

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008



FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2008

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FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008

DIRECTORS:

Fergus McKay
Richard Foskin
Edmund Johnson
Robert McCafferty

SECRETARY:

Edmund Johnson

REGISTERED OFFICE:

3-5 Melville Street
Edinburgh
EH3 7PE

REGISTERED NUMBER:

SC170517 (Scotland)

AUDITORS:

Hardie Caldwell LLP
Registered Auditors
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

TRANSFER OF TRADE

The trade of the company was transferred to another Flextronics group company in December 2008.

CHANGE OF NAME

The company passed a special resolution on 6 June 2008 changing its name from Arima Computer (UK) Limited to Flextronics Computing (UK) Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution and servicing of computer parts and related consumables.

REVIEW OF BUSINESS

The company's share capital was acquired by a new parent company in the year.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS

The directors who have held office during the period from 1 January 2008 to the date of this report are as follows:

Stephen Lee - resigned 18 March 2008
Fergus McKay - appointed 18 March 2008
Richard Foskin - appointed 18 March 2008
Edmund Johnson - appointed 18 March 2008
Robert McCafferty - appointed 18 March 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the 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;
- 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.

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

ON BEHALF OF THE BOARD:



Fergus McKay - Director

22 October 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF FLEXTRONICS COMPUTING (UK) LIMITED

We have audited the financial statements of Flextronics Computing (UK) Limited for the year ended 31 December 2008 on pages six to twelve. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

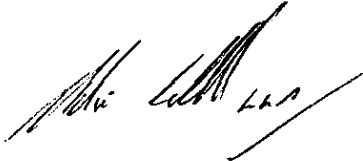
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FLEXTRONICS COMPUTING (UK) LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



Hardie Caldwell LLP
Registered Auditors
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Date: *29 October 2009*
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FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
TURNOVER	2	216,027	234,722
Cost of sales		(19,063)	168,259
GROSS PROFIT		235,090	66,463
Administrative expenses		509,783	423,024
		(274,693)	(356,561)
Other operating income		-	1,036
OPERATING LOSS	4	(274,693)	(355,525)
Interest receivable and similar income	5	1,415	2,084
		(273,278)	(353,441)
Interest payable and similar charges	6	23,597	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(296,875)	(353,441)
Tax on loss on ordinary activities	7	143,841	(67,118)
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(440,716)	(286,323)

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the current year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year.

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

BALANCE SHEET
31 DECEMBER 2008

		2008	2007
	Notes	£	£
FIXED ASSETS			
Tangible assets	8	-	4,894
CURRENT ASSETS			
Stocks	9	-	474,447
Debtors	10	2,371	176,016
Cash at bank and in hand		103,614	86,374
		<u>105,985</u>	<u>736,837</u>
CREDITORS			
Amounts falling due within one year	11	<u>105,985</u>	<u>301,015</u>
NET CURRENT ASSETS		-	<u>435,822</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		-	<u>440,716</u>
CAPITAL AND RESERVES			
Called up share capital	13	970,000	970,000
Profit and loss account	14	<u>(970,000)</u>	<u>(529,284)</u>
SHAREHOLDERS' FUNDS	17	<u>-</u>	<u>440,716</u>

The financial statements were approved by the Board of Directors on 22 October 2009 and were signed on its behalf by:


Fergus McKay - Director

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements have been prepared on a cessation basis.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33% on cost
Fixtures and fittings	- 20% - 50% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on an average cost basis. Net realisable value is based on selling price less the estimated cost of disposal.

Deferred tax

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at rates expected to apply when they reverse based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries, associates or joint ventures where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs and other post-retirement benefits

The company has a group personal pension plan and contributions are charged to the profit and loss account as they become payable.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. TURNOVER

The turnover for the year was derived from the company's principal activity. Turnover in the main is attributable to the UK market, a small proportion is generated from the European market however the directors do not consider this proportion significant enough to warrant segmental analysis.

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

3. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	169,497	213,948
Social security costs	15,366	19,826
Other pension costs	6,174	8,632
	<u>191,037</u>	<u>242,406</u>

The average monthly number of employees during the year was as follows:

	2008	2007
Management	2	2
Distribution	10	10
	<u>12</u>	<u>12</u>

4. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2008	2007
	£	£
Depreciation - owned assets	4,894	6,295
Auditors' remuneration	3,500	6,500
Auditors' remuneration for non audit work	1,000	750
Foreign exchange differences	56,069	(1,036)
	<u>65,463</u>	<u>12,509</u>

Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008	2007
	£	£
Deposit account interest	1,415	2,084
	<u>1,415</u>	<u>2,084</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Loan interest	23,597	-
	<u>23,597</u>	<u>-</u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss on ordinary activities for the year was as follows:

	2008	2007
	£	£
Deferred tax	143,841	(67,118)
Tax on loss on ordinary activities	143,841	(67,118)
	<u>287,682</u>	<u>(134,236)</u>

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

7. TAXATION - continued

Factors affecting the tax charge/(credit)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2008 £	2007 £
Loss on ordinary activities before tax	<u>(296,875)</u>	<u>(353,441)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2007 - 19%)	(59,375)	(67,154)
Effects of:		
Expenses not deductible for tax purposes	14	36
Capital allowances in excess of depreciation	(3,582)	(297)
Losses available to carry forward	<u>62,943</u>	<u>67,415</u>
Current tax charge/(credit)	<u>-</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2008	69,497	10,532	74,930	154,959
Disposals	<u>(69,497)</u>	<u>(10,532)</u>	<u>(74,930)</u>	<u>(154,959)</u>
At 31 December 2008	-	-	-	-
DEPRECIATION				
At 1 January 2008	69,497	10,532	70,036	150,065
Charge for year	-	-	4,894	4,894
Eliminated on disposal	<u>(69,497)</u>	<u>(10,532)</u>	<u>(74,930)</u>	<u>(154,959)</u>
At 31 December 2008	-	-	-	-
NET BOOK VALUE				
At 31 December 2008	-	-	-	-
At 31 December 2007	-	-	4,894	4,894

9. STOCKS

	2008 £	2007 £
Inventory stock	<u>-</u>	<u>474,447</u>

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	-	9,861
VAT	-	4,406
Deferred tax asset	-	143,841
Prepayments and accrued income	2,371	17,908
	<u>2,371</u>	<u>176,016</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	14,442	253,579
VAT	32,076	-
Other creditors	46,132	47,436
Intergroup loan	13,335	-
	<u>105,985</u>	<u>301,015</u>

12. DEFERRED TAX

	£
Balance at 1 January 2008	(143,841)
Debit for timing differences	143,841
	<u>-</u>
Balance at 31 December 2008	<u>-</u>

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008	2007
			£	£
970,000	Ordinary shares	£1	<u>970,000</u>	<u>970,000</u>

14. RESERVES

	Profit and loss account
	£
At 1 January 2008	(529,284)
Deficit for the year	(440,716)
	<u>(970,000)</u>
At 31 December 2008	<u>(970,000)</u>

FLEXTRONICS COMPUTING (UK) LIMITED
PREVIOUSLY KNOWN AS ARIMA COMPUTER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

15. ULTIMATE PARENT COMPANY

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by Flextronics International Limited, the ultimate parent undertaking and controlling party, which is incorporated in Singapore.

The financial statements of the ultimate parent undertaking are available from:

Flextronics International Limited
Investor Relations Department
2090 Fortune Drive
San Jose
California
95131
USA

16. RELATED PARTY DISCLOSURES

The company is exempt under FRS 8 from disclosing related party transactions with group companies as consolidated financial statements are prepared by the parent company.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Loss for the financial year	(440,716)	(286,323)
Net reduction of shareholders' funds	(440,716)	(286,323)
Opening shareholders' funds	440,716	727,039
Closing shareholders' funds	-	440,716