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# **Acal Supply Chain Holdings Limited**

## **Report and Financial Statements**

31 March 2013



# Acal Supply Chain Holdings Limited

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## **Directors**

N J Jefferies  
S M Gibbins

## **Secretary**

G P Shillinglaw

## **Auditor**

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

## **Registered Office**

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

## Directors' report (continued)

The directors of Acal Supply Chain Holdings Limited ('the company') present their report and financial statements for the year ended 31 March 2013

### Results and dividends

The company generated a loss for the year, after taxation, of £2,639,199 (2012 – £72) No dividend was paid during the year (2012 – £nil) and the directors do not propose a final dividend (2012 – £nil)

### Principal activity and review of the business

The principal activity of the company is to act as an intermediate holding company of a group which provides inventory optimisation and outsource solutions to leading technology service providers. Subsidiary undertakings are based in the United Kingdom and Germany.

On 3 January 2013, the company sold its investment in Acal Supply Chain Limited for a total cash consideration, less transaction costs, of £1,278,921 resulting in a loss on disposal of £2,617,724.

### Future developments

The directors do not foresee any changes to the future activities of the company.

### Post balance sheet event

On 8 November 2013, the Company completed the disposal of its subsidiary, EAF Computer Services Supplies GmbH ("EAF GmbH"), to a company controlled by the current management team of EAF GmbH, for a consideration of €4.4m (£3.7m) comprising an upfront payment of €4.0m (£3.4m) and deferred consideration of €0.4m (£0.3m) payable on 31 March 2014.

### 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.

### Going concern

The company's business activities together with the factors likely to affect future developments, performance and position are set out above.

After making enquiries, the directors have a reasonable expectation that the company has 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:

R B Hall (resigned 3 January 2013)  
G A Buchan (resigned 3 January 2013)  
M J Hesketh (resigned 3 January 2013)  
N J Jefferies  
S M Gibbins

### 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.

## Directors' report (continued)

### Auditor

In accordance with section 485 of Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the company

On behalf of the Board



S M Gibbins  
Director

Date 10/12/13

## **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 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 judgements and accounting 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 Supply Chain Holdings Limited**

We have audited the financial statements of Acal Supply Chain Holdings Limited for the year ended 31 March 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 15. 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 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 (APB'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 directors' report to identify material inconsistencies with the audited financial statements. 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 as at 31 March 2013 and of its loss 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 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 Supply Chain 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

Ernst & Young LLP

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

Date

12/12/13

## Profit and loss account

for the year ended 31 March 2013

	Notes	2013 £	2012 £
Administrative expenses		(62,560)	(1,535)
Impairment of investment		-	(1,836,000)
<b>Operating loss</b>	2	(62,560)	(1,837,535)
Interest receivable and similar income	4	35,147	36,124
Interest payable and similar charges	5	(53,715)	(50,589)
Income from shares in subsidiaries		71,445	1,835,862
Loss on disposal of subsidiary	7	(2,617,724)	-
<b>Loss on ordinary activities before taxation</b>		(2,627,407)	(16,138)
Tax on loss on ordinary activities	6	(11,792)	16,066
<b>Loss for the financial year</b>	11	(2,639,199)	(72)

Results for the current and prior years solely arise from continuing operations

## Statement of total recognised gains and losses

for the year ended 31 March 2013

There are no recognised gains or losses other than the loss attributable to the shareholders of £2,639,199 in the year ended 31 March 2013 (2012 – £72)



## Balance Sheet

at 31 March 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Investments	7	6,514,177	10,410,822
<b>Current assets</b>			
Debtors	8	2,678,029	3,091,967
<b>Creditors</b> - amounts falling due within one year	9	(65,507)	(1,736,891)
<b>Net current assets</b>		2,612,522	1,355,076
<b>Net assets</b>		9,126,699	11,765,898
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Share premium	11	12,920,702	12,920,702
Profit and loss account	11	(3,794,103)	(1,154,904)
<b>Shareholders' funds</b>	11	9,126,699	11,765,898

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



S M Gibbins  
Director

Date 11/12/13

## Notes to the financial statements

at 31 March 2013

### 1. Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior year.

#### **Group financial statements**

These financial statements have been prepared for the individual company only. The company has taken 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 consolidated financial statements of the ultimate parent undertaking and are publicly available (as set out in note 14).

#### **Cash flow statement**

The company is exempt from the requirements 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 14) and consolidated financial statements that include the results of the company are publicly available.

#### **Investments**

Fixed asset 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.

#### **Going concern**

The company's business activities together with the factors likely to affect future developments, performance and position are set out above.

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.

#### **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 exceptions:

- 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, and
- Dividends from subsidiaries.

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.

#### **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.

## Notes to the financial statements

at 31 March 2013

### 2. Operating loss

Auditor's remuneration has been borne by another group company in the current and preceding financial year

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

### 3. Directors' remuneration

No remuneration was paid or is payable to the directors in their capacity as directors of the company (2012 – £nil). The directors also provide services to other group undertakings and received remuneration from fellow group undertakings, Acal Management Services Limited and Acal Enterprise Solutions Limited in respect of services to the group. The directors consider that the proportion of the remuneration that relates to services to this company is £2,000 (2012 £2,000)

### 4. Interest receivable and similar income

	2013 £	2012 £
Interest receivable on amounts owed from fellow group undertakings	35,147	36,124

### 5. Interest payable and similar charges

	2013 £	2012 £
Interest payable on amounts owed to fellow group undertakings	53,715	50,589

### 6. Tax on loss on ordinary activities

(a) The tax charge/(credit) is made up as follows

	2013 £	2012 £
<i>Current tax</i>		
UK corporation tax on the loss for the year	11,792	(4,160)
Prior year adjustment	-	(11,906)
Total current tax charge/(credit) (note 6 (b))	11,792	(16,066)

## Notes to the financial statements

at 31 March 2013

### 6. Tax on loss on ordinary activities (continued)

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

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 24% (2012 – 26%) The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before tax	(2,627,407)	(16,138)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 – 26%)	(630,578)	(4,196)
Expenses not deductible for tax	31,263	36
UK dividend income – non taxable	(17,147)	-
Loss on disposal of subsidiary – non tax deductible	628,254	-
Prior year adjustment	-	(11,906)
Current tax charge/(credit) (note 6(a))	11,792	(16,066)

(c) Factors affecting future tax charges

A reduction in the UK corporation tax rate from 24% to 23% is effective from 1 April 2013. In addition, the Government announced its intention to further reduce the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

### 7. Investments

	<i>Subsidiary undertakings</i> £
Cost	
At 1 April 2012	12,953,822
Disposal	(3,896,645)
At 31 March 2013	9,057,177
Amounts provided	
At 1 April 2013 and 31 March 2013	2,543,000
Net book amount	
At 31 March 2013	6,514,177
At 1 April 2012	10,410,822

## Notes to the financial statements

at 31 March 2013

### 7. Investments (continued)

The principal subsidiary undertakings at 31 March 2013 were as follows

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Proportion of voting rights and shares held</i>
EAF Computer Services Supplies GmbH	Germany	100%
Acal Enterprise Solutions Limited (formerly Computer Parts International Limited)	England and Wales	100%

Both of the above are trading companies involved in the supply and service of spare parts for computer equipment

All of the above holdings are in the form of ordinary shares

On 3 January 2013, the company sold its investment in Acal Supply Chain Limited for a total cash consideration, less transaction costs, of £1,278,921 resulting in a loss on disposal of £2,617,724

On 11 November 2013, the Company completed the disposal of its subsidiary, EAF Computer Services Supplies GmbH ("EAF GmbH"), to a company controlled by the current management team of EAF GmbH, for a consideration of €4.4m (£3.7m) comprising an upfront payment of €4.0m (£3.4m) and deferred consideration of €0.4m (£0.3m) payable on 31 March 2014

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

### 8. Debtors

	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Amounts owed by parent and fellow group undertakings	2,678,029	3,087,807
Corporation tax	-	4,160
	<u>2,678,029</u>	<u>3,091,967</u>

Amounts owed to the company are repayable on demand, are unsecured and do not bear interest

### 9. Creditors: amounts falling due within one year

	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Amounts owed to parent and fellow group undertakings	53,715	1,736,891
Corporation tax	11,792	-
	<u>65,507</u>	<u>1,736,891</u>

## Notes to the financial statements

at 31 March 2013

### 10. Issued share capital

	2013		2012	
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100

### 11. Reconciliation of shareholders' funds and movements on reserves

	<i>Called up share capital £</i>	<i>Share premium £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 April 2011	100	12,920,702	(1,154,832)	11,765,970
Loss for the financial year	–	–	(72)	(72)
At 1 April 2012	100	12,920,702	(1,154,904)	11,765,898
Loss for the financial year	–	–	(2,639,199)	(2,639,199)
At 31 March 2013	100	12,920,702	(3,794,103)	9,126,699

### 12. 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

### 13. Guarantees and financial commitments

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

### 14. 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

### 15. Post balance sheet event

On 8 November 2013, the Company completed the disposal of its subsidiary, EAF Computer Services Supplies GmbH ("EAF GmbH"), to a company controlled by the current management team of EAF GmbH, for a consideration of €4.4m (£3.7m) comprising an upfront payment of €4.0m (£3.4m) and deferred consideration of €0.4m (£0.3m) payable on 31 March 2014