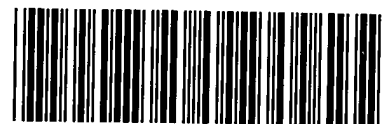


MEL Midco Limited

**Directors' report and financial
statements**

**Registered number 09076905
41 weeks ended 21 March 2015**

TUESDAY



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Directors and company information

Directors

J B Cleland
O J Meakin
P Brigden
N A McGowan
N Morrill
B Slatter
T Craddock
D Shapland
G Harris

Bankers

Investec Bank plc
2 Gresham Street
London
EC2V 7QP

Lloyds Banking Group
14 Church Street
Sheffield
S1 1HT

Auditor

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Registered office

Brookfields Way
Manvers
Wath-upon-Deane
Rotherham
South Yorkshire
S63 5DL

Strategic report

Principal activities

The Company was incorporated on 9 June 2014. These financial statements cover the 41 weeks ended 21 March 2015. During the period MEL Midco Limited operated as an intermediate holding company. The trading subsidiary, acquired in the period, predominantly trades as a retailer of electronic goods.

Business review

During the period the company has operated as a non-trading intermediate holding company. In order to fund the acquisition of Maplin Electronics Group (Holdings) Limited, and its subsidiaries, shareholder loan notes of £72.2m were raised during the period and lent to MEL Bidco Limited by way of an intercompany loan.

Acquisition

On 27 June 2014 MEL Bidco Limited, a wholly owned subsidiary of MEL Midco Limited, acquired the entire share capital of Maplin Electronics Group (Holdings) Ltd. The acquisition was financed by loan notes of £72.2m and intragroup funding of £16.8m. The total Enterprise Value of the business acquired was £89m, including transaction costs. After settlement of debt, the consideration paid for the business was £14.7m

Dividends

No dividends are proposed.

Signed on behalf of the board



J B Cleland
Director

Brookfields Way
Manvers
Wath-upon-Dearne
Rotherham
South Yorkshire
S63 5DL

30 June 2015

Directors' report

The directors present their annual report and the audited financial statements for the 41 week period from the date of incorporation of the company on 9 June 2014 to 21 March 2015.

Directors and directors' interests

The directors who held office during the period and up to the date of signing this report were as follows:

R M Bursby	(appointed 9 June 2014, resigned 10 June 2014)
Huntsmoor Limited	(appointed 9 June 2014, resigned 10 June 2014)
Huntsmoor Nominee Limited	(appointed 9 June 2014, resigned 10 June 2014)
N Morrill	(appointed 10 June 2014)
B Slatter	(appointed 10 June 2014)
T Craddock	(appointed 10 June 2014)
J B Cleland	(appointed 26 June 2014)
M G Lucas	(appointed 26 June 2014, resigned 6 February 2015)
C Webb	(appointed 26 June 2014, resigned 6 February 2015)
O J Meakin	(appointed 26 June 2014)
N McGowan	(appointed 19 January 2015)
D Shapland	(appointed 19 January 2015)
P Brigden	(appointed 6 February 2015)
G Harris	(appointed 11 June 2015)

None of the directors had any interest in the shares of the company.

The company is a wholly owned subsidiary of MEL Topco Limited.

Political contributions

The company made no political contributions during the period.

Disclosure of information to auditor

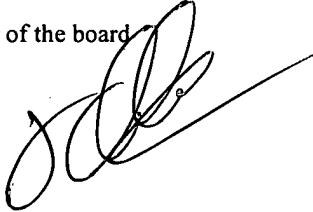
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

KPMG LLP were appointed as the first auditor of the company during the period. In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



J B Cleland
Director

Brookfields Way
Manvers
Wath-upon-Deane
Rotherham
South Yorkshire
S63 5DL

30 JUNE 2015

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, the Directors' report and the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of MEL Midco Limited

We have audited the financial statements of MEL Midco Limited for the 41 week period ended 21 March 2015 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Auditing Practices Board'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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 21 March 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of MEL Midco Limited
(continued)**

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.



Chris Hearld (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

13 July 2015

Profit and loss account
for the 41 weeks ended 21 March 2015

	<i>Notes</i>	41 weeks ended 21 March 2015 £'000
Operating profit		-
Interest payable and similar charges	4	(7,798)
Loss on ordinary activities before taxation		(7,798)
Tax on loss on ordinary activities	5	246
Loss for the financial period	12	(7,552)

The loss for the financial period is derived entirely from continuing operations.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the financial period stated above and their historical cost equivalents.

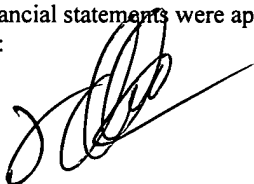
Notes on pages 11 to 18 form part of the financial statements.

Balance sheet
at 21 March 2015

	<i>Note</i>	21 March 2015	
		£'000	£'000
Fixed assets			
Investments	6		-
Current assets			
Debtors	7	73,339	
Creditors: amounts falling due within one year	8	(940)	
Net current assets			72,399
Total assets less current liabilities			72,399
Creditors: amounts falling due after more than one year	9		(79,951)
Net liabilities			(7,552)
Capital and reserves			
Called up share capital	12		-
Profit and loss account	13		(7,552)
Shareholders' deficit			(7,552)

The notes on pages 11 to 18 form part of the financial statements.

These financial statements were approved by the board of directors on 30 JUNE 2015 and were signed on its behalf by:



J B Cleland
 Director

Reconciliation of movements in shareholder's deficit
for the 41 weeks ended 21 March 2015

	41 weeks ended 21 March 2015 £'000
Retained loss	(7,552)
New share capital subscribed (net of issue costs)	-
	<hr/>
Net increase in shareholder's deficit	(7,552)
Opening shareholder's deficit	-
	<hr/>
Closing shareholder's deficit	(7,552)
	<hr/> <hr/>

The notes on pages 11 to 18 form part of the financial statements.

Notes to the financial statements (forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below. The Directors consider it appropriate to prepare these financial statements on a going concern basis.

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom. The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 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 the company is a wholly owned subsidiary of MEL Topco Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of MEL Topco Limited within which this company is included, can be obtained from Brookfields Way, Manvers, Wath-upon-Deerne, Rotherham, South Yorkshire, S63 5DL.

Going concern

The Directors consider it appropriate to prepare these financial statements on a going concern basis, notwithstanding the net liabilities position of the Company of £7.6m. Having reviewed the Group's cash position, cash flow forecasts and analysis of the banking covenants ruling the revolving credit facility, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The Group is cash generative at an operating activities level. The Company owes £0.9m to group undertakings, due in less than one year, and the Directors do not consider settlement will be requested should the Company have insufficient funds. Additionally, the Company and Group owe loan notes and related interest on these loan notes totalling £80m, which are held by shareholders. Excluding shareholder loan note balances, the Group showed a net cash in hand position of £13.1m at 21 March 2015.

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the MEL Topco Limited group to continue as a going concern or its ability to continue with the current banking arrangements.

Taxation

The credit 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 at the balance sheet date except as otherwise required by FRS 19.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists, these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

2 Loss on ordinary activities before taxation

46 weeks ended
 21 March
 2015
 £'000

Loss on ordinary activities before taxation is stated after charging

Auditor remuneration:

-audit	2
-tax compliance	1
-all other tax advisory services	1
	<hr/>

Auditor remuneration was borne by another group company.

3 Remuneration of directors

The directors, listed on page 3, were the only employees of the company during the period. Directors' emoluments are paid by another group company.

4 Interest payable and similar charges

41 weeks ended
 21 March
 2015
 £'000

Interest accrued on shareholder loan notes	7,798
	<hr/>

Notes (continued)

5 Taxation

	41 weeks ended 21 March 2015	
	£'000	£'000
Analysis of tax credit for the period		
<i>UK corporation tax</i>		
Group relief receivable	(246)	
	<hr/>	
Total current tax		(246)
<i>Deferred tax</i>		
Origination/reversal of timing differences		-
		<hr/>
Tax on loss on ordinary activities		(246)
		<hr/>

Factors affecting the tax credit for the current period

The current tax credit for the period is lower than the standard rate of corporation tax in the UK 21%. The differences are explained below:

	41 weeks ended 21 March 2015 £'000
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	(7,798)
	<hr/>
Current tax credit at 21%	(1,638)
<i>Effects of:</i>	
Expenses not deductible for tax purposes	1,392
	<hr/>
Total current tax credit (see above)	(246)
	<hr/>

Factors affecting the tax charge for the future periods

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. These will reduce the company's future UK tax charge accordingly and have been taken into account when performing the relevant deferred tax calculations.

Notes (continued)

6 Fixed asset investments

	Shares in group undertaking £
<i>Cost</i>	
Additions	1
	<hr/>
At end of period	1
	<hr/>
<i>Net book value</i>	
At 21 March 2015	1
	<hr/> <hr/>

On 9 June 2014 the company acquired the entire share capital of MEL Bidco Limited for consideration of £1 settled in cash.

The undertakings in which the company's interest at the period end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
MEL Bidco Limited	England	Holding company	100% ordinary shares
Maplin Electronics Group (Holdings) Limited *	England	Holding Company	100% ordinary shares
Maplin Electronics (Holdings) Limited *	England	Holding Company	100% ordinary shares
Maplin Electronics Limited*	England	Retail and Mail Order Electronics	100% ordinary shares
Maplin Electronics (HK) Limited *	Hong Kong	Buying, sourcing and shipping of products	100% ordinary shares

Maplin Electronics Limited has an overseas branch in Taiwan.

* Indirectly held through subsidiary company

Notes (continued)

7 Debtors

	21 March 2015 £'000
Amounts owed by group undertakings	73,093
Group relief receivable	246
	<hr/>
	73,339
	<hr/>

8 Creditors: amounts falling due within one year

	21 March 2015 £'000
Amounts owed to group undertakings	940
	<hr/>

9 Creditors: amounts falling due after more than one year

	21 March 2015 £'000
Other loans	72,153
Accrued interest on shareholder loan notes	7,798
	<hr/>
	79,951
	<hr/>

Analysis of debt:

	21 March 2015 £'000
Debt can be analysed as falling due:	
In five years or more	79,951
	<hr/>

Notes (continued)

10 Creditors: amounts falling due after more than one year

The group's borrowings, excluding share capital, at the balance sheet date together with their principal terms were as follows:

	Initial capital advance £'000	Invested capital outstanding at period end £'000	Repayment terms	Interest
Loan stock	72,153	79,951	Redeemable in full on 30 June 2019	15%
	<u>72,153</u>	<u>79,951</u>		

The issue costs of each instrument together with the interest capital are allocated to the profit and loss account over the term of the respective facilities at a constant rate based upon the original rate of each investment.

Loan stock

On 27 June 2014 Mel Midco Limited issued £72,153,000 of 5-year loan notes in the following denominations: Series A1 £35,593,000, Series A2 £35,593,000, Series B1 £484,000 and Series B2 £484,000. All Series A1 and Series B1 loan notes are unsecured. All Series A2 and Series B2 loan notes are secured. All loan notes accrue interest at a rate of 15% per annum. All loan notes have a redemption date of 30 June 2019.

At 21 March 2015 the Series A1 unsecured loan notes included £56,053 owed to directors, the Series A2 secured loan notes included £56,053 owed to directors, the Series B1 unsecured loan notes included £339,371 owed to directors and the Series B2 secured loan notes included £339,371 owed to directors (all including accrued interest).

11 Financial instruments

The main risks arising from the Company's financial instruments are liquidity risk and credit risk.

Liquidity risk

Cash resources are largely and normally generated through operations. The Company's policy is to maintain a balance of funds sufficient to meet anticipated short term and long term financial requirements.

Credit risk

Management has a credit policy in place whereby risk is managed through an ongoing review of exposure to credit risk.

Notes (continued)

11 Financial instruments (continued)

Effective interest rates and maturity of liabilities

	Fixed or variable rate	Effective interest rate %	Total £'000	1 year or less £'000	1 – 2 years £'000	2 – 5 years £'000
Shareholder loan notes (including accrued interest)	Fixed	15.0	(79,951)	-	-	(79,951)
			<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Called up share capital

	21 March 2015	
	No	£
<i>Allotted, called up and fully paid</i>	1	1
Ordinary shares of £1 each		
	<u> </u>	<u> </u>
	1	1
	<u> </u>	<u> </u>

The company was incorporated on 9 May 2014 with an issued share capital of 1 ordinary share of £1.

13 Reserves

	Profit and loss account £'000
At beginning of period	-
Loss for the financial period	(7,552)
	<u> </u>
At end of period	(7,552)
	<u> </u>

Notes *(continued)*

14 Ultimate parent company

The ultimate controlling party is Rutland Partners LLP as a result of the size of their shareholding in MEL Topco Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by MEL Topco Limited. The consolidated accounts of this Company are available to the public from the registered office.

15 Post balance sheet events

On 4 June 2015 £35.6m Series A1 loan notes and £35.6m Series A2 loan notes were admitted to the official list of the Channel Island Stock Exchange (CISX).

On 6 June 2015 £9.5m of loan notes and accrued interest was repaid.