

Company No 01501059

**DEM Manufacturing Limited**  
(formerly Deltron Emcon Limited)

**Annual report and accounts**

**For the year ended**

**02 July 2010**

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# ***DEM Manufacturing Limited***

## **DIRECTORS**

**Raymond J Sadowski  
Patrick Zammit  
Peter Bielefeld  
David R Birk**

## **SECRETARY**

**Anne Van Der Zwalmen**

## **REGISTERED OFFICE**

**Avnet House  
Rutherford Close  
Meadway  
Stevenage  
Hertfordshire  
SG1 2EF**

# **DEM Manufacturing Limited**

## **Director's Report**

The directors present their annual report on the affairs of the company, together with the financial statements for the period ended 02 July 2010

The Company came out of its dormancy during the year This was due to recapitalisation by the parent company

### **PRINCIPAL ACTIVITY AND BUSIENSS REVIEW**

The company's principal activity of the company was that of the designing, manufacturing and selling of electromechanical products and components On 01 April 2008 the Company discontinued its operations and transferred its trade and assets to its immediate parent undertaking, Alpha3 Manufacturing Limited and since then it was not trading

On 19 January 2009 the Electron House (Overseas) Limited (wholly owned subsidiary of Avnet Inc ) acquired 100% shareholding of the Abacus Group plc (the then ultimate parent undertaking of the Company) Following this acquisition the ultimate parent undertaking of the Company is Avnet Inc In order to bring the Company's financial year in line with its new ultimate parent undertaking, the year end was changed from 30 September to 30 June, therefore, the previous period under review is for 9 months from 01 October 2008 to 30 June 2009

The company has no trading or profit & loss account activities during the year However, long term intercompany balance payable to the immediate parent undertaking has been capitalised during the year There was no other activity during the year

### **DIRECTORS AND THEIR INTERESTS**

Raymond J Sadowski, Peter Bielefeld, David R Birk and Patrick Zammit were appointed as directors on 20 April 2009 None of the directors had any interest in the share capital of the Company as at 02 July 2010 The Directors Interest in shares of the ultimate parent undertaking Avnet Inc is given below

	Beneficial Interest as at 02 July 2010	Share Options outstanding as at 02 July 2010
R J Sadowski	107,956	256,368
D R Birk	50,498	113,194
P Zammit	7,898	41,712
P Bielefeld	11,829	2,690

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 which 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 those 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 accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

## ***DEM Manufacturing Limited*** **Director's Report (continued)**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Raymond Sadowski  
Director

18 October 2010

# ***Independent Auditors Report*** **to the members of DEM Manufacturing Limited**

We have audited the financial statements of DEM Manufacturing Limited for the year ended 02 July 2010 which comprise the Reconciliation of Shareholders Funds, Balance Sheet and the related notes 1 to 7. 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 2, 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 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.

## **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 02 July 2010,
- 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 period for which the financial statements are prepared is consistent with the financial statements.

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

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

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

*Ernst & Young UK*

Kevin Harkin (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

20 October 2010

# DEM Manufacturing Limited

## Annual Accounts for the year ended 02 July 2010

No profit and loss account is presented with these financial statements because the Company has not received income and incurred expenditure during either the year under review or the preceding accounting period

### Reconciliation of shareholders' funds

for the period ended 02 July 2010

	2010 £'000	2009 £'000
Shareholders' deficit at the beginning of the period	(1,406)	(1,406)
Recapitalisation of intercompany payable balance during the year	1,406	
<b>Shareholders' deficit at the end of the year</b>	<b>-</b>	<b>(1,406)</b>

### Balance Sheet

as at 02 July 2010

	Notes	02 July 2010 £000	30 June 2009 £000
<b>Creditors</b> amounts falling due after more than one year	9	-	(1,406)
<b>Net Assets / (liabilities)</b>		<b>-</b>	<b>(1,406)</b>
<b>Capital and reserves</b>			
Called up share capital	10	1,417	11
Share premium account	11	2	2
Profit and loss account	11	(1,419)	(1,419)
<b>Shareholders' funds / (deficit)</b>		<b>-</b>	<b>(1,406)</b>

The accompanying Statement of Significant Accounting Policies and notes are an integral part of the financial statements

The financial statements were approved by the Board of Directors and were signed on its behalf by



Raymond Sadowski  
Director

18 October 2010

# **DEM Manufacturing Limited**

## **Notes to the Accounts (continued)**

02 July 2010

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

### **Basis of accounting**

The accounts have been prepared under the historic cost convention and in accordance with the applicable United Kingdom standards (UK GAAP) and Law.

### **Group financial statements**

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group financial statements and to deliver them to the Registrar of Companies. The financial statements present information about the undertaking as an individual undertaking and not as a group. The Company is included in the consolidated financial statements of Avnet Inc, the Company's ultimate parent undertaking, which is registered in United States of America.

### **Cash flow statement**

The consolidated financial statements of the ultimate parent undertaking include a cash flow statement. The Directors have taken advantage of the exemption in Financial Reporting Standard 1 (revised) and have not presented a cash flow statement for the Company.

### **Interest bearing loan and borrowings**

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance income and finance expense.

### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### **Turnover**

Turnover represents sales, less returns, to external customers excluding value added tax. Transactions are recorded as sales when the delivery of products or performance of services takes place in accordance with the contractual terms of sale.

# DEM Manufacturing Limited

## Notes to the Accounts (continued)

02 July 2010

### 1 Accounting Policy

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policy adopted is described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

### 2 Profit and loss account

No profit and loss account is presented with these financial statements because the Company has not received income and incurred expenditure during either the year under review or the preceding period.

### 3 Related party transactions

Financial Reporting Standard 8 exempts the Company from disclosing details of related party transactions with other group companies as it is a wholly owned subsidiary and as the accounts of the ultimate parent undertaking are available to the public. The cost of the annual return fee was borne by the Company's parent company without any right of reimbursement.

### 4 Creditors amounts falling due after more than one year

	2010 £000	2009 £000
Amounts owed to group undertakings	-	1,406
	-	1,406

### 5 Called up share capital

	2010 £000	2009 £000
<b>Authorised</b>		
250,000 Ordinary shares of £1 each	250	250
<b>Allotted, called up and fully paid</b>		
21,245 Ordinary shares of £1 each	11	11
<b>New shares issued during the year</b>		
1,406,423 ordinary shares at £1 each	1,406	-
<b>Allotted, called up and fully paid at the end of the year</b>	1,417	11

Long term intercompany balance payable to the immediate parent undertaking has been capitalised during the year.



# DEM Manufacturing Limited

## Notes to the Accounts (continued)

02 July 2010

### 6 Reserves and reconciliation of movements in shareholder's funds

	Non-distributable		Distributable		
	Share capital	Share premium account	Profit and loss account	Total 2010	Total 2009
	£000	£000	£000	£000	£000
Opening shareholder's deficit	11	2	(1,419)	(1,406)	(1,406)
Movement of share holders funds during the year	1,406	-	-	1,406	
Closing shareholder's deficit	1,417	2	(1,419)	-	(1,406)

### 7 Ultimate holding undertaking and controlling party

Prior to the acquisition of Abacus Group plc by Avnet Inc, the smallest and largest group for which consolidated financial statements were prepared was the then Company's parent undertaking, Abacus Group plc. Copies of the group financial statements of Abacus Group plc are available from the Secretary, Avnet House, Rutherford Close, Meadway, Stevenage, SG1 2EF.

Subsequent to the acquisition the smallest and the largest group for which consolidated financial statements are prepared is the ultimate parent undertaking Avnet Inc. Copies of the Avnet's group financial statements are available online ([www.avnet.com](http://www.avnet.com)).