

ELECTROCOMPONENTS OVERSEAS LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

Registered Number: 2397713



Directors' Report

The Directors present their report and the audited accounts for the year ended 31 March 2019. This report has been prepared in accordance with the special provisions related to small companies within Part 15 of the Companies Act 2006.

Principal activity

Electrocomponents Overseas Limited (the Company) is a holding company of certain companies in the Electrocomponents Group.

Business review and dividends

The Company received income from shares in group undertakings of £109,556 in the year (2018: £nil). The Company has net assets of £672,940 (2018: £563,384). No dividends were paid during the year (2018: £nil). The Directors propose a final dividend of £400,000 (2018: £nil).

Directors

The Directors who held office during the year were as follows:

I P Haslegrave

V E Gough

Directors' and Officers' liability insurance

In accordance with the Company's Articles of Association, the Company entered into a deed in 2007 to indemnify the Directors and Officers (from time to time) of the Company to the extent permitted by law. A copy of this indemnity (which remains in force as of the date on which this report was approved) is available at the registered office of the Company. The Company purchased and maintained Directors' and Officers' liability insurance throughout 2018, which was renewed for 2019. Neither the indemnity nor insurance provides cover in the event that a Director or Officer is proved to have acted fraudulently.

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 aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' responsibilities in respect of the accounts

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have prepared the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the accounts;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006.

The Directors 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:



V E Gough

Director

18 September 2019

Independent auditors' report to the members of Electrocomponents Overseas Limited

Report on the audit of the accounts

Opinion

In our opinion, Electrocomponents Overseas Limited's accounts (the financial statements):

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the accounts set out on page 1, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Christopher Taylor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 September 2019

ELECTROCOMPONENTS OVERSEAS LIMITED

Statement of Income and Retained Earnings for the year ended 31 March 2019

	Note	2019 £	2018 £
Income from shares in group undertakings		109,556	-
Profit before taxation		109,556	-
Tax on profit	6	-	-
Profit and total comprehensive income for the year		109,556	-
Profit and loss account at the beginning of the year		563,382	563,382
Profit and loss account at the end of the year		672,938	563,382

The notes on pages 6 to 7 are an integral part of these accounts.

ELECTROCOMPONENTS OVERSEAS LIMITED

Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	7	<u>231,558</u>	<u>231,558</u>
Current assets			
Called-up share capital not paid		2	2
Debtors: amounts falling due within one year	8	<u>609,514</u>	<u>499,958</u>
Total current assets		<u>609,516</u>	<u>499,960</u>
Creditors: amounts falling due within one year	9	<u>(168,134)</u>	<u>(168,134)</u>
Net current assets		<u>441,382</u>	<u>331,826</u>
Total assets less current liabilities		<u>672,940</u>	<u>563,384</u>
Net assets		<u>672,940</u>	<u>563,384</u>
Capital and reserves			
Share capital	10	2	2
Profit and loss account		<u>672,938</u>	<u>563,382</u>
Total equity		<u>672,940</u>	<u>563,384</u>

The notes on pages 6 to 7 are an integral part of these accounts.

These accounts on pages 4 to 7 were approved by the Board of Directors on 18 September 2019 and signed on its behalf by:



V E Gough
Director
Company number: 2397713

Notes to the accounts

1. General Information

The Company is a wholly-owned subsidiary of Electrocomponents plc. The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Fifth Floor, Two Pancras Square, London N1C 4AG, UK.

2. Statement of compliance

These separate accounts of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006, and are presented in sterling.

As the only changes in equity arise from profit, the Company has presented a single statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these accounts are set out below and have been consistently applied unless otherwise stated.

a) Basis of preparation

These accounts are prepared on a going concern basis, under the historical cost convention.

The preparation of accounts under FRS 102 requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant that are included in these accounts.

Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following disclosure exemptions available under FRS 102:

- preparation of a cash flow statement
- financial instrument disclosures
- key management personnel compensation disclosure

b) Foreign currencies

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in profit or loss.

c) Investments

Investments are held at cost less any accumulated impairment losses.

At each balance sheet date the investments are assessed for any indication of impairment. If there is such an indication the recoverable amount of the investment is compared to its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the continued trading of the relevant subsidiary or joint venture. The cash flows are discounted at the Group's pre-tax weighted average cost of capital adjusted for the estimated tax cash flows and risk applicable for the investment.

If the recoverable amount is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognised in profit or loss. If an impairment loss is subsequently reversed, the carrying amount of the investment is increased to the revised estimate of its recoverable amount to the extent that it does not exceed the carrying amount that would have been determined excluding any previous impairment losses. This reversal is recognised in profit or loss.

d) Basic financial instruments

Debtors are initially recognised at transaction price and then subsequently at amortised cost less any provision for impairment.

Creditors are initially recognised at transaction price and then subsequently at amortised cost.

4. Auditors' remuneration

The fees payable to the Company's auditors for the audit of the accounts were £400 (2018: £400) and were borne by the ultimate parent company (Note 13) and not recharged to the Company.

Notes to the accounts (continued)

5. Employees and directors

The Company did not employ any staff during the year (2018: none). The Directors received no (2018: £nil) emoluments for their qualifying services to the Company. They predominantly perform services for the ultimate parent company and are remunerated by the ultimate parent company (Note 13).

6. Tax on profit

The tax assessed for the year is the lower (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit before taxation	<u>109,556</u>	<u>-</u>
Corporation tax charge at 19% (2018: 19%)	20,816	-
Effects of:		
Non-taxable income	<u>(20,816)</u>	<u>-</u>
Tax for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax

In October 2015 and September 2016 the UK government enacted changes in the UK corporation tax rate which change it from 19% to 17% effective from 1 April 2020.

7. Investments

	2019 £
Cost and net book value at 1 April 2018 and 31 March 2019	<u>231,558</u>

The Company owns 3.67% of the ordinary share capital of RS Components Srl, an Electrocomponents Group company incorporated in Italy whose registered address is Viale M. De Vizzi 93/95, Cinisello Balsamo, (MI) CAP 20092, Milan, Italy.

The Company also owned 0.001% of the ordinary share capital of RS Components Distribuição de Produtos Eletrônicos e de Manutenção Ltda, an Electrocomponents Group company incorporated in Brazil whose registered address was Av. Brigadeiro Faria Lima, 3477 – 16º andar – Itaim Bibi, São Paulo – SP, CEP 04538-133, Brazil. This company was dissolved on 31 October 2018.

8. Debtors: amounts falling due within one year

Amounts falling due within one year are comprised of amounts owed by immediate parent company and are interest free and repayable on demand.

9. Creditors: amounts falling due within one year

Amounts falling due within one year are comprised of amounts owed to ultimate parent company and are unsecured, interest free and repayable on demand.

10. Share capital

	Number	£
Issued ordinary shares of £1.00 each		
At 1 April 2018 and 31 March 2019	<u>2</u>	<u>2</u>

11. Dividends

The Directors recommend the payment of a final ordinary dividend of £400,000 for the year ended 31 March 2019 (2018: £nil).

12. Related party transactions and balances

There were no related party transactions during the year other than between the Company and other wholly-owned Electrocomponents Group companies.

13. Controlling parties

The immediate parent company is Electrocomponents U.K. Limited.

The ultimate parent company and the smallest and largest group to consolidate these accounts is Electrocomponents plc. Copies of the Electrocomponents plc Annual Report and Accounts are available to the public and may be obtained from Fifth Floor, Two Pancras Square, London N1C 4AG, UK.