEAR</b>	<b>-</b>	<b>17</b>

Composition of plan assets:

	<b>1 July 2017 £000</b>	<b>2 July 2016 £000</b>
Cash	-	17
<b>TOTAL PLAN ASSETS</b>	<b>-</b>	<b>17</b>

The net pension scheme liability is as follows:

	<b>1 July 2017 £000</b>	<b>2 July 2016 £000</b>
Fair value of plan assets	-	17
Present value of plan liabilities	-	(17)
<b>NET PENSION SCHEME LIABILITY</b>	<b>-</b>	<b>-</b>

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**15. PENSION COMMITMENTS (CONTINUED)**

The amounts recognised in the income statement are as follows:

	1 July 2017 £000	2 July 2016 £000
Expenses incurred in wind up of scheme	-	75
Interest on obligation	-	2
Gains on curtailments and settlements	-	22
<b>TOTAL</b>	<b>-</b>	<b>99</b>

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2017 %	2016 %
Discount rate	n/a	2.8
Inflation (RPI)	n/a	3.2
Inflation (CPI)	n/a	2.5
Allowance for pension in payment increases of CPI or 5% p.a. if less and Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	n/a	2.5
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	n/a	2.4
There is no allowance for commutation of pension for cash at retirement		
Mortality rates		
- for a male retiring in 2016	n/a	22.9
- for a female retiring in 2016 / 2015	n/a	25.1
- for a male retiring in 2036	n/a	25.3
- for a female retiring in 2036	n/a	27.4

There are no principal assumptions disclosed for the current period, since no actuarial report has been prepared. No actuarial report has been prepared on the basis that the scheme has been bought out by Legal and General and there are no future obligations to members of the scheme by the pension fund or the company. There may be future obligations by the pension scheme and company for expenses of winding up the scheme but those expenses will be recognised as they are incurred.

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

**15. PENSION COMMITMENTS (CONTINUED)**

Amounts for the current period (2017) are all zero since the scheme now has no remaining assets or liabilities. The amounts for the previous four periods (2013 to 2016) are as follows:

Defined benefit pension schemes

	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
Present value of scheme liabilities	-	(17)	(589)	(272)	(5,006)
Unrecognised surplus	-	-	-	(214)	-
Fair value of scheme assets	-	17	383	486	3,848
Experience adjustments on scheme liabilities	-	-	(126)	-	198
Experience adjustments on scheme assets	-	-	(5)	-	7

**16. COMMITMENTS UNDER OPERATING LEASES**

At 1 July 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	1 July 2017 £000	2 July 2016 £000
<b>Machinery and equipment</b>		
Not later than 1 year	13	22
Later than 1 year and not later than 5 years	23	33
	<u>36</u>	<u>55</u>

<b>AVNET LOGISTICS LIMITED</b>
--------------------------------

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 JULY 2017**

---

**17. CONTROLLING PARTY**

The ultimate parent company and ultimate controlling party of Avnet Logistics Limited is Avnet Inc., a company incorporated in the United States of America. The company's immediate parents and controlling parties are Avnet Holdings UK Limited (50%) and Memec Group Holdings Limited (50%), companies registered in England and Wales. The financial statements of these companies are available to the public and may be obtained from Companies House or from the companies registered address: Avnet House, Rutherford Close, Meadway Technology Park, Stevenage, Hertfordshire SG1 2EF.

The largest and the smallest group in which the results of Avnet Logistics 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).