

**Avnet Logistics Limited**

**Report and Accounts**

**27 June 2015**



**Registered number**  
**05944260**

**Avnet Logistics Limited**  
**Report and accounts**  
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**Avnet Logistics Limited**  
**Company Information**

**Directors**

W Crowell

M McCoy

P Zammit (resigned 31 March 2015)

P Bielefeld

**Auditors**

BDO LLP

55 Baker Street

London

W1U 7EU

**Registered office**

Avnet House

Rutherford Close

Meadway Technology Park

Stevenage

Hertfordshire

SG1 2EF

**Registered number**

05944260

## **Avnet Logistics Limited**

### **Strategic Report**

The directors present their strategic report for the period ended 27 June 2015.

#### **Review of the business**

The company's operating performance for the period was stable and profitable with a 3% fall in service revenue from £3.633m to £3.532m. The process of organising the buy-out of the old defined benefit pension scheme continues and in the period a cost of £297k has been recorded to reflect the final settlement of the buy out of the scheme with Legal and General, as recorded as a post balance sheet event below. The expectation is that this scheme will be wound up completely post period-end.

#### **Future developments**

The company remains engaged in the provision of distribution services which continues to operate profitably. The company will continue to support the old defined benefit pension scheme through the buy-out exercise and once this has been completed the scheme will be wound up.

#### **Principal risks and uncertainties**

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

##### **Economic risk**

The main economic risks are regarded as being changes in the volume of distribution services required and changes in the underlying cost of providing UK warehousing services, being labour, equipment and property costs.

This risk is managed by the monitoring of the cost of distribution for each line of distribution business shipped and adjusting the cost model when it is identified that there has been an adjustment in the size of the UK market.

##### **Competition risk**

The directors of the company and subsidiaries manage competition risk through close attention to customer service levels.

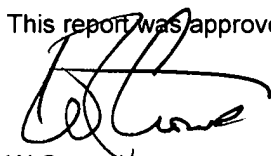
##### **Currency exchange risk**

The directors of the company use foreign currency hedges each month to attempt to eliminate any exposure of foreign currency denominated asset and liability balances to changes in foreign currency exchange rates after the balance sheet date.

##### **Financial risk**

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage financial risk.

This report was approved by the board and signed on its behalf on 9 December 2015



W Crowell  
Director

**Avnet Logistics Limited**  
**Registered number: 05944260**  
**Directors' Report**

The directors present their report and accounts for the period ended 27 June 2015.

**Principal activities**

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

**Results and dividends**

The results of the company for the period are set out on page 7. The profit for the period after taxation amounted to £4,000 (2014: loss of £1,813,000).

The directors do not recommend the payment of a dividend (2014: none).

**Directors**

The following persons served as directors during the period:

W Crowell  
M McCoy  
P Zammit (resigned 31 March 2015)  
P Bielefeld

**Post balance sheet events**

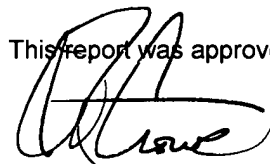
On 15 October, Legal and General, the insurance company selected for the buy-out of the Deltron Stan Plan F defined benefit pension scheme, confirmed the balancing payment due for the buy-out, as £617k. This has been settled by a payment of £314k made on 16 November 2015, from Avnet as the sponsoring employer and £303k from the scheme, leaving a small balance in the scheme to meet final expenses of the scheme. This liability has been recorded in full at 27 June 2015.

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

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

This report was approved by the board and signed on its behalf on 9 December 2015



W Crowell  
Director

## **Avnet Logistics Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare accounts for each financial period. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 accounts;
- prepare the accounts 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 accounts 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.

**Avnet Logistics Limited**  
**Independent auditors' report**  
**to the members of Avnet Logistics Limited**

We have audited the financial statements of Avnet Logistics Limited for the period ended 27 June 2015 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's Ethical Standards for Auditors.

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

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

**Opinion on the financial statements**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 27 June 2015 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.

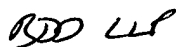
**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



David Butcher (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

9 December 2015

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

**Avnet Logistics Limited**  
**Profit and Loss Account**  
**for the period from 29 June 2014 to 27 June 2015**

	<b>Notes</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Turnover</b>	2	3,532	3,633
Distribution expenses		(3,437)	(3,535)
Profit after Distribution expense		<u>95</u>	<u>98</u>
Other operating income		16	201
Defined benefit pension scheme charge	13	(297)	(1,724)
<b>Operating loss</b>	3	<u>(186)</u>	<u>(1,425)</u>
Interest receivable and similar income	6	150	235
Interest payable and similar charges	7	(20)	(227)
<b>Loss on ordinary activities before taxation</b>		<u>(56)</u>	<u>(1,417)</u>
Tax on loss on ordinary activities	8	60	(396)
<b>Profit/(loss) for the period</b>		<u>4</u>	<u>(1,813)</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two periods.

The accompanying notes on pages 10 to 24 are an integral part of the financial statements.



**Avnet Logistics Limited**  
**Statement of total recognised gains and losses**  
**for the period from 29 June 2014 to 27 June 2015**

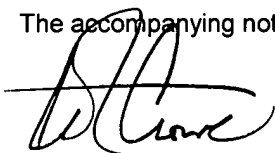
	<b>Notes</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Actuarial gain/(loss) on pension scheme	13	65	(619)
Movement on deferred tax relating to pension liability	12	(13)	130
		<hr/> 52	<hr/> (489)
Profit/(loss) for the period		4	(1,813)
Total recognised gains and losses related to the period		<hr/> 56	<hr/> (2,302)

The accompanying notes on pages 10 to 24 are an integral part of the financial statements.

**Avnet Logistics Limited**  
**05944260**  
**Balance Sheet**  
**as at 27 June 2015**

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets	9	2,291	2,370
<b>Current assets</b>			
Debtors	10	633	956
<b>Creditors: amounts falling due within one year</b>	11	(1,316)	(1,941)
<b>Net current liabilities</b>		(683)	(985)
<b>Total assets less current liabilities</b>		1,608	1,385
<b>Provisions for liabilities</b>			
Defined pension liability	13	(162)	-
<b>Net assets</b>		1,446	1,385
<b>Capital and reserves</b>			
Called up share capital	14	18,000	18,000
Revaluation reserve	15	278	278
Profit and loss account	16	(16,832)	(16,893)
<b>Shareholders' funds</b>	17	1,446	1,385

The accompanying notes on pages 10 to 24 are an integral part of the financial statements.



W Crowell  
Director

Approved by the board on 9 December 2015

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. Under FRS 1 Cash Flow Statements (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As 100% of the voting rights of the company are controlled within the Avnet Inc. group, the company has taken advantage under the exemptions permitted by FRS 8 Related Party Disclosures to not disclose details of balances held with other companies within that group.

***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.

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 30 years
Plant and machinery	over 5 years

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**1 Accounting policies (continued)**

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

***Share based payments***

The share incentive programme allows employees to acquire shares of the ultimate parent company, Avnet Inc.. The fair value of options granted after 7 November 2002 and those not yet vested as at the effective date of FRS 20 is recognised as an employee expense with a corresponding increase in equity.

The fair value being the market price of the shares at grant date is spread over the period during which the employees become unconditionally entitled to the incentive shares. The amount recognised as an expense is adjusted to reflect the actual number of shares that vest except where forfeiture is only due to share prices not achieving the threshold for vesting. There is no exercise price associated with the stock incentive plan and employees are gifted the shares on vesting date; therefore there are never any un-exercised share incentives.

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**1 Accounting policies (continued)**

***Pensions***

Contributions to money purchase schemes are recognised in the income statement in the period in which they become payable.

The company operates one defined benefit pension plan, the cost of providing benefits of which is determined using the Projected Unit Credit Method. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss recognised in the income statement during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the income statement as other finance income or expense.

All actuarial gains and losses are recognised in equity in the period in which they arise.

The defined benefit pension asset or liability in the balance sheet comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the sum of any unrecognised past service costs and the present value of any amount the group expects to recover by way of refunds from the plan or reductions in the future contributions.

<b>2 Analysis of turnover</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
By activity:		
Distribution of electronic components	<u>3,532</u>	<u>3,633</u>
By geographical market:		
UK	<u>3,532</u>	<u>3,633</u>

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

<b>3 Operating loss</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>

This is stated after charging:

Depreciation of owned fixed assets	175	160
Operating lease rentals - plant and machinery	64	78
Auditors' remuneration for audit services	11	11
Share scheme charge	9	-
Defined benefit pension scheme charge	297	1,724

The pension scheme expense represents in 2015 a past service cost and in 2014 a loss on settlements relating to the impending wind-up of the Deltron Stan Plan F defined benefit pension scheme (see note 13).

**4 Directors emoluments**

The directors of the company receive their remuneration from a fellow group company.

<b>5 Staff costs</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>

Wages and salaries	1,452	1,363
Social security costs	133	129
Other pension costs	109	90
Share scheme charge	9	-
	1,703	1,582

Included in other pension costs is £109,000 (2014: £90,000) in respect of the defined contribution scheme. There were no outstanding pension contributions at 27 June 2015 (2014: £nil).

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration and distribution	71	67

<b>6 Interest receivable and similar income</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>

Foreign exchange gain	129	54
Interest receivable from other group companies	-	19
Expected return on assets in pension scheme	21	162
	150	235

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

<b>7 Interest payable and similar charges</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Interest payable to other group companies	9	15
Finance cost on pension scheme liabilities	11	212
	<u>20</u>	<u>227</u>

<b>8 Taxation</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	(3)	-
Deferred tax in pension liability (note 12)	(57)	396
	<u>(60)</u>	<u>396</u>

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2015 £'000</b>	<b>2014 £'000</b>
Loss on ordinary activities before tax	<u>(56)</u>	<u>(1,417)</u>
Standard rate of corporation tax in the UK	20.75%	22.50%
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(12)	(319)
Effects of:		
Expenses not deductible for tax purposes	1	6
Impact of pension scheme spreading	(173)	158
Share scheme deductible	3	-
Losses surrendered to group undertakings	145	-
Losses carried forward	-	119
Capital allowances for period in excess of depreciation	36	36
Share scheme credit	(3)	-
Current tax charge for period	<u>(3)</u>	<u>-</u>

Tax losses amounting to £1,688,000 (2014: £1,704,000) are available to relieve future profits of the group.

Deferred tax assets of £338,000 (2014: £354,000) have not been recognised in respect of these losses as there is insufficient certainty over the timing and extent of future profits.

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**9 Tangible fixed assets**

	<b>Land and buildings £'000</b>	<b>Plant and machinery £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 29 June 2014	3,168	1,363	4,531
Additions	2	94	96
	<hr/>	<hr/>	<hr/>
At 27 June 2015	3,170	1,457	4,627
<b>Depreciation</b>			
At 29 June 2014	999	1,162	2,161
Charge for the period	115	60	175
	<hr/>	<hr/>	<hr/>
At 27 June 2015	1,114	1,222	2,336
<b>Net book value</b>			
At 27 June 2015	<hr/> 2,056	<hr/> 235	<hr/> 2,291
At 28 June 2014	<hr/> 2,169	<hr/> 201	<hr/> 2,370

**10 Debtors**

	<b>2015 £'000</b>	<b>2014 £'000</b>
Trade debtors	-	3
Amounts owed by group undertakings and undertakings in which the company has a participating interest	390	780
Prepayments and accrued income	240	173
Corporation tax	3	-
	<hr/>	<hr/>
	633	956

**11 Creditors: amounts falling due within one year**

	<b>2015 £'000</b>	<b>2014 £'000</b>
Trade creditors	237	174
Amounts owed to group undertakings and undertakings in which the company has a participating interest	878	1,534
Other taxes and social security costs	131	176
Accruals and deferred income	70	57
	<hr/>	<hr/>
	1,316	1,941



**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

<b>12 Deferred taxation</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Deferred tax in pension liability	44	-
	<hr/> 44 <hr/>	<hr/> - <hr/>
	<b>2015 £'000</b>	<b>2014 £'000</b>
At 29 June 2014	-	266
Deferred tax charge in profit and loss account	57	(396)
Deferred tax charge in statement of total recognised gains and losses	(13)	130
	<hr/>	<hr/>
At 27 June 2015	44	-

The above deferred tax asset had been recognised in respect of pension scheme liabilities.

**13 Pension schemes**

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 £108,609 (2014: £89,736). There were no outstanding contributions at the period-end (2014: £nil).

The Company operated a defined benefit scheme in the UK (Deltron Stan Plan F scheme). The scheme is closed to new entrants and there are no active members at the balance sheet date. The decision was made to organise a buy out for the scheme during the previous year. On 27 May 2014 a contract with Legal and General was signed by the trustees of the pension scheme to agree terms for the buy out of the future liabilities. 95% of the estimated liabilities of £7.25m, amounting to £6.9m, was paid to Legal and General by way of a £3.35m contribution from the employer and £3.55m from the sale of scheme assets. A full actuarial valuation was carried out at 30 November 2010 and updated to 1 July 2015 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown in this note.

The Company paid contributions of £15,996 during the year (2014: £3,550,631). Member contributions of £nil were paid (2014: £nil).

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**13 Pension schemes (continued)**

Balance sheet figures

Present values of scheme liabilities, fair value of assets and deficit

	<b>2015 £'000</b>	<b>2014 £'000</b>
Fair value of scheme assets	383	486
Present value of scheme liabilities	(589)	(272)
(Deficit) / surplus in scheme	(206)	214
Unrecognised surplus	-	(214)
Liability to be recognised	(206)	-
Deferred tax	44	-
Net Liability to be recognised	(162)	-

Fair value of schemes assets

	<b>2015 £'000</b>	<b>2014 £'000</b>
Cash	383	486
Total assets	383	486

None of the fair values of the assets shown above include any of the company's own financial instruments or any property occupied by, or other assets used by, the company.

Reconciliation of opening and closing balances of the fair value of scheme assets

	<b>2015 £'000</b>	<b>2014 £'000</b>
Fair value of scheme assets at start of period	486	3,848
Expected return on scheme assets	11	162
Actuarial gains/(losses)	(116)	(43)
Contributions by the Company	16	3,551
Contributions by scheme participants	-	-
Benefits paid & death in service insurance premiums	(14)	(143)
Assets distributed on settlements	-	(6,889)
Fair value of scheme assets at end of period	383	486

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**13 Pension schemes (continued)**

The actual return on the scheme assets over the period ending 27 June 2015 was a deficit of £105,000 (2014: surplus of £119,000).

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	<b>2015 £'000</b>	<b>2014 £'000</b>
Scheme liabilities at start of period	272	5,006
Past service cost	297	-
Interest cost	11	212
Contributions by scheme participants	-	-
Actuarial (losses)/gains	23	362
Benefits paid & death in service insurance premiums	(14)	(143)
Liabilities extinguished on settlements	-	(5,165)
<b>Scheme liabilities at end of period</b>	<b>589</b>	<b>272</b>

Total expense recognised in profit and loss account

	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Operating profit</b>		
Past service cost	297	-
<b>Total operating charge</b>	<b>297</b>	<b>-</b>
<b>Exceptional items</b>		
Losses on settlements	-	1,724
<b>Total exceptional items</b>	<b>-</b>	<b>1,724</b>
<b>Interest receivable and similar income</b>		
Expected return in scheme assets	(21)	(162)
<b>Interest payable and similar charges</b>		
Interest cost	11	212
<b>Total expense recognised in profit and loss account</b>	<b>287</b>	<b>1,774</b>

**Avnet Logistics Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**13 Pension schemes (continued)**

Statement of total recognised gains and losses

	Gain/(loss) 2015 £'000	Gain/(loss) 2014 £'000
Experience gains and losses arising on the scheme liabilities:	(5)	(345)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities:	(18)	(17)
Actuarial losses within scheme liabilities	<u>(23)</u>	<u>(362)</u>
Difference between expected and actual return on scheme assets:	(126)	(43)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable)	<u>(149)</u>	<u>(405)</u>
Effect of limit on amount of surplus recognised due to some of the surplus not being recognisable	214	(214)
Total amount recognised in statement of total recognised gains and losses:	<u>65</u>	<u>(619)</u>

**Avnet Logistics Limited**  
**Notes to the Accounts**  
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**13 Pension schemes (continued)**

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of FRS17 Retirement Benefits is a loss of £1,742,000 (2014: £1,807,000).

Assumptions

	<b>2015</b>	<b>2014</b>
	<b>% per annum</b>	<b>% per annum</b>
Inflation (RPI)	3.6%	3.6%
Inflation (CPI)	2.9%	2.9%
Rate of discount	3.9%	4.3%
Allowance for pension in payment increases of CPI or 5% p.a. if less	2.9%	2.9%
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	2.5%	2.5%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.9%	2.9%
Allowance for commutation of pension for cash at retirement	No allowance	No allowance

The mortality assumptions adopted at 27 June 2015 imply the following life expectancies:

Male retiring at age 65 in 2014 / (2013)	22.80	22.70
Female retiring at age 65 in 2014 / (2013)	25.00	24.90
Male retiring at age 65 in 2034 / (2033)	25.10	25.00
Female retiring at age 65 in 2034 / (2033)	27.30	27.20

**Expected long term rates of return**

The long-term expected rate of return on cash is determined by reference to government bond yields at the balance sheet dates. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

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**13 Pension schemes (continued)**

The expected long term rates of return applicable for each period are as follows

	<b>2015</b> <b>% per annum</b>	<b>2014</b> <b>% per annum</b>
Equity	n/a	n/a
Bonds	n/a	n/a
Property	n/a	n/a
Cash	4.3%	3.3%
Long-dated nominal liability strategy	n/a	3.8%
Long-dated real liability strategy	n/a	3.3%
Managed growth	n/a	7.3%
Overall for scheme	4.3%	6.8%

Amounts for the current and previous four years

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Fair value of scheme assets	383	486	3,848
Present value of scheme liabilities	589	272	5,006
Surplus/(deficit) in scheme	(206)	214	(1,158)
Unrecognised surplus	-	(214)	-
Recognised surplus/(deficit) in scheme	(206)	-	(1,158)
Experience adjustment on scheme assets	(126)	-	198
Experience adjustment on scheme liabilities	(5)	-	7
	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>	
Fair value of scheme assets	3,656	3,875	
Present value of scheme liabilities	5,067	4,568	
Surplus/(deficit) in scheme	(1,411)	(693)	
Unrecognised surplus	-	-	
Recognised surplus/(deficit) in scheme	(1,411)	(693)	
Experience adjustment on scheme assets	(452)	349	
Experience adjustment on scheme liabilities	(66)	(33)	

The best estimate of contributions to be paid by the Company to the scheme for the period beginning after 27 June 2015 is £314,000.

<b>14 Share capital</b>	<b>Nominal value</b>	<b>2015</b> <b>Number</b>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	18,000,002	<u>18,000</u>	<u>18,000</u>

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<b>15 Revaluation reserve</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
At 29 June 2014	278	278
At 27 June 2015	<u>278</u>	<u>278</u>

<b>16 Profit and loss account</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
At 29 June 2014	(16,893)	(14,591)
Profit/(loss) for the period	4	(1,813)
Actuarial profit/(loss) on pension scheme	52	(489)
Share based payments	9	-
Recharge for share based payment from ultimate parent	(4)	-
At 27 June 2015	<u>(16,832)</u>	<u>(16,893)</u>

<b>17 Reconciliation of movement in shareholders' funds</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
At 29 June 2014	1,385	3,687
Profit/(loss) for the financial period	4	(1,813)
Actuarial profit/(loss) on pension scheme	52	(489)
Share based payments	9	-
Recharge for shares from ultimate parent	(4)	-
At 27 June 2015	<u>1,446</u>	<u>1,385</u>

**18 Post balance sheet events**

On 15 October, Legal and General, the insurance company selected for the buy-out of the Deltron Stan Plan F defined benefit pension scheme, confirmed the balancing payment due for the buy-out, as £617k. This has been settled by a payment of £314k made on 16 November 2015, from Avnet as the sponsoring employer and £303k from the scheme, leaving a small balance in the scheme to meet final expenses of the scheme. The liability has been recorded in full at 27 June 2015.

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**19 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	<b>Other 2015 £'000</b>	<b>Other 2014 £'000</b>
Operating leases which expire:		
within two to five years	6	14
in over five years	13	10
	<hr/> 19	<hr/> 24

**20 Employee share schemes**

**Scheme 1** **672 instruments**  
Equity-settled award to employees granted by Avnet Inc., on 8 August 2014  
25% vesting on 2 January 2015, 2 January 2016, 2 January 2017 and 2 January 2018.  
Contractual life of options: 8 August 2024

The number and weighted average issue prices of incentive shares are as follows:

	<b>2015 Weighted average issue price</b>	<b>2015 Number of incentive shares</b>
Outstanding at the beginning of the period	-	-
Granted during the period	£25.49	672
Exercised during the period	(£25.49)	(168)
Outstanding at the end of the period	<hr/> £25.49	<hr/> 504



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**20 Employee share schemes continued**

Because incentive shares are gifted at no exercise price on vesting dates there are no unexercised incentive shares at any time. The issue price is the market price at grant of the incentive shares.

The fair value of each share granted under the incentive share plan is the share price at the date of grant.

The share arrangements in place are established in US\$. The exchange rate used for the purpose of this note is US\$1.552 for the period-ended 27 June 2015.

During the period, the company was charged \$7,540 (£4,931) for shares issued in January 2015 (2014: nil).

The fair value of services received in return for share incentive shares granted are measured by reference to the fair value of share incentive shares granted. For incentive shares the fair value of the services received is measured as the market price of the shares at the date of issue. For the incentive shares the assumptions which determine the fair value are set out below:

**21 Ultimate 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 parent and controlling party is Abacus Group Limited, a company registered in England and Wales. The financial statements of this company are available to the public and may be obtained from Companies House or from the company's 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).