Maplin Electronics Limited

Directors' report and financial statements

Registered number 1264385

27 December 2008

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Directors and Company information

Directors

K Pacey
D I Whittle
D O'Reilly
T E Chaloner
S C Lynas
S B Milner
C L Urbacz
C Webb

Bankers

Bank of Scotland
38 Threadneedle Street
London
EC29 2HL

Auditors

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Registered office

Brookfields Way
Manvers
Wath-upon-Dearne
Rotherham
South Yorkshire
S63 5DL

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 27 December 2008.

Principal activities of the company

The principal activity of Maplin Electronics Limited is the retail of electronic and electrical products. The business operates through three channels, namely retail outlets, internet and mail order, the latter servicing both the consumer and business markets. The Maplin Electronics Catalogue is the market leading publication of its kind.

Review of the business and future developments

The business focused on delivering better customer solutions and driving operational efficiencies via strong cost control. The result of this focus and the continued strategy to expand the store network and grow the internet channel has been to increase operating profit by 33.5% to £31.5m (*2007:£23.6m*).

Trading performance was good with growth across all market segments, despite the difficult retail environment and the widely acknowledged decline in footfall on the high street. Total sales at £203.6m (*2007: £179.8m)* were 13.3% ahead of last year with the improvement delivered through a combination of like for like sales increase, 2.7% at a total company level, and a number of new store openings.

The performance of the store network was strong with total sales 14.6% ahead (*2007:21.5% ahead*), and like for like sales 2.3% ahead (*2007:8% ahead*). The expansion of the store network continued with the opening of 17 (*2007:26*) new stores. The store expansion plan is set to continue in 2009 with the planned opening of 12 new stores.

The business continues to implement a strategy of ongoing improvement to the interactive internet site (www.maplin.co.uk) and this resulted in an increase in sales of 8% *(2007: 14.9%).*

The mail order business finished the period with sales 9.2% ahead (*2007:9.8% behind).* Despite the year on year decrease in the number of mail order transactions, being a combination of the general economic conditions and the gradual shift in the way people choose to shop, the average transaction value grew and refunds were more accurately re-charged to the relevant originating channel.

The strong trading performance has continued into 2009 with the outlook very positive despite uncertainty over general economic conditions. The biggest risk to the business in the foreseeable future relates to continued downturn in consumer spending which would impact on the planned sales growth. Moreover if the downturn became much more severe and for a very prolonged period of time the company would revisit the store opening programme to ensure it remained appropriate. Exchange rate fluctuations have been mitigated through the hedging strategies that have been implemented.

The Company has processes and procedures in place to ensure compliance with all relevant environmental duties and regulations.

Dividends

No dividends are proposed.

Policy and practice on payment of creditors

The Company recognises the importance of maintaining good business relationships with its suppliers and aims to pay all invoices within agreed terms.

Overseas branches

The Company continued during the period to source products through its overseas branch in Taiwan and through Maplin Electronics (HK) Limited, its subsidiary in Hong Kong and China.

Directors' report *(continued)*

Directors and directors' interests

The directors who served during the period were as follows:

K Pacey	
D I Whittle	
D O'Reilly	
T E Chaloner	
S R Russell	(resigned 15 February 2008)
G Hunt	(resigned 30 April 2008)
A Limbachiya	(resigned 4 November 2008)
G N Caldwell	(resigned 4 November 2008)
M A Oldham	(resigned 25 November 2008)
S C Lynas	(appointed 22 January 2008)
S B Milner	(appointed 22 September 2008)
C L Urbacz	(appointed 22 September 2008)

The Company is a wholly owned subsidiary of Maplin Electronics (Holdings) Limited whose parent Company is Maplin Electronics Group (Holdings) Ltd.

Employees

It is the board's policy to pursue open communication with employees and, to this end, regular meetings are held with management to convey information about the business.

The Company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Systems are in place to prevent discrimination. Where existing employees become disabled, it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development opportunities where appropriate.

Political and charitable contributions

The Company made charitable donations of £10,050 *(2007: £5,162)* and no political donations (2007: £nil) during the period. Charitable support was given on a national basis to MacMillan Cancer Support.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Keith Pacey

K Pacey
Director

Brookfields Way
Manvers
Wath-upon-Dearne
Rotherham
South Yorkshire
S63 5DL
22 April 2009

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Maplin Electronics Limited

We have audited the financial statements of Maplin Electronics Limited for the period ended 27 December 2008 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholder's funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

Independent auditors' report to the members of Maplin Electronics Limited *(continued)*

Opinion

In our opinion the financial statements:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 27 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

22 April 2009

Profit and Loss Account
for the 52 week period ended 27 December 2008

	Note	52 week period ended 27 December 2008	52 week period ended 29 December 2007
		£'000	£'000
Turnover	*2*	**203,605**	179,778
Cost of sales		**(97,400)**	(85,302)
Gross profit		**106,205**	94,476
Distribution costs		**(23,641)**	(23,358)
Administrative expenses		**(51,120)**	(47,588)
Other operating income		**76**	88
Operating profit	*3*	**31,520**	23,618
Other interest receivable and similar income	*6*	**601**	409
Interest payable	*7*	**(80)**	(39)
Profit on ordinary activities before taxation		**32,041**	23,988
Tax on profit on ordinary activities	*8*	**(8,827)**	(8,568)
Profit for the financial period	*20*	**23,214**	15,420

There are no recognised gains and losses other than the profit for the financial period stated above. The profit is derived entirely from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial period stated above and their historical cost equivalents.

Balance Sheet
as at 27 December 2008

	Note	**27 December 2008**		29 December 2007	
		£'000	**£'000**	£'000	£'000
Fixed assets					
Tangible assets	*9*		27,775		25,713
Investments	*10*		17		17
			27,792		25,730
Current assets					
Stock	*11*	27,405		25,003	
Debtors	*12*	64,377		45,785	
Cash at bank and in hand		16,553		7,524	
		108,335		78,312	
Creditors: amounts falling due within one year	*13*	(59,198)		(50,528)	
Net current assets			49,137		27,784
Total assets less current liabilities			76,929		53,514
Creditors: amounts falling due after more than one year	*14*		(111)		(222)
Provisions for liabilities and charges	*16*		(1,329)		(1,017)
Net assets			75,489		52,275
Capital and reserves					
Called up share capital	*19*		420		420
Share premium	*20*		429		429
Profit and loss account	*20*		74,640		51,426
Equity Shareholder's funds			75,489		52,275

These financial statements were approved by the board of directors on 22 April 2009 and were signed on its behalf by:

Keith Pacey

K Pacey
Director

D I Whittle
Director

Reconciliation of Movements in Shareholder's Funds

for the 52 week period ended 27 December 2008

	Year ended 27 December 2008 £'000	Year ended 29 December 2007 £'000
Profit for the financial period	**23,214**	15,420
Addition to shareholder's funds	**23,214**	15,420
Opening shareholder's funds	**52,275**	36,855
Closing shareholder's funds	**75,489**	52,275

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom, modified to include the revaluation of certain land and buildings. The Company has applied the transitional rules contained in FRS 15 'Tangible Fixed Assets' to retain previous valuations as the basis on which these assets are held.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 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 the Company is a wholly owned subsidiary of Maplin Electronics Group (Holdings) Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Maplin Electronics Group (Holdings) Limited, within which this Company is included, can be obtained from Brookfields Way, Manvers, Wath-upon-Dearne, Rotherham, South Yorkshire, S63 5DL.

Depreciation of tangible fixed assets

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold buildings	- 2% per annum
Long leasehold property and improvements	- shorter of the break clause or end of lease term
Short leasehold property and improvements	- shorter of the break clause or end of lease term
Fixtures, fittings, tools and equipment	- 15% reducing balance
Computer equipment	- 33% on cost
Motor vehicles	- 25% on cost
Internet	- 33% on cost

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at hedged rates, where applicable. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the period end rates or hedged rates, where applicable. All exchange differences thus arising are dealt with through the profit and loss account.

Post retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes *(continued)*

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date except as otherwise required by FRS 19.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Fees attributable to the raising of finance are deducted from the amount of the finance and then released as a finance cost in the profit and loss account over the duration of the financial instrument.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. Cost comprises purchase price and all other directly attributable costs.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease. Incentives from lessors are recognised as a systematic reduction in the charge to the profit and loss account over the shorter of the lease term, period to first lease break, or period to first rent review.

Cash

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that a transfer of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of obligation.

Notes *(continued)*

1 Accounting policies (continued)

Long term incentive plans

The Company operates long term incentive plans for certain key executives under which the amounts receivable are dependent on the value of the Maplin Electronics Group (Holdings) Limited upon any sale of this company. These plans are treated as cash settled share based payments in accordance with the provisions of FRS 20 'Share Based Payments' and the fair value of the expected payment is recognised over the expected period of the plan with a corresponding increase in liabilities. The liability is revalued at each balance sheet date and settlement date with any changes to fair value being recognised in the profit and loss account.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers less discounts and any provisions for returns. Sales are recognised on despatch.

2 Turnover

	Total turnover	
	2008	2007
	£'000	£'000
By activity:		
Direct business	**24,494**	23,420
Stores	**179,111**	156,358
	203,605	179,778
By destination:		
United Kingdom	**191,374**	169,229
Other	**12,231**	10,549
	203,605	179,778
By origin:		
United Kingdom	**191,518**	168,719
Other	**12,087**	11,059
	203,605	179,778

Notes *(continued)*

3 Notes to the profit and loss account

	2008 £'000	2007 £'000
Profit on ordinary activities is stated after charging/ (crediting):		
Depreciation of owned assets	**3,773**	3,089
Depreciation of asset held under finance leases	**126**	30
Loss on disposal of fixed assets	**301**	210
Operating lease costs – land and buildings	**14,218**	11,141
Operating lease costs - other	**148**	70
Warehouse relocation costs	**-**	1,115
Hire of plant and machinery	**45**	55
Losses/(gains) on foreign exchange	**112**	378
Changes in accounting estimate – lease incentives (see below)	**(2,410)**	-

During the period, the Directors have reviewed the accounting estimates contained within the current accounting treatment of lease incentives and rent free periods, with reference to UITF28. Historically, any lease incentives received and / or rent free periods agreed at the start of a lease were released over the shorter of the lease term and the period to the first lease break. After careful consideration of the requirements of UITF28, this treatment has been revised to release incentives over the shorter of the lease term, the period to the lease break or the period to the first rent review. This revision to accounting estimates has been recognised in the period which has resulted in a credit to the profit and loss account of £2,410,000.

Auditors' remuneration:

	2008 £000	2007 £000
Amounts receivable by the auditors and their associates in respect of:		
Audit of these financial statements	**67**	70
Other services relating to taxation - compliance	**29**	60

4 Remuneration of Directors

	2008 £'000	2007 £'000
Emoluments	**1,802**	1,484
Company contributions paid or accrued to money purchase pension schemes	**68**	108

Retirement benefits are accruing to the following number of directors as follows:

	2008	2007
Members of money purchase pension schemes	5	8

	£'000	£'000
The amounts in respect of the highest paid director are as follows:		
Emoluments	355	226

Company pension contributions of £15,000 *(2007: £nil)* were made to a money purchase scheme on his behalf.

Notes *(continued)*

4 Remuneration of Directors (continued)

Discretionary executive bonus plan

The Company operates long term incentive plans for certain key executives under which the amounts receivable are dependent on the value of the Maplin Electronics Group (Holdings) Limited ("MEGH") upon sale of this company. These plans are treated as cash settled share based payments in accordance with the provisions of FRS 20 'Share Based Payments' and the fair value of the expected payments are recognised over the expected period of the plan.

The fair value of the award has been estimated by the Directors based on an internal valuation model. The Directors have also estimated the expected return term of the plan based on their current expectations as to the likelihood and timing of the sale of MEGH.

The charge included in operating profit in respect of this plan is £nil as a sale is not considered probable at 27 December 2008.

5 Staff numbers and costs

The aggregate payroll costs were as follows:

	2008 £'000	2007 £'000
Wages and salaries	**29,427**	26,751
Social security costs	**2,359**	2,175
Other pension costs	**192**	202
	31,978	29,128

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Number of employees 2008	2007
UK & Ireland	**1,761**	1,526
Taiwan	**12**	14
	1,773	1,540

6 Interest receivable

	2008 £'000	2007 £'000
Bank interest receivable from Group banking arrangements	**601**	409

7 Interest payable

	2008 £'000	2007 £'000
Bank overdraft	**20**	23
Interest on finance leases / other interest paid	**60**	16
	80	39

Notes *(continued)*

8 Taxation

Analysis of charge in period	2008 £'000	2008 £'000	2007 £'000	2007 £'000
UK corporation tax				
Current tax on income for the period	**58**		-	
Adjustments in respect of prior periods	**(383)**		215	
		(325)		215
Group relief				
Current tax on income for the period	**8,295**		7,894	
Adjustments in respect of prior periods	**250**		32	
		8,545		7,926
Foreign tax				
Current tax on income for the period	**615**		420	
Adjustments in respect of prior periods	**(8)**		7	
		607		427
Tax on profit on ordinary activities		**8,827**		8,568

Factors affecting the tax charge for the current period

The current tax charge for the period is lower *(2007*: higher*)* than the standard rate of corporation tax in the UK *(28.5%, 2007: 30%)*. The differences are explained below:

	2008 £'000	2007 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	**32,041**	23,988
Current tax at 28.5% *(2007: 30%)*	**9,132**	7,196
Effects of:		
Expenses not deductible for tax purposes (primarily non qualifying depreciation)	**443**	488
Fixed asset timing differences	**(770)**	638
Short term timing differences	**164**	(8)
Adjustments to tax charge in respect of previous periods	**(142)**	254
Total current tax charge (see above)	**8,827**	8,568

Notes *(continued)*

9 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold property and improvements £'000	Fixtures, fittings, tools and equipment £'000	Computer equipment and motor vehicles £'000	Total £'000
Cost or valuation					
At beginning of period	1,825	23,097	13,538	5,732	44,192
Additions	70	4,097	1,692	474	6,333
Disposals	(47)	(378)	(1,247)	(118)	(1,790)
At end of period	1,848	26,816	13,983	6,088	48,735
Depreciation					
At beginning of period	659	7,315	6,390	4,115	18,479
Charge for the period	34	1,964	1,191	711	3,900
Disposals	(47)	(284)	(1,025)	(63)	(1,419)
At end of period	646	8,995	6,556	4,763	20,960
Net book value					
At 27 December 2008	**1,202**	**17,821**	**7,427**	**1,325**	**27,775**
At 29 December 2007	1,166	15,782	7,148	1,617	25,713

The net book amount of fixed assets at 27 December 2008 includes an amount of £300,012 *(2007: £372,640)* in respect of assets held under finance leases. The related depreciation charge for the period was £126,417 *(2007: £29,934)*.

Leasehold property includes a long lease with a net book value at 27 December 2008 of £138,574 *(2007: £141,652)*.

Included within leasehold property and improvements is £104,600 *(2007: £463,240)* relating to assets not yet in use against which no depreciation has been charged.

10 Investments

	Investment in subsidiaries £'000
At 27 December 2008 and 29 December 2007	17

Notes *(continued)*

10 Investments *(continued)*

Subsidiary	*Country of Incorporation*	*Holding*	*Proportion held*	*Activity*
Maplin Electronics (HK) Limited	Hong Kong	Ordinary shares	100%	Buying, sourcing quality control and shipping of products

11 Stock

	2008 **£'000**	2007 £'000
Finished goods and goods held for resale	**27,405**	25,003

12 Debtors

	2008 **£'000**	2007 £'000
Trade debtors	**851**	921
Amounts due from group undertakings	**51,241**	37,080
Corporation tax recoverable	**6,583**	1,648
Other debtors	**63**	58
Prepayments and accrued income	**5,639**	6,078
	64,377	45,785

13 Creditors: amounts falling due within one year

	2008 **£'000**	2007 £'000
Payments on account	**427**	403
Trade creditors	**7,661**	6,778
Accruals and deferred income	**14,621**	15,654
Group relief payable	**31,236**	22,691
Overseas taxation	**211**	83
Taxation and social security	**4,893**	4,790
HP creditor	**149**	129
	59,198	50,528

Notes *(continued)*

14 Creditors: amounts falling due after more than one year

	2008 £'000	2007 £'000
HP creditor	**111**	222

15 Financial instruments

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and foreign exchange risk.

Liquidity risk

Cash resources are largely and normally generated through operations. The Company's policy is to maintain a balance of funds sufficient to meet anticipated short term and long term financial requirements.

Credit risk

Management has a credit policy in place whereby risk is managed through an ongoing review of exposure to credit risk.

Foreign exchange risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than sterling. The currencies giving rise to this risk are primarily HK Dollars, US Dollars, New Taiwan Dollars and Euros.

The Company's policy is to cover significant foreign currency commitments in respect of HK Dollar and US Dollar trade payables by using forward foreign currency contracts.

Effective interest rates and maturity of liabilities

	Fixed or variable rate	Effective Interest rate %	Total £'000	1 year or less £'000	1 – 2 years £'000	2 – 5 years £'000	More than 5 years £'000
Cash and cash equivalents	Variable	0	16,553	16,553	-	-	-
Finance lease liabilities	Fixed	6.1	(260)	(149)	(71)	(40)	-
			16,293	16,404	(71)	(40)	-

Notes *(continued)*

16 Provisions for liabilities and charges

	£'000
At beginning of period	1,017
Charge in the period	350
Utilised in the period	(38)
At end of period	**1,329**

The provisions relate to a dilapidation provision and an onerous lease provision.

The Company has an unrecognised deferred tax asset of £676,000 (*2007: £996,000*). This has not been recognised on the basis that its recoverability is uncertain.

17 Commitments

(a) Capital commitments at the end of the financial period, for which no provision has been made, are as follows:

	2008 £'000	2007 £'000
Contracted	**46**	146

(b) As at the period end the Company has annual commitments under non-cancellable operating leases as set out below:

	Other		**Land and buildings**	
	2008 £'000	2007 £'000	**2008 £'000**	2007 £'000
Operating leases which expire:				
Within one year	**2**	-	**298**	137
In two to five years	**134**	57	**2,062**	1,626
In over five years	**4**	-	**13,663**	11,966
	140	57	**16,023**	13,729

18 Related party guarantees

The ultimate parent undertaking, Maplin Electronics Group (Holdings) Limited, has loans outstanding at the year end which are secured on the assets of the group. At 27 December 2008, these loans amounted to £101m *(2007: £109m)*.

Notes *(continued)*

19 Share capital

	2008 £'000	2007 £'000
Authorised:		
Ordinary shares of £1 each	**74**	74
Redeemable ordinary shares of £1 each	**350**	350
	424	424
Allotted, called up and fully paid:		
Ordinary shares of £1 each	**70**	70
Redeemable ordinary shares of £1 each	**350**	350
	420	420

The redeemable ordinary shares of £1 nominal value rank pari passu with the ordinary shares, except that the redeemable ordinary shares may be redeemed at par at the option of either the Company or the holder at any time.

20 Share premium and reserves

	Share premium £'000	Profit and loss account £'000
At beginning of period	429	51,426
Profit for the financial period	-	23,214
At end of period	**429**	**74,640**

21 Pension scheme

Maplin Electronics Limited, a wholly owned subsidiary of Maplin Electronics Group (Holdings) Limited, is the sponsoring employer of The Maplin Electronics Group Personal Pension Scheme, a defined contribution money purchase scheme. The pension cost charge for the period represents contributions payable by the group to the fund and amounted to £192,000 *(2007: £202,000)*.

The Taiwan branch of the Company is the sponsoring employer of a defined benefit pension scheme which currently has a fund deficit of £218,000.

22 Ultimate parent company and parent undertaking of larger group of which the company is a member

The ultimate controlling party is Montagu Private Equity Limited as a result of the size of their shareholding in Maplin Electronics Group (Holdings) Limited.

The Company is a subsidiary undertaking of Maplin Electronics (Holdings) Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by Maplin Electronics Group (Holdings) Limited. The consolidated accounts of this Company are available to the public from the registered office.