3.

Maplin Electronics Limited

Directors' report and financial statements

Registered number 01264385

52 weeks ended 29 December 2012

Contents

Page

Directors and Company information

Dırectors

J B Cleland
P E Heath
M C Lın
J D Loverıng
M G Lucas
O J Meakın
S J Roach
E M Smıth
C Webb
M P Dunfoy

Banker

Lloyds Bankıng Group
14 Church Street
Sheffield
S1 1HT

Auditor

KPMG LLP
1 The Embankment
Nevılle Street
Leeds
LS1 4DW

Regıstered office

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

Directors' report

The directors present their annual report and the audited financial statements for the 52 weeks ended 29 December 2012

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 offers a wide range of products which make up a unique proposition consisting of many items that are not otherwise readily available on the High Street It continues to focus on delivering unrivalled technical expertise and customer advice in store, which the business considers to be a key point of difference in this sector In addition it is focussed on continually improving its customer service and integration of its multichannel offer to give the customer ultimate flexibility and ease of shopping via its different sales channels and numerous delivery options

Trading Performance

Total company sales increased from £205m in the prior year to £214m this year with 9 new stores having been opened during the period The retail environment continues to be very difficult and as a result of lower footfall transactions fell by 1 2% on a like for like basis, however this is a marked improvement on the transaction decline seen in recent years Further, average transaction value grew on a like for like basis in stores by 1 1% and by 1 0% across the company as a whole This resulted in the company-wide underlying like for like sales for the year being broadly flat (-0 2%)

The store network delivered total sales 4 1% ahead of the prior year *(2011 2 8% behind)*, driven by sales made in new stores opened in the current and prior years Like for like sales in stores were 0 7% behind the prior year *(2011 5 6% behind)*, a credible performance and the best LFL result since 2008

The internet channel achieved total sales 5 9% ahead of the prior year The business continued to develop and invest in its transactional internet site (www maplin co uk) and considers this a critical component to delivering its multichannel offer

The mail order business finished the period with sales on a like for like basis 3 1% ahead An increase in sales to other businesses and government bodies offset the on-going decline in the number of mail order transactions to individuals This decline is a result of the increasing area covered by the expanding store network and the gradual shift in the way people choose to shop, in addition to the generally difficult consumer environment

The company continues to review its product range and invest in its multi-channel shopping offer whilst maximising the efficiency of its operations The result of this focus and the ongoing strategy to expand the store network has been to deliver operating profit of £16 2m *(2011 £24 7m)*

Store expansion programme

The business continued with a significant store expansion programme During the period, the business successfully opened 9 (*2011 13*) new stores, bringing the total number of Maplin stores in the UK and the Republic of Ireland to 203 The store opening programme is set to continue in 2013 with the planned opening of a further 27 new stores

Other investment activity

The business will continue to implement a strategy of significant on-going investment into the internet channel to enhance the site and the wider ecommerce offer

The company also continues to improve and expand its product range both in store and via its ecommerce and mail order channels Furthermore the company is investing to maximise the store operations and improve the customers' shopping experience by improving on-shelf availability and revisiting how its stores are laid out

The biggest risk to the business in the foreseeable future remains consumer confidence However the company is extremely well positioned to withstand a continued downturn owing to its high return on sales and excellent cash generation, which enables it to continue investing in the business and growing the store network

At the reporting date the Company had cash at bank of £17 0m *(2011 £25 8m)* These funds were principally generated through operations and are net of the significant amount of cash proceeds from operating activities that was reinvested back into the business, with significant spends on the continued expansion of the store network, infrastructure and repayments of the group finance facilities in excess of that scheduled

Directors' report *(contınued)*

Durıng the year, a new £20m Revolvıng Credıt Facılıty ('RCF') was agreed wıth Lloyds Bankıng Group, ın order to fund workıng capıtal requırements At year end, £12 5m had been drawn down on thıs facılıty, whıch was subsequently repaıd ın January 2013

The Company has processes and procedures ın place to ensure complıance wıth all relevant envıronmental dutıes and regulatıons

Dividends

No dıvıdends are proposed *(2011 £nıl)*

Policy and practice on payment of creditors

The Company recognıses the ımportance of maıntaınıng good busıness relatıonshıps wıth ıts supplıers and aıms to pay all ınvoıces wıthın agreed terms At the year end there were 26 days *(2011 29 days)* purchases ın trade credıtors

Overseas branches

The Company contınued durıng the perıod to source products through ıts overseas branch ın Taıwan and through Maplın Electronıcs (HK) Lımıted, ıts subsıdıary ın Hong Kong and Chına

Key performance indicators

The Company has a number of key performance ındıcators, both fınancıal and non-fınancıal, that are used to manage the busıness

	29 December 2012	31 December 2011
Stock days	**150**	158
Core Stock Avaılabılıty	**94.9%**	94 3%
EBITDA	**9.6%**	14 1%

(EBITDA beıng earnıngs before ınterest, tax, deprecıatıon and amortısatıon)

Dırectors and dırectors' ınterests

The dırectors who served durıng the perıod were as follows

J B Cleland	(appoınted 1st March 2012)
J R Codlıng	(resıgned 28th February 2013)
P E Heath	
M C Lın	
J D Loverıng	
S J Roach	
E M Smıth	
C Webb	
D I Whıttle	(resıgned 15th June 2012)
M G Lucas	(appoınted 2nd July 2012)
O J Meakın	(appoınted 14th August 2012)
R M Thomas	(appoınted 11th June 2012, resıgned 6th February 2013)
M P Dunfoy	(appoınted 28th February 2013)
D J O'Reılly	(resıgned 6th January 2012)
S F Pooler	(resıgned 30th January 2012)

The Company ıs a wholly owned subsıdıary of Maplın Electronıcs (Holdıngs) Lımıted whose parent Company ıs Maplın Electronıcs Group (Holdıngs) 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 £33,000 *(2011 £15,000)* and no political donations *(2011 £nil)* during the period Charitable support was given locally to The Barnsley Hospice

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information

Auditor

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

By order of the board

J Cleland
Director

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

30th April 2013

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)

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 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 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

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

Independent auditor's report to the members of Maplin Electronics Limited

We have audited the financial statements of Maplin Electronics Limited for the year ended 29 December 2012 set out on pages 8 to 23 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 December 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with UK 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 Maplin Electronics 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

Chris Hearld.

Chris Hearld **(Senior Statutory Auditor)**

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

30th April 2013

Profit and loss account
for the 52 weeks ended 29 December 2012

	Note	**52 weeks ended 29 December 2012 £'000**	52 weeks ended 31 December 2011 £'000
Turnover	2	**213,518**	205,025
Cost of sales		**(109,540)**	(99,405)
Gross profit		**103,978**	105,620
Distribution costs		**(33,222)**	(30,737)
Administrative expenses		**(55,072)**	(50,678)
Other operating income		**501**	524
Operating profit	3	**16,185**	24,729
Other interest receivable and similar income	6	**94**	133
Interest payable	7	**(86)**	(78)
Profit on ordinary activities before taxation		**16,193**	24,784
Tax on profit on ordinary activities	8	**(3,768)**	(7,510)
Profit for the financial period	20	**12,425**	17,274

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

Notes on pages 11 to 23 form part of the financial statements

Balance sheet

as at 29 December 2012

	Note	**29 December 2012**		31 December 2011	
		£'000	**£'000**	£'000	£'000
Fixed assets					
Tangible assets	*9*		**28,121**		27,310
Investments	*10*		**17**		17
			28,138		27,327
Current assets					
Stock	*11*	**39,057**		35,412	
Debtors	*12*	**177,383**		145,678	
Cash at bank and in hand		**17,047**		25,815	
		233,487		206,905	
Creditors: amounts falling due within one year	*13*	**(102,791)**		(88,924)	
Net current assets			**130,696**		117,981
Total assets less current liabilities			**158,834**		145,308
Creditors: amounts falling due after more than one year	*14*		**(237)**		(130)
Provisions for liabilities and charges	*16*		**(2,461)**		(1,467)
Net assets			**156,136**		143,711
Capital and reserves					
Called up share capital	*19*		**420**		420
Share premium	*20*		**429**		429
Profit and loss account	*20*		**155,287**		142,862
Equity shareholders' funds			**156,136**		143,711

Notes on pages 11 to 23 form part of the financial statements

These financial statements were approved by the board of directors on 30th April 2013 and were signed on its behalf by

C Webb
Director

J-B Cleland
Director

Reconciliation of movements in shareholders' funds
for the 52 weeks ended 29 December 2012

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Profit for the financıal perıod	**12,425**	17,274
Addıtıon to shareholders' funds	**12,425**	17,274
Openıng shareholders' funds	**143,711**	126,437
Closıng shareholders' funds	**156,136**	143,711

Notes on pages 11 to 23 form part of the financıal statements

Notes to the financial statements
(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 The Directors consider it appropriate to prepare these financial statements on a going concern basis

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, and in accordance with applicable accounting standards in the United Kingdom

The Company is exempt by virtue of s400 of the Companies Act 2006 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 The interest element of any lease is charged to the profit and loss account using a reducing balance method 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 amounts are receivable upon the sale of the Maplin Electronics Group (Holdings) Limited ("MEGH") Company These plans are not linked to the underlying value upon sale, and are therefore treated in accordance with the provisions of FRS 12 *Provisions, Contingent Liabilities and Contingent Assets*

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	
	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
By activity		
Stores	**193,802**	186,266
Internet	**14,369**	13,577
Mail Order	**5,347**	5,182
	213,518	205,025
By destination		
United Kingdom	**205,684**	196,973
Other	**7,834**	8,052
	213,518	205,025
By origin		
United Kingdom	**205,737**	197,038
Other	**7,781**	7,987
	213,518	205,025

Notes *(continued)*

3 Operating profit

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Profit on ordinary activities is stated after charging/(crediting)		
Depreciation of owned assets	**4,096**	4,183
Depreciation of asset held under finance leases	**49**	85
Loss on disposal of fixed assets	**65**	56
Operating lease costs – land and buildings	**18,137**	17,418
Operating lease costs - other	**127**	131
Hire of plant and machinery	**13**	11
(Gain) / Loss on foreign exchange	**(8)**	49

Auditor remuneration:

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Amounts receivable by the auditor and their associates in respect of		
Audit of these financial statements	**51**	51
Tax compliance	**12**	8
All other tax advisory services	**142**	8

4 Remuneration of directors

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Directors' emoluments	**1,138**	975
Amounts paid to third parties in respect of directors' services	**367**	198
Compensation for loss of office	**440**	430
Company contributions to money purchase pension schemes	**82**	74
Company contributions to defined benefit pension schemes	**7**	6

The aggregate of emoluments, compensation for loss of office and amounts receivable under long term incentive schemes of the highest paid director was £425,000 (*2011 £391,000*), and company pension contributions of £16,000 (*2011 £nil*) were made to a money purchase scheme on his behalf

	Number of directors	
	52 weeks ended 29 December 2012	52 weeks ended 31 December 2011
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	**6**	5
Defined benefit schemes	**1**	1

Notes *(continued)*

4 Remuneration of directors (continued)

Discretionary executive bonus plan

The Company operates long term incentive plans for certain key executives under which amounts are receivable upon the sale of the Maplin Electronics Group (Holdings) Limited ('MEGH') company These plans are not linked to the underlying value upon sale, and are therefore treated in accordance with the provisions of FRS 12 *Provisions, Contingent Liabilities and Contingent Assets*

The charge included in operating profit for the period ended 29 December 2012 in respect of this plan is £nil *(2011 £nil)* as a trigger event relating to the potential sale of the business has not taken place either during the period, nor since the end of the period

5 Staff numbers and costs

The aggregate payroll costs were as follows

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Wages and salaries	**32,504**	29,575
Social security costs	**2,420**	2,381
Other pension costs	**219**	249
	35,143	32,205

The average number of full time equivalents employed by the Company (including directors) during the period, analysed by location, was as follows

	Number of full time equivalents	
	52 weeks ended 29 December 2012	52 weeks ended 31 December 2011
UK & Ireland	**1,866**	1,771
Taiwan	**12**	12
	1,878	1,783

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

	Number of employees	
	52 weeks ended 29 December 2012	52 weeks ended 31 December 2011
UK & Ireland	**2,411**	2,241
Taiwan	**12**	12
	2,423	2,253

Notes *(continued)*

6 Interest receivable

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Bank interest receivable from Group banking arrangements	**94**	133

7 Interest payable

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Bank overdraft / revolving credit facility	**71**	-
Interest on finance leases / other interest paid	**15**	15
Interest on late taxes	**-**	63
	86	78

8 Taxation

	52 weeks ended 29 December 2012		52 weeks ended 31 December 2011	
Analysis of charge in period	**£'000**	**£'000**	£'000	£'000
UK corporation tax				
Current tax on income for the period	**3,969**		7,545	
Adjustments in respect of prior periods	**(1,124)**		(11)	
		2,845		7,534
Foreign tax				
Current tax on income for the period	**190**		244	
Adjustments in respect of prior periods	**8**		(50)	
		198		194
Total current tax		**3,043**		7,728
Deferred tax				
Origination / reversal of timing differences	**202**		(268)	
Effect of increased / decreased tax rate	**(59)**		(5)	
Adjustments in respect of prior periods	**582**		55	
		725		(218)
Tax on profit on ordinary activities		**3,768**		7,510

Notes *(continued)*

8 Taxation *(continued)*

Factors affecting the tax charge for the current period

The current tax charge for the period is lower *(2011 higher)* than the standard rate of corporation tax in the UK of 24 5% *(2011 26 5%)* The differences are explained below

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	**16,193**	24,784
Current tax at 24 5% *(2011 26 5%)*	**3,967**	6,568
Effects of		
Expenses not deductible for tax purposes (primarily non qualifying depreciation)	**393**	453
Fixed asset timing differences	**(192)**	744
Short term timing differences	**(9)**	23
Overseas tax not at standard rate	**-**	-
Adjustments to tax charge in respect of previous periods	**(1,116)**	(60)
Total current tax charge (see above)	**3,043**	7,728

Factors affecting the tax charge for the future periods

The Autumn Statement on 5 December 2012 announced that the UK corporation tax rate will reduce to 21% by 2014 A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively

This will reduce the company's future current tax charge accordingly The deferred tax liability at £725,000 has been calculated based on the rate of 23% substantively enacted at the balance sheet date

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	1,848	35,023	16,668	6,680	60,219
Additions	-	2,719	1,520	817	5,056
Disposals	(20)	(399)	(241)	(83)	(743)
At end of period	1,828	37,343	17,947	7,414	64,532
Depreciation					
At beginning of period	751	16,180	9,851	6,127	32,909
Charge for the period	35	2,708	1,096	306	4,145
Disposals	(2)	(378)	(212)	(51)	(643)
At end of period	784	18,510	10,735	6,382	36,411
Net book value					
At 29 December 2012	**1,044**	**18,833**	**7,212**	**1,032**	**28,121**
At 1 January 2012	1,097	18,843	6,817	553	27,310

The net book amount of fixed assets at 29 December 2012 includes an amount of £255,070 *(2011 £195,113)* in respect of assets held under finance leases The related depreciation charge for the period was £73,128 *(2011 £85,304)*

Leasehold property includes a long lease with a net book value at 29 December 2012 of £206,268 *(2011 £134,433)*

Included in leasehold property, fixtures and fittings and computer equipment at 29 December 2012 is £517,746, £260,799 and £220,532 respectively (*2011 Leasehold property £198,135, Fixtures and fittings £144,967 and Computer equipment £24,968*) for additions relating to assets not yet in use against which no depreciation has been charged

Included in freehold land and buildings at 29 December 2012 is freehold land with a net book value of £90,000 *(2011 £90,000)*, which is not depreciated

Notes *(continued)*

10 Investments

	Investment in subsidiaries
	£'000
At 29 December 2012 and 31 December 2011	17

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

	29 December 2012 £'000	31 December 2011 £'000
Finished goods and goods held for resale	39,057	35,412

12 Debtors

	29 December 2012 £'000	31 December 2011 £'000
Trade debtors	685	435
Amounts due from group undertakings	168,714	137,667
Overseas taxation	28	10
Other debtors	249	55
Prepayments and accrued income	7,707	7,511
	177,383	145,678

13 Creditors: amounts falling due within one year

	29 December 2012 £'000	31 December 2011 £'000
Payments on account	733	500
Trade creditors	11,744	10,763
Accruals and deferred income	16,686	14,308
Group relief payable	54,951	58,071
Corporation tax payable	1,247	-
Taxation and social security	4,785	5,208
Amounts payable under finance leases	90	74
Borrowings Revolving Credit Facility (see note 15)	12,555	-
	102,791	88,924

Notes *(continued)*

14 Creditors: amounts falling due after more than one year

	29 December 2012 £'000	31 December 2011 £'000
Amounts payable under finance leases	**237**	130

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 a mixture of forward foreign currency contracts and options

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
Cash and cash equivalents	Variable	0 5	**17,047**	17,047		
Revolving Credit Facility	Variable	2 4	**(12,555)**	(12,555)		
Finance lease liabilities	Fixed	4 5	**(327)**	(90)	(84)	(153)
			4,165	4,402	(84)	(153)

During the year a new £20m Revolving Credit Facility ('RCF') was agreed with Lloyds Banking Group Drawdowns under this facility are secured against the assets of the group, and are repayable at the end of the drawdown period (maximum of six months), but can be rolled over subject to an annual cleandown test £12 5m of this facility was drawn down at year end to cover working capital requirements, and was repaid in full in January 2013

Notes *(continued)*

16 Provisions for liabilities and charges

	Property provisions £'000	Taxation including deferred taxation £'000	Total £'000
At beginning of period	1,467	-	1,467
Charge in the period	354	725	1,079
Utilised in the period	(85)	-	(85)
At end of period	**1,736**	**725**	**2,461**

The property provisions relate to a dilapidations provision and an onerous lease provision The dilapidations provision is built up by property over the life of each lease, with additional specific provisions made as necessary Cash spend is typically incurred around the lease end date if a schedule of dilapidations is agreed with the property landlord The onerous lease provision relates to one empty store and will unwind against rent payments being made until the lease ends in 2014, the balance of the onerous lease provision was £30,000 at the beginning of the period, reducing to £17,000 by the end of the period

The elements of deferred taxation are as follows

	29 December 2012 £'000	31 December 2011 £'000
Difference between accumulated depreciation and amortisation and capital allowances	**808**	-
Other timing differences	**(83)**	-
Undiscounted provision	**725**	-
Deferred tax liability	**725**	-

The Company has an unrecognised deferred tax asset of £nil *(2011 £471,000)*

Directors' report *(continued)*

17 Commitments

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

	2012 £'000	2011 £'000
Contracted	**168**	89

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

	Land and buildings		Other	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Operating leases which expire				
Within one year	**488**	472	**23**	52
In two to five years	**3,485**	2,657	**122**	60
In over five years	**18,059**	16,644	-	-
	22,032	19,773	**145**	112

18 Related party guarantees

The ultimate parent undertaking, Maplin Electronics Group (Holdings) Limited, no longer has any loans which are secured on the assets of the group At 31 December 2011, these loans amounted to £31m, before being repaid in full during the year

19 Share capital

	2012 No	2012 £'000	2011 No	2011 £'000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	**70,000**	**70**	70,000	70
Redeemable ordinary shares of £1 each	**350,000**	**350**	350,000	350
	420,000	**420**	420,000	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

Directors' report *(contınued)*

20 Share premium and reserves

	Share premıum	Profit and loss account
	£'000	£'000
At begınnıng of penod	429	142,862
Profit for the financıal penod	-	12,425
At end of perıod	**429**	**155,287**

21 Pension scheme

Maplın Electronıcs Lımıted, a wholly owned subsıdıary of Maplın Electronıcs Group (Holdıngs) Lımıted, ıs the sponsonng employer of The Maplın Electronıcs Group Personal Pensıon Scheme, a defined contrıbutıon money purchase scheme Of the pensıon cost charge for the penod, £190,000 *(2011 £175,000)*, represents contrıbutıons payable by the Group ınto the defined contrıbutıon scheme

The Taıwan branch of Maplın Electronıcs Lımıted ıs the sponsorıng employer of a defined benefit pensıon scheme whıch currently has a fund deficıt of £136,000 *(2011 £74,000)*, for whıch a provısıon of £86,000 has been made wıthın Accruals and deferred ıncome The charge for the penod of £26,000 *(2011 £72,000)* represents contrıbutıons payable by the Group to the fund

22 Ultimate parent company and parent undertakıng of larger group of which the company ıs a member

The ultımate controllıng party ıs Montagu Pnvate Equıty LLP as a result of the sıze of theır shareholdıng ın Maplın Electronıcs Group (Holdıngs) Lımıted

The Company ıs a subsıdıary undertakıng of Maplın Electronıcs (Holdıngs) Lımıted

The smallest and largest group ın whıch the results of the Company are consolıdated ıs that headed by Maplın Electronıcs Group (Holdıngs) Lımited The consolıdated accounts of thıs Company are avaılable to the publıc from the regıstered office