

Registered number  
03495816

**NIC Components Europe Limited**  
**Report of the Directors and Financial Statements for the year ended**  
**31 December 2014**



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**NIC Components Europe Limited**  
**Registered number: 03495816**  
**Directors' Report**

The directors present their report and financial statements for the year ended 31 December 2014.

**Dividends**

The directors recommend no final dividend for the year.

**Directors**

The following persons served as directors during the year:

|                |                               |
|----------------|-------------------------------|
| Mr G Tarpinian | (Appointed 4th November 2014) |
| Mr P Brown     | (Resigned 31st December 2014) |
| Mr P Kong      | (Resigned 31st March 2014)    |
| Mr P Reilly    |                               |

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Third party indemnity provisions**

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force under parent group policies of respective directors during the course of the financial year for the benefit of the then directors.

This report was approved by the board on 28/5/15 and signed on its behalf.



Mr G Tarpinian  
Director

**NIC Components Europe Limited**  
**Registered number: 03495816**  
**Strategic Report**

**Principal activities**

The company's principal activity during the period continued to be the sale of electronic components. The company continues to serve the market as required by the parent company.

**Review of the business**

Turnover has increased by 14.5% during the year.

Profit before taxation has decreased to \$200,578 from \$350,271 in the December 2014 period. The change in company profitability is largely due to changes in the foreign currency rates between the US Dollar, Euro and Sterling.

The company is in a good position to take advantage of any opportunities which may arise in the future.

**Future developments**

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years.

**Business risk**

The key business risks and uncertainties affecting the company are considered to relate to competition, suppliers, the economic environment, exchange rates, staff retention and the improvement of IT systems. The Directors manage these risks at Arrow Electronics board level in conjunction with UK Senior Management.

**Key performance indicators**

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 28/5/15 and signed on its behalf.



Mr G Tarpinian  
Director

## **NIC Components Europe Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and 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 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). 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;
- 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 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.

**NIC Components Europe Limited**  
**Registered number: 03495816**  
**Independent auditors' report**  
**to the shareholders of NIC Components Europe Limited**

We have audited the financial statements of NIC Components Europe Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 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**

As explained more fully in the Statement of Directors' Responsibilities, 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 Ethical Standards for Auditors.

**Scope of the audit**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- 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 matters 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.

**NIC Components Europe Limited**  
**Registered number: 03495816**  
**Independent auditors' report**  
**to the shareholders of NIC Components Europe Limited**

**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.



Timothy Shaw ACA  
(Senior Statutory Auditor)  
for and on behalf of  
Clark Howes Auditing Solutions Limited  
Chartered Accountants and Statutory Auditors

25<sup>th</sup> Sept 2015

2 Minton Place  
Victoria Road  
Bicester  
Oxfordshire  
OX26 6QB

**NIC Components Europe Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2014**

|  | Notes | 2014<br>\$       | 2013<br>\$       |
|--|-------|------------------|------------------|
| Turnover   | 2     | 5,926,631        | 5,177,256        |
| Cost of sales  |       | (4,383,925)      | (3,693,857)      |
| <b>Gross profit</b>                                  |       | <u>1,542,706</u> | <u>1,483,399</u> |
| Distribution costs                                   |       | (9,664)          | (8,932)          |
| Administrative expenses                              |       | (1,337,443)      | (1,129,763)      |
| <b>Operating profit</b>                              | 3     | 195,599          | 344,704          |
| Interest receivable                                  |       | 4,979            | 5,567            |
| <b>Profit on ordinary activities before taxation</b> |       | <u>200,578</u>   | <u>350,271</u>   |
| Tax on profit on ordinary activities                 | 5     | (49,256)         | (84,754)         |
| <b>Profit for the financial year</b>                 |       | <u>151,322</u>   | <u>265,517</u>   |

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial periods.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above two financial periods.

**NIC Components Europe Limited**  
**Balance Sheet**  
**Registered number: 03495816**  
**as at 31 December 2014**

|   | Notes | 2014<br>\$       | 2013<br>\$       |
|---|-------|------------------|------------------|
| <b>Fixed assets</b>                                   |       |                  |                  |
| Tangible assets                                       | 6     | 6,647            | 12,038           |
| <b>Current assets</b>                                 |       |                  |                  |
| Stocks  | 7     | 857,623          | 730,737          |
| Debtors   | 8 10  | 716,190          | 752,282          |
| Cash at bank and in hand                              |       | 2,745,999        | 2,393,149        |
|   |       | 4,319,812        | 3,876,168        |
| <b>Creditors: amounts falling due within one year</b> | 9     | (1,770,014)      | (1,483,083)      |
| <b>Net current assets</b>                             |       | 2,549,798        | 2,393,085        |
| <b>Net assets</b>                                     |       | <u>2,556,445</u> | <u>2,405,123</u> |
| <b>Capital and reserves</b>                           |       |                  |                  |
| Called up share capital                               | 11    | 1,633            | 1,633            |
| Profit and loss account                               | 13    | 2,554,812        | 2,403,490        |
| <b>Shareholders' funds</b>                            | 14    | <u>2,556,445</u> | <u>2,405,123</u> |



Mr G Tarpinian  
 Director

Approved by the board on 28/09/15



**NIC Components Europe Limited**  
**Cash Flow Statement**  
**for the year ended 31 December 2014**

|  | Notes | 2014<br>\$       | 2013<br>\$       |
|--|-------|------------------|------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                  |                  |
| Operating profit   |       | 195,599          | 344,704          |
| Depreciation and amortisation  |       | 6,501            | 6,720            |
| (Increase)/decrease in stocks  |       | (126,886)        | 47,291           |
| Decrease/(increase) in debtors   |       | 34,138           | (116,371)        |
| Increase in creditors  |       | 324,053          | 515,924          |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>433,405</u>   | <u>798,268</u>   |
| <b>CASH FLOW STATEMENT</b>   |       |                  |                  |
| <b>Net cash inflow from operating activities</b>                                       |       | 433,405          | 798,268          |
| <b>Returns on investments and servicing of finance</b>                                 | 15    | 4,979            | 5,567            |
| <b>Taxation</b>  |       | (84,424)         | (91,530)         |
| <b>Capital expenditure</b>   | 15    | <u>(1,110)</u>   | <u>(972)</u>     |
|  |       | 352,850          | 711,333          |
| <b>Increase in cash</b>  |       | <u>352,850</u>   | <u>711,333</u>   |
| <b>Reconciliation of net cash flow to movement in net debt</b>                         |       |                  |                  |
| <b>Increase in cash in the period</b>  |       | 352,850          | 711,333          |
| <b>Change in net debt</b>  | 16    | <u>352,850</u>   | <u>711,333</u>   |
| <b>Net funds at 1 January</b>  |       | <u>2,393,149</u> | <u>1,681,816</u> |
| <b>Net funds at 31 December</b>  |       | <u>2,745,999</u> | <u>2,393,149</u> |

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

**1 Accounting policies**

***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

***Functional currency***

The functional currency of the company is the US Dollar.

The sterling exchange rate at the balance sheet date was 1.5559 USD:GBP, for the comparative balance sheet date the rate was 1.6511 (USD:GBP).

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Turnover is recognised when the goods are physically delivered to the customer and when services are provided.

***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

|                              |                        |
|------------------------------|------------------------|
| Leasehold land and buildings | 10% straight line      |
| Plant and machinery          | 15 - 33% straight line |

***Stocks***

Stock is valued at the lower cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes any expenditure incurred in bringing the stock to its present location and condition. Where consignment stock is in substance an asset of the company, it is recognised as such on the balance sheet.

***Creditors policy***

The company policy is to pay creditors within their credit period, where considered reasonable. Once agreed, it is the company's policy to adhere to the terms of payment.

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes.

Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**2 Turnover**

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Turnover is attributable to one continuing activity, being the sale of electronic components.

|                         | <b>2014</b>      | <b>2013</b>      |
|-------------------------|------------------|------------------|
|                         | \$               | \$               |
| By geographical market: |                  |                  |
| Within the EC           | 5,762,197        | 5,029,328        |
| Outside the EC          | 164,434          | 147,928          |
|                         | <u>5,926,631</u> | <u>5,177,256</u> |

**3 Operating profit**

|   | <b>2014</b>   | <b>2013</b>     |
|---|---------------|-----------------|
|   | \$            | \$              |
| This is stated after charging:                |               |                 |
| Depreciation of owned fixed assets            | 6,501         | 6,720           |
| Operating lease rentals - plant and machinery | 2,314         | 2,026           |
| Operating lease rentals - land buildings      | 59,994        | 57,789          |
| Auditors' remuneration for audit services     | 10,591        | 10,182          |
| Foreign exchange loss / (gain)                | <u>70,880</u> | <u>(24,151)</u> |

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

| <b>4 Staff costs</b>                                   | <b>2014</b>       | <b>2013</b>       |
|--|-------------------|-------------------|
|  | <b>\$</b>         | <b>\$</b>         |
| Wages and salaries                                     | 829,168           | 760,020           |
| Social security costs                                  | 94,092            | 92,436            |
| Other pension costs                                    | 39,096            | 34,098            |
|  | <u>962,356</u>    | <u>886,554</u>    |
| <br><b>Average number of employees during the year</b> | <br><b>Number</b> | <br><b>Number</b> |
| Administration   | 3                 | 3                 |
| Distribution   | 2                 | 2                 |
| Marketing  | 6                 | 6                 |
|  | <u>11</u>         | <u>11</u>         |

The Directors of the Company are employees of the Parent company and therefore no remuneration is paid to the Directors from the UK Company.

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

| <b>5 Taxation</b>                              | <b>2014</b>   | <b>2013</b>   |
|--|---------------|---------------|
|  | <b>\$</b>     | <b>\$</b>     |
| <b>Analysis of charge in period</b>            |               |               |
| Current tax:                                   |               |               |
| UK corporation tax on profits of the period    | 47,302        | 82,190        |
| Adjustments in respect of previous periods     | -             | 1,060         |
|  | <u>47,302</u> | <u>83,250</u> |
| Deferred tax:                                  |               |               |
| Origination and reversal of timing differences | 1,954         | 1,504         |
|  | <u>49,256</u> | <u>84,754</u> |
| Tax on profit on ordinary activities           |               |               |

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

|  |                |                |
|--|----------------|----------------|
|  | <b>2014</b>    | <b>2013</b>    |
|  | <b>\$</b>      | <b>\$</b>      |
| Profit on ordinary activities before tax   | <u>200,578</u> | <u>350,271</u> |
| Standard rate of corporation tax in the UK                                       | 21.50%         | 23.25%         |
|  | <b>\$</b>      | <b>\$</b>      |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 43,124         | 81,438         |
| Effects of:  |                |                |
| Expenses not deductible for tax purposes   | 401            | 504            |
| Capital allowances for period in excess of depreciation                          | (504)          | (763)          |
| Effects of foreign exchange  | 4,281          | 3,750          |
| Surrender of losses from group member  | -              | (2,739)        |
| Adjustments to tax charge in respect of previous periods                         | -              | 1,060          |
| Current tax charge for period  | <u>47,302</u>  | <u>83,250</u>  |

**Factors that may affect future tax charges**

The main rate of UK corporation tax will decrease from 21% to 20% from April 2015. This reduction will affect both the future current and deferred tax charge of the Company.

At the balance sheet date of 31 December 2014, the tax changes announced in the Budget were 'substantively enacted' and as such, in accordance with accounting standards, the changes have been reflected in the deferred tax calculation in the Company's financial statements as at 31 December 2014.

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

**6 Tangible fixed assets**

|                       | Short<br>leasehold<br>land and<br>buildings<br>\$ | Plant,<br>machinery<br>and office<br>equipment<br>\$ | Total<br>\$ |
|-----------------------|---|--|-------------|
| <b>Cost</b>           |   |  |             |
| At 1 January 2014     | 17,096  | 237,856  | 254,952     |
| Additions             | -   | 1,110  | 1,110       |
| At 31 December 2014   | 17,096  | 238,966  | 256,062     |
| <b>Depreciation</b>   |   |  |             |
| At 1 January 2014     | 10,719  | 232,195  | 242,914     |
| Charge for the year   | 2,136   | 4,365  | 6,501       |
| At 31 December 2014   | 12,855  | 236,560  | 249,415     |
| <b>Net book value</b> |   |  |             |
| At 31 December 2014   | 4,241   | 2,406  | 6,647       |
| At 31 December 2013   | 6,377   | 5,661  | 12,038      |

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| <b>7 Stocks</b>                     | <b>2014</b> | <b>2013</b> |
|                                     | \$          | \$          |
| Finished goods and goods for resale | 857,623     | 730,737     |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

|   |             |             |
|---|-------------|-------------|
| <b>8 Debtors</b>  | <b>2014</b> | <b>2013</b> |
|   | \$          | \$          |
| Trade debtors   | 564,697     | 610,289     |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 16,154      | 20,476      |
| Deferred tax asset  | 6,833       | 8,787       |
| VAT & other taxes and social security costs   | 93,374      | 84,151      |
| Prepayments and accrued income  | 35,132      | 28,579      |
|   | 716,190     | 752,282     |

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

| <b>9 Creditors: amounts falling due within one year</b>   | <b>2014</b>      | <b>2013</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| Trade creditors   | 210,219          | 255,257          |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 1,429,254        | 1,004,357        |
| Corporation tax   | 1,287            | 38,409           |
| Other taxes and social security costs   | 26,173           | 25,795           |
| Accruals and deferred income  | 26,981           | 43,576           |
| Accrued pension   | 4,047            | 4,127            |
| Other creditors   | 72,053           | 111,562          |
|   | <u>1,770,014</u> | <u>1,483,083</u> |

| <b>10 Deferred taxation</b>             | <b>2014</b>    | <b>2013</b>    |
|---|----------------|----------------|
|   | <b>\$</b>      | <b>\$</b>      |
| Accelerated capital allowances          | (6,250)        | (8,183)        |
| Salary & pension timing differences     | (583)          | (604)          |
| Undiscounted provision for deferred tax | <u>(6,833)</u> | <u>(8,787)</u> |

|  | <b>2014</b>    | <b>2013</b>    |
|--|----------------|----------------|
|  | <b>\$</b>      | <b>\$</b>      |
| At 1 January                                   | (8,787)        | (10,291)       |
| Deferred tax charge in profit and loss account | 1,954          | 1,504          |
| At 31 December                                 | <u>(6,833)</u> | <u>(8,787)</u> |

| <b>11 Share capital</b>             | <b>Nominal value</b> | <b>2014 Number</b> | <b>2014</b>  | <b>2013</b>  |
|-------------------------------------|----------------------|--------------------|--------------|--------------|
|                                     |                      |                    | <b>\$</b>    | <b>\$</b>    |
| Allotted, called up and fully paid: |                      |                    |              |              |
| Ordinary shares                     | £1 each              | 1,000              | <u>1,633</u> | <u>1,633</u> |

| <b>12 Share capital in local currency</b>        | <b>2014</b>  | <b>2013</b>  |
|--|--------------|--------------|
|  | <b>£</b>     | <b>£</b>     |
| Nominal value of issued shares in local currency | 1,000        | 1,000        |
|  | <u>1,000</u> | <u>1,000</u> |

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

**13 Profit and loss account**

|                               | <b>2014</b>      |
|-------------------------------|------------------|
|                               | <b>\$</b>        |
| At 1 January 2014             | 2,403,490        |
| Profit for the financial year | 151,322          |
| At 31 December 2014           | <u>2,554,812</u> |

**14 Reconciliation of movement in shareholders' funds**

|                               | <b>2014</b>      | <b>2013</b>      |
|-------------------------------|------------------|------------------|
|                               | <b>\$</b>        | <b>\$</b>        |
| At 1 January                  | 2,405,123        | 2,139,606        |
| Profit for the financial year | 151,322          | 265,517          |
| At 31 December                | <u>2,556,445</u> | <u>2,405,123</u> |

**15 Gross cash flows**

|  | <b>2014</b>    | <b>2013</b>  |
|--|----------------|--------------|
|  | <b>\$</b>      | <b>\$</b>    |
| <b>Returns on investments and servicing of finance</b> |                |              |
| Interest received                                      | <u>4,979</u>   | <u>5,567</u> |
| <b>Capital expenditure</b>                             |                |              |
| Payments to acquire tangible fixed assets              | <u>(1,110)</u> | <u>(972)</u> |

**16 Analysis of changes in net debt**

|                          | <b>At 1 Jan 2014</b> | <b>Cash flows</b> | <b>Non-cash changes</b> | <b>At 31 Dec 2014</b> |
|--------------------------|----------------------|-------------------|-------------------------|-----------------------|
|                          | <b>\$</b>            | <b>\$</b>         | <b>\$</b>               | <b>\$</b>             |
| Cash at bank and in hand | 2,393,149            | 352,850           | -                       | 2,745,999             |
| Total                    | <u>2,393,149</u>     | <u>352,850</u>    | <u>-</u>                | <u>2,745,999</u>      |

**17 Pension commitments**

Included in creditors are pension commitments totalling \$4,047, (2013: \$4,127).



**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

**18 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

|  | Land and<br>buildings<br>2014<br>\$ | Land and<br>buildings<br>2013<br>\$ | Other<br>2014<br>\$ | Other<br>2013<br>\$ |
|--|-------------------------------------|-------------------------------------|---------------------|---------------------|
| Operating leases which expire:<br>within two to five years | 58,089                              | 57,789                              | 5,048               | 9,787               |
|  | <u>58,089</u>                       | <u>57,789</u>                       | <u>5,048</u>        | <u>9,787</u>        |

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

| <b>19 Related party transactions</b>                        | <b>2014</b> | <b>2013</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| <b>Nu Horizons Electronics Corp</b>                         |             |             |
| Former Parent Company                                       |             |             |
| Purchases from the related party                            | -           | 23,117      |
| Amount owed to / (from) the related party at the year end   | -           | -           |
| <b>NIC Inc</b>  |             |             |
| Fellow Subsidiary   |             |             |
| Sales made to the related party                             | 40,004      | 53,437      |
| Purchases from the related party                            | 219,914     | 121,412     |
| Amount owed to / (from) the related party at the period end | 872,515     | 655,320     |
| <b>NIC Asia</b>   |             |             |
| Fellow Subsidiary   |             |             |
| Sales made to the related party                             | 4,231       | 13,208      |
| Purchases from the related party                            | 227         | 17          |
| Amount owed to / (from) the related party at the year end   | (594)       | (3,965)     |
| <b>Titan Supply Chain Services Limited</b>                  |             |             |
| Fellow Subsidiary   |             |             |
| Foreign exchange difference on the loan                     | 952         | -           |
| Amount owed to / (from) the related party at the period end | (15,559)    | (16,511)    |
| <b>Arrow Electronics, Inc</b>                               |             |             |
| Parent Company  |             |             |
| Purchases from the related party                            | 264,409     | -           |
| Loans made from / (to) the related party                    | -           | 8,829       |
| Balance transferred from Nu Horizons Electronic Corp.       | -           | 152,714     |
| Amount owed to / (from) the related party at the year end   | 420,580     | 161,543     |
| <b>Nippon Industries Co. Limited</b>                        |             |             |
| Minority Shareholder  |             |             |
| Sales rebates to the related party                          | 9,045       | 17,132      |
| Purchases from the related party                            | 2,085,669   | 1,860,659   |
| Amount owed to / (from) the related party at the year end   | 136,159     | 187,494     |

**NIC Components Europe Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2014**

**21 Ultimate controlling party**

Throughout the year the Company was under the control of its Parent Company, Arrow Electronics, Inc. by virtue of its 80% shareholding.

The Parent Company are registered in the United States of America and consolidated accounts can be obtained from the following address: 70 Maxess Road, Melville, NY 11747, 631-396-7500.

**NIC Components Europe Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2014**  
*for the information of the directors only*

|                          | <b>2014</b>      | <b>2013</b>      |
|--------------------------|------------------|------------------|
|                          | <b>\$</b>        | <b>\$</b>        |
| <b>Sales</b>             | 5,926,631        | 5,177,256        |
| Cost of sales            | (4,383,925)      | (3,693,857)      |
| <b>Gross profit</b>      | <u>1,542,706</u> | <u>1,483,399</u> |
| <b>GP %</b>              | 26%              | 29%              |
| Distribution costs       | (9,664)          | (8,932)          |
| Administrative expenses  | (1,337,443)      | (1,129,763)      |
| <b>Operating profit</b>  | <u>195,599</u>   | <u>344,704</u>   |
| Interest receivable      | 4,979            | 5,567            |
| <b>Profit before tax</b> | <u>200,578</u>   | <u>350,271</u>   |