

Registered number 04044364

CONCORD ELECTRIC SUPPLY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED
25 MARCH 2007

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CONCORD ELECTRIC SUPPLY LIMITED

COMPANY INFORMATION

DIRECTORS	A Jackson T B Yallop M S Jacobs
SECRETARY	M S Jacobs
COMPANY NUMBER	04044364
REGISTERED OFFICE	141 Farmer Ward Road Kenilworth Warwickshire CV8 2SU
AUDITORS	Horwath Clark Whitehill LLP Chartered Accountants & Registered Auditors Foley House 123 Stourport Road Kidderminster Worcestershire DY11 7BW

CONCORD ELECTRIC SUPPLY LIMITED

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CONCORD ELECTRIC SUPPLY LIMITED

DIRECTORS' REPORT For the year ended 25 March 2007

The directors present their report and the financial statements for the year ended 25 March 2007

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 which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

PRINCIPAL ACTIVITIES

The principal activity of the company, including branches outside the U.K., is that of the wholesaling of electrical components

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £9,219,542 (2006 - Loss £5,391,398)

The directors do not recommend the payment of a dividend

CONCORD ELECTRIC SUPPLY LIMITED

DIRECTORS' REPORT For the year ended 25 March 2007

REVIEW OF THE BUSINESS

The operating loss increased from £4.3m in 2006 to £7.0m in 2007. Net interest payable increased during the year from £1.1m to £2.2m resulting in an increased loss before tax of £9.2m in 2007 compared with £5.4m in 2006.

The company increased its borrowings from its parent company during the year from £18.2m at the start of the year to £27.6m by the end of the year. Additional share capital of £3.0m was subscribed for during the year.

The company is not exposed to currency or commodity risks.

The key performance indicators in the company are turnover and profitability. Along with debtor days and the number of stock turns these indicators are used to help the directors monitor the performance of the business.

Trade debtors have increased from £2.4m in 2006 to £2.9m during 2007, whilst trade creditors have remained constant at £2.0m. Closing stock increased from £5.9m in 2006 to £8.4m in 2007. The company's net bank balance increased by £0.8m during the year.

Overall, the directors consider that progress is continuing to be made in all areas of activity.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made charitable donations of £1,540 during the year.

DIRECTORS

The directors who served during the year were

A Jackson
T B Yallop
M S Jacobs

AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 5 December 2007 and signed on its behalf



M S Jacobs
Secretary

CONCORD ELECTRIC SUPPLY LIMITED

INDEPENDENT AUDITORS' REPORT TO CONCORD ELECTRIC SUPPLY LIMITED Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts of Concord Electric Supply Limited for the year ended 25 March 2007 set out on pages 4 to 13, together with the financial statements of the company for the year ended 25 March 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with s 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF AUDIT OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 13 are properly prepared in accordance with those provisions.


Horwath Clark Whitehill LLP
Chartered Accountants
Registered Auditors

Foley House
123 Stourport Road
Kidderminster
Worcestershire
DY11 7BW

5 December 2007

CONCORD ELECTRIC SUPPLY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 25 March 2007

	Note	2007 £	2006 £
GROSS PROFIT		5,642,664	3,215,618
Staff costs		(7,411,303)	(4,593,469)
Depreciation and amortisation		(751,894)	(489,224)
Other operating charges		(4,525,505)	(2,421,107)
OPERATING LOSS	3	(7,046,038)	(4,288,182)
Interest receivable and similar income		18,390	5,611
Interest payable	4	(2,191,894)	(1,108,827)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,219,542)	(5,391,398)
TAX ON LOSS ON ORDINARY ACTIVITIES	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	13	(9,219,542)	(5,391,398)

All amounts relate to continuing operations

The notes on pages 7 to 13 form part of these financial statements

CONCORD ELECTRIC SUPPLY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 25 March 2007

	2007 £	2006 £
LOSS FOR THE FINANCIAL YEAR	(9,219,542)	(5,391,398)
Foreign exchange differences taken to reserves	1,422,751	(607,811)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(7,796,791)	(5,999,209)


The notes on pages 7 to 13 form part of these financial statements

CONCORD ELECTRIC SUPPLY LIMITED

ABBREVIATED BALANCE SHEET
As at 25 March 2007

	Note	£	2007	£	£	2006	£
FIXED ASSETS							
Tangible fixed assets	6			2,890,818			1,838,708
CURRENT ASSETS							
Stocks	7	8,426,850				5,891,336	
Debtors	8	3,417,324				2,808,322	
Cash at bank and in hand		2,251,223				1,418,378	
				14,095,397		10,118,036	
CREDITORS amounts falling due within one year	9	(3,436,233)				(3,282,021)	
NET CURRENT ASSETS				10,659,164			6,836,015
TOTAL ASSETS LESS CURRENT LIABILITIES				13,549,982			8,674,723
CREDITORS amounts falling due after more than one year	10			(28,485,608)			(18,798,806)
NET LIABILITIES				(14,935,626)			(10,124,083)
CAPITAL AND RESERVES							
Called up share capital	12			7,626,572			4,641,324
Profit and loss account				(22,562,198)			(14,765,407)
SHAREHOLDERS' DEFICIT - All Equity	13			(14,935,626)			(10,124,083)

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on 5 December 2007 and signed on its behalf


T. B. Yallop
Director

The notes on pages 7 to 13 form part of these financial statements

CONCORD ELECTRIC SUPPLY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 25 March 2007

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards and on the basis that the company can continue as a going concern

The directors consider this basis to be appropriate as the parent company has indicated its intention to provide sufficient support to enable the company to continue to trade

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	over 3 - 4 years
Motor vehicles	-	over 3 - 5 years

1.3 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.4 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as they are incurred

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis

1.7 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate for the year. Exchange differences are taken into account in arriving at the loss for the year, except for profits and losses on translation of the local currency accounts which are taken to reserves

1.8 Group accounts

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 not to disclose related parties transactions

CONCORD ELECTRIC SUPPLY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 25 March 2007

2 STAFF COSTS

Staff costs were as follows

	2007 £	2006 £
Wages and salaries	6,813,655	4,222,398
Social security costs	597,648	371,071
	<u>7,411,303</u>	<u>4,593,469</u>

The average monthly number of employees, including directors, during the year was as follows

	2007	2006
Full time	281	138
Part time	5	3
	<u>286</u>	<u>141</u>

3. OPERATING LOSS

The operating loss is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets		
- owned by the company	432,653	364,906
- held under finance leases	327,020	138,186
Auditors' remuneration	27,260	18,000
Operating lease rentals		
- other operating leases	1,244,948	712,444
	<u>1,244,948</u>	<u>712,444</u>

During the year, no director received any emoluments (2006 - £nil)

4. INTEREST PAYABLE

	2007 £	2006 £
Bank overdraft	24,949	16,077
Finance leases and hire purchase contracts	71,916	31,504
On loans from group undertakings	2,095,029	1,061,246
	<u>2,191,894</u>	<u>1,108,827</u>

CONCORD ELECTRIC SUPPLY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 25 March 2007

5 TAXATION

	2007	2006
	£	£
UK corporation tax charge on profits of the year	-	-

Factors affecting tax charge for year

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

	2007	2006
	£	£
Loss on ordinary activities before tax	(9,219,542)	(5,391,398)
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2006 - 30%)	(2,765,863)	(1,617,419)
Effects of:		
Ineligible depreciation	28,623	28,578
Differences between depreciation and capital allowances	(33,553)	(17,521)
Group relief surrendered	2,762,254	1,591,997
Other permanent differences	8,539	14,365
Current tax charge for year (see note above)	-	-

There were no factors that may affect future tax charges

CONCORD ELECTRIC SUPPLY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 25 March 2007

6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 26 March 2006	2,634,122	528,548	3,162,670
Additions	1,543,963	549,890	2,093,853
Disposals	(43,686)	(46,293)	(89,979)
Transfers to group companies	(13,412)	-	(13,412)
Foreign exchange difference	(361,825)	(81,337)	(443,162)
	<u>3,759,162</u>	<u>950,808</u>	<u>4,709,970</u>
At 25 March 2007			
Depreciation			
At 26 March 2006	1,029,987	293,975	1,323,962
Charge for the year	545,132	214,541	759,673
On disposals	(39,270)	(43,481)	(82,751)
Transfers to group companies	(1,397)	-	(1,397)
Foreign exchange difference	(139,520)	(40,815)	(180,335)
	<u>1,394,932</u>	<u>424,220</u>	<u>1,819,152</u>
At 25 March 2007			
Net book value			
At 25 March 2007	<u>2,364,230</u>	<u>526,588</u>	<u>2,890,818</u>
At 25 March 2006	<u>1,604,135</u>	<u>234,573</u>	<u>1,838,708</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2007 £	2006 £
Plant and machinery and motor vehicles	<u>1,327,475</u>	<u>943,423</u>

7 STOCKS

	2007 £	2006 £
Finished goods and goods for resale	<u>8,426,850</u>	<u>5,891,336</u>

CONCORD ELECTRIC SUPPLY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 25 March 2007

8. DEBTORS

	2007 £	2006 £
Due within one year		
Trade debtors	2,875,625	2,446,743
Amounts owed by group undertakings	89,932	55,248
Other debtors	246,526	223,793
Prepayments and accrued income	205,241	82,538
	<u>3,417,324</u>	<u>2,808,322</u>

9. CREDITORS:
Amounts falling due within one year

	2007 £	2006 £
Bank overdraft	211,961	178,951
Net obligations under finance leases and hire purchase contracts	419,253	247,555
Trade creditors	2,021,912	2,037,305
Amounts owed to group undertakings	8,667	-
Social security and other taxes	81,996	99,772
Other creditors	343,123	278,827
Accruals and deferred income	349,321	439,611
	<u>3,436,233</u>	<u>3,282,021</u>

10. CREDITORS:
Amounts falling due after more than one year

	2007 £	2006 £
Net obligations under finance leases and hire purchase contracts	908,233	631,475
Amounts owed to parent undertaking	27,577,375	18,167,331
	<u>28,485,608</u>	<u>18,798,806</u>

CONCORD ELECTRIC SUPPLY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 25 March 2007

10 CREDITORS

Amounts falling due after more than one year (continued)

The loan by the parent undertaking is subject to a revolving credit agreement

Repayable by instalments

Obligations under finance leases and hire purchase contracts

	2007 £	2006 £
Between one and five years	<u>908,233</u>	<u>631,475</u>

11. DEFERRED TAXATION

A deferred tax liability of £7,375 (2006 - asset of £28,510) on deferred capital allowances has not been provided in the accounts

12. SHARE CAPITAL

	2007 £	2006 £
Authorised		
10,000,000 (2006 - 5,000,000) Ordinary shares of £1 each	<u>10,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
7,626,572 (2006 - 4,641,324) Ordinary shares of £1 each	<u>7,626,572</u>	<u>4,641,324</u>
2,985,248 ordinary shares of £1 each were issued in the year at par		

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Loss for the year	(9,219,542)	(5,391,398)
Shares issued during the year	2,985,248	2,042,408
Foreign exchange	1,422,751	(607,811)
	<u>(4,811,543)</u>	<u>(3,956,801)</u>
Opening shareholders' deficit	(10,124,083)	(6,167,282)
Closing shareholders' deficit	<u>(14,935,626)</u>	<u>(10,124,083)</u>

CONCORD ELECTRIC SUPPLY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 25 March 2007

14 OPERATING LEASE COMMITMENTS

At 25 March 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
Within 1 year	89,671	171,006
Between 2 and 5 years	1,168,055	745,335
After more than 5 years	252,469	87,047
	<u> </u>	<u> </u>

15 ULTIMATE PARENT UNDERTAKING

The directors consider CEF Holdings Limited to be the immediate and the ultimate parent undertaking

16 CONTINGENT LIABILITIES

The company is party to an unlimited multilateral guarantee as security for the bank borrowings of its fellow group companies. At 25 March 2007 the potential liability under this guarantee was £nil (2006 - £nil)