

Company Registration No. 2664347

EAF (UK) Limited

Report and Financial Statements

31 March 2007

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EAF (UK) Limited

Report and financial statements 2007

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EAF (UK) Limited

Report and financial statements 2007

Officers and professional advisers

Directors

J King

R Hall

G J Burley

N Davies (Resigned 30th April 2007)

C Dinsmore (Appointed 1st November 2007)

Secretary

N Davies (Resigned 30th April 2007)

C Dinsmore (Appointed 1st May 2007)

Registered Office

12 Ashville Way

Wokingham

Berkshire

RG41 2PL

Auditors

Ernst & Young LLP

London

EAF (UK) Limited

Directors' report & business review

The directors present their report and financial statements for the year ended 31 March 2007

Results and dividends

The profit for the year was £797,000

Dividends in the year amounted to £900,000 (2006 £1,750,000)

Principal activity and review of the business

The company is a wholly owed subsidiary of Acal Plc and operates as part of the groups IT Parts services division

The company's principal activities continue to be the sale and exchange of spare parts for premium branded personal computers and printers. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year

As is shown in the company's profit & loss account on page 8, the company's turnover increased 6.9% year on year

The balance sheet on page 9 of the financial statements reflects the company's year of consolidation in both net assets and cash. The activity with other group companies has not been disclosed, as permitted by the exception in FRS8

There were no significant post balance sheet events

Principal risks & uncertainties

Competitive pressures and market forces continue to produce risks for both customers and the company. By monitoring and reviewing the changing needs of the market and customers, the company considers it is suitably placed to react to these in a timely manner

Other than GBP, the company trades predominantly in the Euro and US\$. The net currency exposure is managed by the use of recognised foreign currency business tools

Future developments affecting the business

There are no significant developments known at this time that would materially affect the business

Environment

Compliance with relevant environmental legislation is reviewed regularly by the directors and actions taken to ensure that processes are in place to accommodate changes into the day to day operations of the company

Employees

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 12

EAF (UK) Limited

Directors' report & business review

Directors

The directors who held office during the year were as follows

J King

R Hall

G J Burley

N Davies (resigned 30th April 2007)

EAF (UK) Limited

Directors' report & business review

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



C Dinsmore
Secretary

30-JANUARY- 2008

EAF (UK) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group] 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
- 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 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of EAF (UK) Limited

We have audited the company's financial statements for the year ended 31 March 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 20. These financial statements have been prepared on the basis of 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 auditors' 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 Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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, are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Directors' Report is consistent with the financial statements.

We also 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 judgements 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.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 March 2007 and of its profit for the year 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



Ernst & Young LLP

Registered Auditor

London

31 January 2008

EAF (UK) Limited

Profit and loss account Year ended 31 March 2007

	Note	2007 £'000	2006 £'000
Turnover	2	18,295	17,113
Cost of sales		(13,223)	(12,404)
Gross profit		5,072	4,709
Distribution costs		(2,368)	(1,936)
Administrative expenses		(1,535)	(1,444)
Operating profit	3	1,169	1,329
Interest payable and similar charges	6	(26)	(8)
Profit on ordinary activities before taxation		1,143	1,321
Tax on profit on ordinary activities	7	(346)	(394)
Profit for the year		797	927

There are no gains or losses in the year or the preceding year other than the profit for the year

Turnover and operating profit both derive from continuing activities

EAF (UK) Limited

Balance sheet As at 31 March 2007

	Note	£'000	2007 £'000	£'000	2006 £'000
Fixed assets					
Tangible assets	9		301		421
Investments	10		-		-
Current assets					
Stocks	11	1,829		1,648	
Debtors	12	3,261		3,521	
Cash at bank and in hand		344		431	
		<u>5,434</u>		<u>5,600</u>	
Creditors: amounts falling due within one year	13	<u>(3,600)</u>		<u>(3,783)</u>	
Net current assets			<u>1,834</u>		<u>1,817</u>
Total assets less current liabilities			<u>2,135</u>		<u>2,238</u>
Capital and reserves					
Called up share capital	14		1,500		1,500
Profit and loss account	15		635		738
Equity shareholders' funds	17		<u>2,135</u>		<u>2,238</u>

These financial statements were approved by the Board of Directors on 30TH JANUARY 2008

Signed on behalf of the Board of Directors



Craig Dinsmore

Director

EAF (UK) Limited

Notes to the financial statements **Year ended 31 March 2007**

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

Under S228 of the Companies Act 1985 the company is exempt from the requirement to prepare consolidated accounts as the company is a wholly owned subsidiary of an EEA parent. The company is also exempt from the requirement of FRS1 to present a cash flow statement as the parent's consolidated financial statements are publicly available

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Leasehold land and buildings	-	straight line over remaining lease period
Computer software and equipment	-	straight line over 3-4 years
Fixtures, fittings and equipment	-	straight line over 3-10 years
Motor vehicles	-	straight line over 4 years

The carrying values of tangible fixed assets are revalued for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Stocks

Stocks are stated at the lower of average cost and net realisable value

Taxation

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 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 the amounts (excluding value added tax) derived from the provision of goods and services to customers

Pensions

The amounts charged to the profit and loss account represents employer contributions to defined contribution pension schemes in respect of the accounting period

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis

Investments

Fixed asset investments are shown at cost less provision for impairment

EAF (UK) Limited

Notes to the financial statements Year ended 31 March 2007

2 Analysis of turnover

	2007 £'000	2006 £'000
By geographical market		
United Kingdom	14,475	13,404
Europe	3,675	3,432
Rest of the world	145	277
	<u>18,295</u>	<u>17,113</u>

3. Operating profit

	2007 £'000	2006 £'000
Operating profit is stated after charging:		
Auditors' remuneration		
Audit	16	16
Other services	2	6
Depreciation and other amounts written off tangible fixed assets		
Owned	162	166
Rentals under operating leases		
Hire of plant and machinery	3	7
Other operating leases	265	240
	<u>265</u>	<u>240</u>

4 Remuneration of directors

	2007 £'000	2006 £'000
Directors' emoluments		
As directors	376	374
Pensions – contribution to defined contribution scheme	19	19
	<u>395</u>	<u>393</u>

Four directors (2006 Four) accrued benefits under this scheme in the year

The emoluments of the highest paid director were £110,000 (2006 £111,000) Pension contributions in respect of this director were £6,518 (2006 £6,304)

EAF (UK) Limited

Notes to the financial statements Year ended 31 March 2007

5. Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2007	2006
Administration and management	15	14
Selling and distribution	55	53
Engineers and technical staff	22	23
	<u>92</u>	<u>90</u>

The aggregate payroll costs of these persons were as follows

	2007	2006
	£'000	£'000
Wages and salaries	2,590	2,458
Social security costs	266	255
Pension contributions	75	70
	<u>2,931</u>	<u>2,783</u>

6. Interest payable and similar charges

	2007	2006
	£'000	£'000
On bank loans and overdrafts	<u>(26)</u>	<u>(8)</u>

EAF (UK) Limited

Notes to the financial statements Year ended 31 March 2007

7 Taxation

(a) Analysis of tax charge

	2007 £'000	2006 £'000
Current Tax		
UK corporation tax at 30% (2006 30%) based on the profit for the period		
Current year	346	396
Prior year	-	(2)
Current tax charge for the year	346	394
Deferred tax (note 13)		
Origination and reversal of timing differences	-	-
Adjustment to the estimated recoverable amounts of deferred tax assets arising in prior periods	-	-
Adjustment in respect of prior years	-	-
	346	394

(b) Factors affecting current tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%) The differences are

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	1,143	1,321
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30 % (2006 30%)	343	396
Effect of		
Expenses not deductible for tax purposes	3	8
Capital allowances in (excess) / arrears of depreciation	(3)	(12)
Timing differences on provisions	3	4
Adjustments to tax charge in respect of previous periods	-	(2)
Current tax charge for year	346	394

EAF (UK) Limited

Notes to the financial statements Year ended 31 March 2007

8. Dividends

	2007 £'000	2006 £'000
Interim paid –	900	1,750

9. Tangible fixed assets

	Leashold land and buildings £000's	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Computer software and equipment £'000	Total £'000
Cost					
At 1 April 2006	598	346	132	517	1,593
Additions	-	4	10	29	43
Disposals	-	-	(9)	-	(9)
At 31 March 2007	598	350	133	546	1,627
Depreciation					
At 1 April 2006	383	327	66	396	1,172
Charge for year	57	9	29	67	162
On disposals	-	-	(8)	-	(8)
At 31 March 2007	440	336	87	463	1,326
Net book value					
At 31 March 2007	158	14	46	83	301
At 31 March 2006	215	19	66	121	421

10 Fixed asset investments

	£
Cost and net book value	
At 1 April 2006 and 31 March 2007	0

The company's investment at the balance sheet date in the share capital of unlisted companies include the following

	Country of incorporation	Nature of business	Class of shares	% Holding
EAF Ecotec Limited	England	Non-trading	Ordinary	100

EAF (UK) Limited

Notes to the financial statements Year ended 31 March 2007

11. Stocks

	2007 £'000	2006 £'000
Finished goods and goods for resale	1,829	1,648

There was no significant difference between the carrying value of the stock and its replacement cost

12. Debtors

	2007 £'000	2006 £'000
Trade debtors	2,983	2,349
Amounts owed by group undertakings	49	1,020
Deferred tax assets	28	28
Other debtors	8	2
Prepayments and accrued income	193	122
	<u>3,261</u>	<u>3,521</u>

The deferred tax asset represents

	2007 £'000	2006 £'000
Decelerated capital allowances	21	18
Timing differences on provisions	7	10
Capital losses carried forward	-	-
	<u>28</u>	<u>28</u>
Deferred tax asset at start of year	28	28
Deferred tax credit for year (note 8)	-	-
Deferred tax asset at end of year	<u>28</u>	<u>28</u>

A deferred tax asset of £0 (2005 £4,115) in respect of capital losses has not been recognised in these financial statements as the directors do not consider that it is more likely than not suitable chargeable gains will arise from which the underlying timing difference could be deducted

EAF (UK) Limited

Notes to the financial statements Year ended 31 March 2007

13. Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Trade creditors	2,660	2,753
Amounts owed to group undertakings	52	14
Corporation tax	139	205
Other taxes and social security	175	177
Other creditors	12	11
Accruals and deferred income	562	623
	<u>3,600</u>	<u>3,783</u>

14 Share capital

	2007 £'000	2006 £'000
Authorised		
1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
Called up, allotted and fully paid:		
1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

15. Reserves

	Profit and loss account £'000
At 1 April 2006	738
Profit for the year	797
Dividends Paid	<u>(900)</u>
Retained Profit	<u>635</u>

EAF (UK) Limited

Notes to the financial statements Year ended 31 March 2007

16. Commitments

	2007			2006	
	Land and buildings £'000	Plant and Machinery £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire					
Due within one year	252	1			
Due after one year but not more than five years	1,008			-	9
Due after five years	756		-	240	-
	<u>2,016</u>	<u>1</u>	<u>0</u>	<u>240</u>	<u>9</u>

17. Reconciliation of movements in equity shareholders' funds

	2007 £'000	2006 £'000
Attributable profit for the financial year	797	927
Equity dividends paid	(900)	(1,750)
Movement for the period	(103)	(823)
Equity shareholders' funds brought forward	<u>2,238</u>	<u>3,061</u>
Equity shareholders' funds carried forward	<u>2,135</u>	<u>2,238</u>

18. Pension

The Company makes payments to the Acal Group Employee Pension Scheme, a defined contribution pension scheme, the assets of which are held separately in an independently administered fund

19. Ultimate parent company

The company is a subsidiary undertaking of EAF Group Holding BV incorporated in the Netherlands

The smallest and largest group in which the results of the company are consolidated and which are publicly available is that headed by Acal plc. Acal plc is the ultimate parent and controlling party

The consolidated financial statements of Acal plc are available to the public and may be obtained from Acal plc, 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, GU2 7AH

20. Related party transactions

Transactions with other group companies have not been disclosed as permitted by the exemption in FRS 8