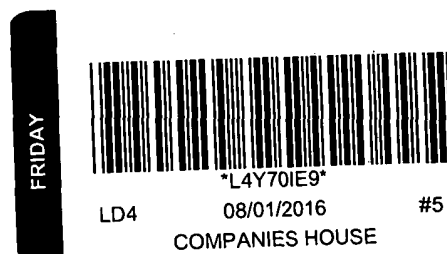


Memec Group Limited

Report and Accounts

27 June 2015



**Registered number
3985622**

Memec Group Limited
Report and accounts
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Memec Group Limited
Company Information

Directors

W Crowell

M McCoy

Auditors

BDO LLP

55 Baker Street

London

W1U 7EU

Registered office

Avnet House

Rutherford Close

Meadway Technology Park

Stevenage

Hertfordshire

SG1 2EF

Registered number

3985622

Memec Group Limited Strategic Report

The directors present their strategic report for the period ended 27 June 2015.

Review of the business

During the period the company continued to act as a holding company.

Following a review of the investments of the company a decision has been made to create an increase in impairment provisions of \$14,735,000 in the period. The deterioration in exchange rate between U.S. Dollars and Japanese Yen has had an impact on the valuation of the Japanese investments and in addition caused a foreign exchange loss to be recorded, resulting from the Japanese Yen denominated loan with the Japanese operations.

Future developments

The company continues to support and hold subsidiaries in the Asia pacific region.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The main economic risks are regarded as being changes in the performance and hence valuation of the company's investments in the form of operating subsidiaries, the adequacy of capital levels of the company if the ongoing financing costs of the company are not covered by returns from investments or additional capital or funding.

This risk is managed by the monitoring of the performance and valuation of investments and adjustments to funding and financial arrangement as deemed necessary.

Competition risk

The directors of the company and subsidiaries manage competition risk through close attention to alternative sources of financing.

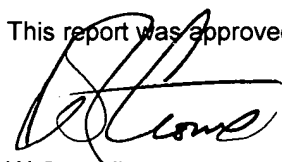
Currency exchange risk

The directors of the company use foreign currency hedges each month to attempt to eliminate any exposure of foreign currency denominated asset and liability balances to changes in foreign currency exchange rates after the balance sheet date.

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage financial risk.

This report was approved by the board and signed on its behalf on 9 December 2015



W Crowell
Director

Memec Group Limited
Registered number: 3985622
Directors' Report

The directors present their report and accounts for the period ended 27 June 2015.

Principal activities

The company's principal activity during the period continued to be to act as an intermediate holding and treasury services company for its subsidiaries whose principal activities are the marketing and distribution of advanced semiconductor products.

Results and dividends

The results of the company for the period are set out on page 7. The loss for the period after taxation amounted to \$15,952,000 (2014: profit of \$651,000).

The directors do not recommend the payment of a dividend (2014: \$nil).

Directors

The following persons served as directors during the period:

W Crowell
M McCoy

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.

This report was approved by the board and signed on its behalf on 9 December 2015



W Crowell
Director

Memec Group Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial period. Under that law the directors have elected to prepare the accounts 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 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 these accounts, 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 accounts;
- 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. 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.

Memec Group Limited
Independent auditors' report
to the members of Memec Group Limited

We have audited the financial statements of Memec Group Limited for the period ended 27 June 2015 which comprise the profit and loss account, the balance sheet 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 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 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 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 Financial Reporting Council'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 the financial statements

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 27 June 2015 and of its loss for the period 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 strategic report and 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.

BDO LLP

David Butcher (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

9 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Memec Group Limited
Profit and Loss Account
for the period from 29 June 2014 to 27 June 2015

	Notes	2015 \$'000	2014 \$'000
Administrative expenses		(434)	(468)
Impairment of fixed asset investments	7	(14,735)	(793)
Dividend income from investments		-	1,650
Other operating income		413	440
Operating (loss)/profit	2	(14,756)	829
Interest receivable and similar income	3	104	98
Interest payable and similar charges	5	(1,300)	(276)
(Loss)/profit on ordinary activities before taxation		(15,952)	651
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit for the period		(15,952)	651

Continuing operations

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

Statement of total recognised gains and losses

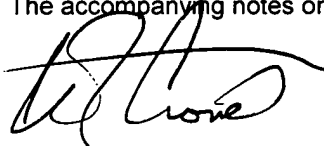
The company has no recognised gains or losses other than the (loss)/profit for the above two periods.

The accompanying notes on pages 9 to 14 are an integral part of the financial statements.

Memec Group Limited
Registered number: 3985622
Balance Sheet
as at 27 June 2015

	Notes	2015 \$'000	2014 \$'000
Fixed assets			
Investments	7	179,367	194,102
Current assets			
Debtors	8	5,962	7,127
Creditors: amounts falling due within one year	9	(508)	(287)
Net current assets		<u>5,454</u>	<u>6,840</u>
Total assets less current liabilities		<u>184,821</u>	<u>200,942</u>
Provisions for liabilities			
Other provisions	10	(394)	(563)
Net assets		<u>184,427</u>	<u>200,379</u>
Capital and reserves			
Called up share capital	11	241,200	241,200
Profit and loss account	12	(56,773)	(40,821)
Shareholders' funds	13	<u>184,427</u>	<u>200,379</u>

The accompanying notes on pages 9 to 14 are an integral part of the financial statements.



W Crowell
Director

Approved by the board on 9 December 2015

Memec Group Limited
Notes to the Accounts
for the period from 29 June 2014 to 27 June 2015

1 Accounting policies

Basis of preparation

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

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. Under FRS 1 Cash Flow Statements (revised), 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 100% of the voting rights of the company are controlled within the Avnet Inc. group, the company has taken advantage under the exemptions permitted by FRS 8 Related Party Disclosures to not disclose details of balances held with other companies within that group.

Going concern

The Directors have considered the going concern of the company and have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Investments

In the company's accounts, investments in subsidiary undertakings are stated at cost less provisions for impairment, if any.

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

Taxation

The charge for taxation is based on the loss 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 by the balance sheet date, except as otherwise required by FRS 19 Deferred Tax.

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.

Functional currency and denomination of foreign currency share capital

The directors consider the US dollar (\$) to be the functional currency, and therefore these financial statements are presented that currency.

Memec Group Limited
Notes to the Accounts
for the period from 29 June 2014 to 27 June 2015

2 Operating (loss)/profit	2015	2014
	\$'000	\$'000

This is stated after charging/(crediting):

Impairment of fixed asset investments	14,735	793
Dividend income from investments	-	(1,650)
Auditors' remuneration for audit services	1	1
	<hr/>	<hr/>

3 Interest receivable and similar income	2015	2014
	\$'000	\$'000

Foreign exchange gain	37	19
Interest receivable from other group company	67	79
	<hr/>	<hr/>
	104	98
	<hr/>	<hr/>

4 Directors' emoluments

The directors of the company receive their remuneration from a fellow group company.

5 Interest payable and similar charges	2015	2014
	\$'000	\$'000

Bank loans and overdrafts	3	13
Foreign exchange loss	1,297	263
	<hr/>	<hr/>
	1,300	276
	<hr/>	<hr/>

Memec Group Limited
Notes to the Accounts
for the period from 29 June 2014 to 27 June 2015

6 Taxation	2015 \$'000	2014 \$'000
Analysis of charge in period		
Tax on (loss)/profit on ordinary activities	-	-
	2015 \$'000	2014 \$'000
(Loss)/profit on ordinary activities before tax	(15,952)	651
Standard rate of corporation tax in the UK	20.75%	22.50%
	\$'000	\$'000
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax	(3,310)	146
Effects of:		
Losses surrendered by group undertakings	253	47
Dividend income not taxable	-	(371)
Impairment provision not tax deductible	3,057	178
Current tax charge for period	-	-

Tax losses of \$10,761,000 (2014: \$10,761,000) are available for future periods with an unrecognised deferred tax asset of \$2,152,000 (2014: \$2,233,000).

Deferred tax assets have not been recognised in respect of these losses as there is insufficient certainty over the timing and extent of future profits.

Memec Group Limited
Notes to the Accounts
for the period from 29 June 2014 to 27 June 2015

7 Fixed asset investments

	Investments in subsidiary undertakings \$'000
Cost	
At 29 June 2014	247,926
At 27 June 2015	<u>247,926</u>
Impairment provision	
At 29 June 2014	53,824
Increase in impairment	14,735
At 27 June 2015	<u>68,559</u>
Net Book Value	
At 27 June 2015	<u>179,367</u>
At 28 June 2014	<u>194,102</u>

The company has an investment in the following subsidiary undertakings:

Subsidiary undertakings	Country of incorporation and operation	Principal activity	Proportion of ordinary shares held by the company
Memec (NZ) Limited (1)	New Zealand	Dormant	100%
Avnet Internix KK (1)	Japan	Distribution	100%
Avnet EM Holdings (Japan) KK	Japan	Holding company	100%
Unidux Inc	Japan	Distribution	100%
Internix Hong Kong Ltd	Hong Kong	Distribution	100%

(1) Owned directly by Memec Group Limited at 27 June 2015. The other companies are owned indirectly.

Following a review of the investments of the company a decision has been made to create an increase in impairment provisions against the New Zealand operation, which is non trading and being prepared for liquidation, and the Japanese operations, where the deterioration in exchange rate between Japanese Yen and US Dollar has caused a decrease in valuation of the operations.

Memec Group Limited
Notes to the Accounts
for the period from 29 June 2014 to 27 June 2015

8 Debtors	2015 \$'000	2014 \$'000
Amounts owed by group undertakings and undertakings in which the company has a participating interest	5,942	7,094
Other debtors	20	33
	<u>5,962</u>	<u>7,127</u>

The balance above includes a loan of JPY 689,462,400 that was made to a fellow group company on 16 July 2010. This is repayable on demand and accrues interest at a rate of 3 month JPY LIBOR plus a margin of 1%.

9 Creditors: amounts falling due within one year	2015 \$'000	2014 \$'000
Amounts owed to group undertakings and undertakings in which the company has a participating interest	505	246
Other creditors	-	39
Accruals and deferred income	3	2
	<u>508</u>	<u>287</u>

10 Provisions for liabilities and charges	2015 \$'000	2014 \$'000
At 29 June 2014	563	743
Utilised in the period	(169)	(180)
	<u>394</u>	<u>563</u>

This is an onerous lease provision relating to a vacant site.

11 Share capital	Nominal value	2015 Number	2015 \$'000	2014 \$'000
Allotted, called up and fully paid:				
Ordinary shares	\$1 each	241,200,002	<u>241,200</u>	<u>241,200</u>

Memec Group Limited
Notes to the Accounts
for the period from 29 June 2014 to 27 June 2015

12 Profit and loss account	2015 \$'000	2014 \$'000
At 29 June 2014	(40,821)	(41,472)
(Loss)/profit for the period	(15,952)	651
At 27 June 2015	<u>(56,773)</u>	<u>(40,821)</u>

13 Reconciliation of movement in shareholders' funds	2015 \$'000	2014 \$'000
At 29 June 2014	200,379	199,728
(Loss)/profit for the financial period	(15,952)	651
At 27 June 2015	<u>184,427</u>	<u>200,379</u>

14 Other financial commitments

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

	Land and buildings 2015 \$'000	Land and buildings 2014 \$'000
Operating leases which expire:		
within one year	70	-
within two to five years	-	398
	<u>70</u>	<u>398</u>

15 Ultimate controlling party

The ultimate parent company and ultimate controlling party of Memec Group Limited is Avnet Inc., a company incorporated in the United States of America. The company's immediate parent and controlling party is Avnet Holdings (UK) Limited, a company registered in England and Wales. The financial statements of this company are available to the public and may be obtained from Companies House or from the company's registered address: Avnet House, Rutherford Close, Meadway Technology Park, Stevenage, Hertfordshire SG1 2EF.

The largest and the smallest group in which the results of Memec Group Limited are consolidated is that headed by Avnet Inc. The consolidated financial statements of this group are available to the public and may be obtained from Avnet Inc., 2211 South 47th Street, Phoenix, AZ85034, USA or by visiting Avnet Inc.'s Investor Relations website at www.ir.avnet.com.