

Maplin Electronics Limited

Directors' report and financial
statements

Registered number 1264385

31 December 2005



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Directors and company information

Directors

G N Caldwell
N L J Fawcett
D O'Reilly
K Pacey
G Hunt
D I Whittle
A Limbachiya
S R Russell (appointed 1 January 2006)
M A Oldham (appointed 12 May 2006)

Bankers

Bank of Scotland
38 Threadneedle Street
London
EC29 2HL

Auditors

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Registered office

Valley Road
Wombwell
Barnsley
South Yorkshire
S73 0BS

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 31 December 2005.

Result and dividends

The operating profit for the period amounted to £16,368,000 (2004: £11,603,000). The profit for the period after taxation amounted to £11,253,000 (2004: £7,746,000). There were no dividends paid or proposed during the period (2004: £14,000,000). A retained profit of £11,253,000 (2004: £7,746,000) has been transferred to reserves.

Review of the business and future developments

The principal activity of Maplin Electronics Limited is the retail of electronic and electrical products. The business operates through three channels, namely retail outlets, mail order and internet. The mail order business services both the business and consumer markets and The Maplin Electronics Catalogue is the market leading publication of its kind.

The continuing improvement in performance was driven by a 7% (2004:24%) increase in sales from retail outlets, with like for like sales down 6% (2004: 7% ahead). The expansion of the retail network continued with the opening of 11 (2004: 14) new stores.

The mail order business has improved during the period with sales up by 6% (2004:2% ahead).

The interactive internet site (www.maplin.co.uk) increased sales by 8% (2004 16%).

Overseas branches

The company continued during the period to source products through its overseas branch in Taiwan and through Maplin Electronics (HK) Limited, its subsidiary in Hong Kong and China.

Employees

It is the board's policy to pursue open communication with employees and, to this end, regular meetings are held with management to convey information about the business.

The company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Systems are in place to prevent discrimination. Where existing employees become disabled, it is the company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development opportunities where appropriate.

Directors and directors' interests

The directors who served during the period were as follows:

| | |
|---------------|------------------------------|
| G N Caldwell | |
| N L J Fawcett | |
| D O'Reilly | |
| K Pacey | |
| G Hunt | |
| D I Whittle | |
| A Limbachiya | |
| P A Wilburn | (resigned 21 September 2005) |
| S R Russell | (appointed 1 January 2006) |
| M A Oldham | (appointed 12 May 2006) |

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

The company is a wholly owned subsidiary of Maplin Electronics (Holdings) Limited whose parent company is Maplin Electronics Group (Holdings) Ltd. All the directors are directors of Maplin Electronics (Holdings) Limited and their interests in its share capital are disclosed in the accounts of that company.

Directors' report *(continued)*

Policy on the payment of suppliers

The company recognises the importance of maintaining good business relationships with its suppliers and aims to pay all invoices within agreed terms. At 31 December 2005, the company had an average of 46 days purchases outstanding in trade creditors (2004: 42 days).

Auditors

A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

K Pacey
Director



Valley Road
Wombwell
Barnsley
South Yorkshire
S73 0BS

30 June 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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.

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 judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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 auditors report to the members of Maplin Electronics Limited

We have audited the financial statements of Maplin Electronics Limited for the period ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliations of movements in shareholder's funds and the related notes. 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 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 described in the Statement of Directors' Responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 Directors' Report 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 judgments 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.

Independent auditors report to the members of Maplin Electronics Limited
(continued)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

30 June 2006

Profit and loss account

for the 52 week period ended 31 December 2005

| | <i>Note</i> | 52 week period ended 31 December 2005 £'000 | 53 week period ended 1 January 2005 £'000 |
|--|-------------|--|--|
| Turnover | 2 | 128,285 | 119,929 |
| Cost of sales | | (63,978) | (63,825) |
| | | <hr/> | <hr/> |
| Gross profit | | 64,307 | 56,104 |
| Distribution costs | | (16,140) | (13,248) |
| Administrative expenses | | (31,906) | (31,347) |
| Other operating income | | 107 | 94 |
| | | <hr/> | <hr/> |
| Operating profit | 2-4 | 16,368 | 11,603 |
| Other interest receivable and similar income | 5 | 150 | 166 |
| Interest payable | 6 | (30) | (23) |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | | 16,488 | 11,746 |
| Tax on profit on ordinary activities | 7 | (5,235) | (4,000) |
| | | <hr/> | <hr/> |
| Profit for the financial period | 18 | 11,253 | 7,746 |
| | | <hr/> <hr/> | <hr/> <hr/> |

There are no recognised gains and losses other than the profit for the financial period stated above. The profit is derived entirely from continuing operations.

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

Balance sheet
as at 31 December 2005

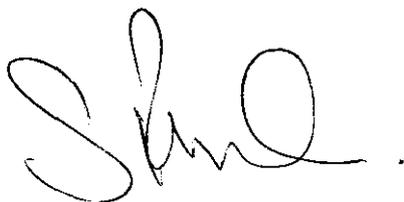
| | <i>Note</i> | 31 December 2005 | | 1 January 2005 | |
|---|-------------|-------------------------|----------------|-----------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Tangible assets | <i>9</i> | | 14,332 | | 11,956 |
| Investments | <i>10</i> | | 17 | | 17 |
| | | | <hr/> | | <hr/> |
| | | | 14,349 | | 11,973 |
| Current assets | | | | | |
| Stock | <i>11</i> | 17,038 | | 15,038 | |
| Debtors | <i>12</i> | 14,585 | | 2,772 | |
| Cash at bank and in hand | | 3,471 | | 4,493 | |
| | | <hr/> | | <hr/> | |
| | | 35,094 | | 22,303 | |
| Creditors: amounts falling due within one year | <i>13</i> | (25,846) | | (22,350) | |
| | | <hr/> | | <hr/> | |
| Net current assets/(liabilities) | | | 9,248 | | (47) |
| | | | <hr/> | | <hr/> |
| Total assets less current liabilities | | | 23,597 | | 11,926 |
| Provisions for liabilities and charges | <i>14</i> | | (1,277) | | (859) |
| | | | <hr/> | | <hr/> |
| Net Assets | | | 22,320 | | 11,067 |
| | | | <hr/> <hr/> | | <hr/> <hr/> |
| Capital and reserves | | | | | |
| Called up share capital | <i>17</i> | | 420 | | 420 |
| Share premium | <i>18</i> | | 429 | | 429 |
| Profit and loss account | <i>18</i> | | 21,471 | | 10,218 |
| | | | <hr/> | | <hr/> |
| Equity shareholders' funds | | | 22,320 | | 11,067 |
| | | | <hr/> <hr/> | | <hr/> <hr/> |

These financial statements were approved by the board of directors on 30 June 2006 and were signed on its behalf by:

K Pacey
Director



S R Russell
Director



Reconciliation of movements in equity shareholders' funds
for the 52 week period ended 31 December 2005

| | Year ended 31 December 2005 £'000 | Year ended 1 January 2005 £'000 |
|---|--|--|
| Profit for the financial period | 11,253 | 7,746 |
| Dividends on shares classified in shareholders' funds | - | (14,000) |
| | <hr/> | <hr/> |
| Addition to/(reduction) in shareholder's funds | 11,253 | (6,254) |
| Opening shareholder's funds | 11,067 | 17,321 |
| | <hr/> | <hr/> |
| Closing shareholder's funds | 22,320 | 11,067 |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes

(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.

In these financial statements the following new standards have been adopted for the first time:

- FRS 28 'Corresponding amounts'.

FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain land and buildings.

The company is exempt by virtue of s228 of the Companies Act 1985 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 Financial Reporting Standard 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 Maplin Electronics Group (Holdings) 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 Maplin Electronics Group (Holdings) Limited, within which this company is included, can be obtained from Valley Road, Wombwell, Barnsley, South Yorkshire, S73 0BS.

Depreciation of tangible fixed assets

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

| | |
|---|--|
| Freehold buildings | - 2% per annum |
| Long leasehold property and improvements | - shorter of the break clause or end of lease term |
| Short leasehold property and improvements | - shorter of the break clause or end of lease term |
| Fixtures, fittings, tools and equipment | - 15% reducing balance |
| Computer equipment | - 33% on cost |
| Motor vehicles | - 25% on cost |
| Internet | - 33% on cost |

No depreciation is provided on freehold land.

The transitional arrangements under FRS 15 were adopted to retain the book values of the fixed assets at their revalued amounts. No further revaluations will be carried out.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at hedged rates, where applicable. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the period end rates or hedged rates, where applicable. All exchange differences thus arising are dealt with through the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

Post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The charge for taxation is based on the profit 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.

Stock

Stock is stated at the lower of cost and net realisable value. Cost comprises purchase price and all other directly attributable costs.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are included as tangible fixed assets at cost and depreciated over the asset's life. The interest element is charged to the profit and loss account using a reducing balance method. Rentals under operating leases are charged to the profit and loss account on a straight line basis.

2 Turnover

| | Total turnover | |
|-----------------|-----------------------|----------------|
| | 2005 | 2004 |
| | £'000 | £'000 |
| Mail order | 20,555 | 19,342 |
| Stores | 107,730 | 100,587 |
| | <hr/> | <hr/> |
| | 128,285 | 119,929 |
| | <hr/> <hr/> | <hr/> <hr/> |
| By destination: | | |
| United Kingdom | 119,416 | 113,351 |
| Other | 8,869 | 6,578 |
| | <hr/> | <hr/> |
| | 128,285 | 119,929 |
| | <hr/> <hr/> | <hr/> <hr/> |
| By origin: | | |
| United Kingdom | 119,267 | 113,292 |
| Other | 9,018 | 6,637 |
| | <hr/> | <hr/> |
| | 128,285 | 119,929 |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes (continued)

3 Operating profit

| | 2005 | 2004 |
|---|-------|-------|
| | £'000 | £'000 |
| This is stated after charging/(crediting): | | |
| Auditors' remuneration - audit services | 70 | 93 |
| - other services | 38 | 99 |
| Depreciation of owned assets | 1,968 | 3,645 |
| Depreciation of asset held under finance leases | 43 | 43 |
| Loss on disposal of fixed assets | 19 | 52 |
| Operating lease costs – land and buildings | 9,141 | 6,663 |
| Hire of plant and machinery | 76 | 49 |
| Losses/(gains) on foreign exchange | 441 | (135) |
| | | |

During 2004 a review and reassessment of accounting estimates was performed which led to certain one off costs in the period. This led to an assessment of sales returns being included within turnover and a review of the stock provisioning policy leading to an additional charge within cost of sales.

Included within the 2004 administration expenses are some one off costs relating to the creation of a dilapidation and onerous lease provision. Additional depreciation had also been charged following the revision of the useful economic life of some assets in 2004. See note 9 for more details.

4 Directors' emoluments

| | 2005 | 2004 |
|---|-------|-------|
| | £'000 | £'000 |
| Emoluments | 842 | 1,112 |
| Company contributions paid or accrued to money purchase pension schemes | 64 | 83 |
| Retirement benefits are accruing to the following number of directors as follows: | | |
| | 2005 | 2004 |
| Members of money purchase pension schemes | 7 | 8 |
| The amounts in respect of the highest paid director are as follows: | | |
| | £'000 | £'000 |
| Emoluments | 189 | 245 |

Company pension contributions of £21,000 (2004: £19,000) were made to a money purchase scheme on his behalf.

| <i>Staff costs</i> | 2005 | 2004 |
|-----------------------|--------|--------|
| | £'000 | £'000 |
| Wages and salaries | 19,184 | 16,832 |
| Social security costs | 1,228 | 1,145 |
| Other pension costs | 179 | 203 |
| | 20,591 | 18,180 |

The average weekly number of full-time employees during the period was 1,350 (2004: 1,194).

Notes (continued)

5 Interest receivable

| | 2005 £'000 | 2004 £'000 |
|--|---------------|---------------|
| Bank interest receivable from Group banking arrangements | 150 | 166 |
| | <u>150</u> | <u>166</u> |

6 Interest payable

| | 2005 £'000 | 2004 £'000 |
|---------------------------|---------------|---------------|
| Bank overdraft | 28 | 22 |
| Interest on late payments | 2 | 1 |
| | <u>30</u> | <u>23</u> |

7 Taxation

| | 2005 £'000 | | 2004 £'000 | | 2004 £'000 |
|---|---------------|--------------|---------------|--------------|---------------|
| Analysis of charge in period | £'000 | | £'000 | | £'000 |
| <i>UK corporation tax</i> | | | | | |
| Current tax on income for the period | - | | | 1,612 | |
| Adjustments in respect of prior periods | 19 | | | (41) | |
| | <u>19</u> | 19 | | <u>1,571</u> | 1,571 |
| <i>Group relief</i> | | | | | |
| Current tax on income for the period | 4,822 | | | 2,701 | |
| Adjustment for group relief in respect of prior periods | - | | | (33) | |
| | <u>4,822</u> | 4,822 | | <u>2,668</u> | 2,668 |
| <i>Foreign tax</i> | | | | | |
| Current tax on income for the period | 186 | | | 325 | |
| Adjustments in respect of prior periods | (160) | | | (97) | |
| | <u>26</u> | 26 | | <u>228</u> | 228 |
| Total current tax | | <u>4,867</u> | | | <u>4,467</u> |
| <i>Deferred tax</i> | | | | | |
| Origination/reversal of timing differences | 234 | | | (504) | |
| Adjustment in respect of previous periods | 134 | | | 37 | |
| | <u>368</u> | 368 | | <u>(467)</u> | (467) |
| Tax on profit on ordinary activities | | <u>5,235</u> | | | <u>4,000</u> |

Notes (continued)

7 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2004: higher) than the standard rate of corporation tax in the UK (30%, 2004: 30%). The differences are explained below:

| | 2005 £'000 | 2004 £'000 |
|--|---------------|---------------|
| <i>Current tax reconciliation</i> | | |
| Profit on ordinary activities before tax | 16,488 | 11,746 |
| | <hr/> | <hr/> |
| Current tax at 30% (2003: 30%) | 4,946 | 3,524 |
| <i>Effects of:</i> | | |
| Expenses not deductible for tax purposes (primarily non qualifying depreciation) | 264 | 609 |
| Fixed asset timing differences | (266) | 247 |
| Short term timing differences | 64 | 258 |
| Adjustments to tax charge in respect of previous periods | (141) | (171) |
| | <hr/> | <hr/> |
| Total current tax charge (see above) | 4,867 | 4,467 |
| | <hr/> <hr/> | <hr/> <hr/> |

8 Dividends

| | 2005 £'000 | 2004 £'000 |
|---|---------------|---------------|
| Equity dividends on ordinary shares: | | |
| Final dividends paid & proposed per share were nil (2004: £14.88) | - | 14,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes (continued)

9 Tangible fixed assets

| | Freehold land and buildings £'000 | Leasehold property and improvements £'000 | Fixtures, fittings, tools and equipment £'000 | Computer equipment and motor vehicles £'000 | Total £'000 |
|--------------------------|--|--|--|--|----------------|
| Cost or valuation | | | | | |
| At beginning of period | 1,825 | 10,604 | 8,025 | 3,611 | 24,065 |
| Additions | - | 2,428 | 1,513 | 453 | 4,394 |
| Disposals | - | (195) | (98) | (72) | (365) |
| At end of period | 1,825 | 12,837 | 9,440 | 3,992 | 28,094 |
| Depreciation | | | | | |
| At beginning of period | 559 | 4,651 | 3,938 | 2,960 | 12,108 |
| Charge for the period | 34 | 831 | 768 | 378 | 2,011 |
| Disposals | - | (195) | (98) | (64) | (357) |
| At end of period | 593 | 5,287 | 4,608 | 3,274 | 13,762 |
| Net book value | | | | | |
| At 31 December 2005 | 1,232 | 7,550 | 4,832 | 718 | 14,332 |
| At 1 January 2005 | 1,266 | 5,952 | 4,087 | 651 | 11,956 |

The net book amount of fixed assets at 31 December 2005 includes an amount of £27,872 (2004: £71,021) in respect of assets held under finance leases. The related depreciation charge for the period was £43,149 (2004: £43,149).

Leasehold property includes a long lease with a net book value at 31 December 2005 of £162,503 (2004: £120,057).

Included within leasehold property and improvements is £40,845 (2004: £166,809) relating to assets not yet in use against which no depreciation has been charged.

During the prior year the useful economic lives of computer equipment and motor vehicles were revised from 4 years to 3 years which increased the depreciation charge by £388,000. Leasehold improvements were also revised to be depreciated over the period to the shorter of the break clause or end of lease term. This increased the charge in the prior year by £542,000.

Notes (continued)

10 Investments

| | Investment in subsidiaries £'000 |
|--|---|
| <i>Cost</i> | |
| At beginning and end of period | 17 |
| <i>Provisions</i> | |
| At beginning and end of period | - |
| <i>Net book value</i> | |
| At 31 December 2005 and 1 January 2005 | 17 |

| <i>Subsidiary</i> | <i>Country of registration/ Incorporation</i> | <i>Holding</i> | <i>Proportion held</i> | <i>Activity</i> |
|---------------------------------|---|-----------------|------------------------|---|
| Maplin Electronics (HK) Limited | Hong Kong | Ordinary shares | 100% | Buying, sourcing quality control and shipping of products |

11 Stock

| | 2005 £'000 | 2004 £'000 |
|--------------------------------|-----------------------|-----------------------|
| Finished goods held for resale | 17,038 | 15,038 |

Notes (continued)

12 Debtors

| | 2005 £'000 | 2004 £'000 |
|-------------------------------------|---------------|---------------|
| Trade debtors | 1,030 | 1,089 |
| Amounts due from group undertakings | 10,235 | - |
| Corporation tax recoverable | 855 | - |
| Other debtors | 205 | 112 |
| Prepayments and accrued income | 2,260 | 1,530 |
| VAT and duties recoverable | - | 41 |
| | <hr/> | <hr/> |
| | 14,585 | 2,772 |
| | <hr/> <hr/> | <hr/> <hr/> |

13 Creditors: amounts falling due within one year

| | 2005 £'000 | 2004 £'000 |
|------------------------------------|---------------|---------------|
| Payments on account | 86 | 46 |
| Trade creditors | 8,583 | 7,970 |
| Amounts owed to group undertakings | - | 2,912 |
| Accruals and deferred income | 6,809 | 6,151 |
| Corporation taxation | - | 262 |
| Group relief payable | 7,242 | 2,634 |
| Overseas taxation | 244 | 218 |
| Taxation and social security | 2,882 | 2,127 |
| Obligations under finance leases | - | 30 |
| | <hr/> | <hr/> |
| | 25,846 | 22,350 |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes *(continued)*

14 Provisions for liabilities and charges

| | Deferred tax £'000 | Other £'000 | Total £'000 |
|------------------------|-----------------------|----------------|----------------|
| At beginning of period | 71 | 788 | 859 |
| Charge in the period | 367 | 51 | 418 |
| | <hr/> | <hr/> | <hr/> |
| At end of period | 438 | 839 | 1,277 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The elements of deferred taxation are as follows:

| | 2005 £'000 | 2004 £'000 |
|---|---------------|---------------|
| Difference between accumulated depreciation and amortisation and capital allowances | 729 | 329 |
| Other timing differences | (291) | (258) |
| | <hr/> | <hr/> |
| Deferred tax liability | 438 | 71 |
| | <hr/> <hr/> | <hr/> <hr/> |

The other provision relates to a dilapidation and an onerous lease provision.

15 Obligations under finance leases and hire purchase contracts

| | 2005 £'000 | 2004 £'000 |
|---|---------------|---------------|
| Amounts payable: | | |
| Within one year | - | 32 |
| In two to five years | - | - |
| | <hr/> | <hr/> |
| | - | 32 |
| Less: finance charges allocated to future periods | - | (2) |
| | <hr/> | <hr/> |
| | - | 30 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Amounts due within one year | - | 30 |
| Amounts due after one year | - | - |
| | <hr/> | <hr/> |
| | - | 30 |
| | <hr/> <hr/> | <hr/> <hr/> |

16 Commitments

(a) Capital commitments at the end of the financial period, for which no provision has been made, are as follows:

| | 2005 £'000 | 2004 £'000 |
|-----------------------------|---------------|---------------|
| Authorised (not contracted) | 250 | 210 |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes *(continued)*

16 Commitments *(continued)*

(b) As at the period end the company has annual commitments under non-cancellable operating leases as set out below:

| | Land and buildings | |
|--------------------------------|---------------------------|---------------------|
| | 2005 | 2004 |
| | £'000 | £'000 |
| Operating leases which expire: | | |
| Within one year | 490 | 226 |
| In two to five years | 639 | 613 |
| In over five years | 7,662 | 6,758 |
| | <u>8,791</u> | <u>7,597</u> |
| | <u><u>8,791</u></u> | <u><u>7,597</u></u> |

17 Share capital

| | 2005 | 2004 |
|---------------------------------------|-------------------|-------------------|
| | £'000 | £'000 |
| Authorised: | | |
| Ordinary shares of £1 each | 74 | 74 |
| Redeemable ordinary shares of £1 each | 350 | 350 |
| | <u>424</u> | <u>424</u> |
| | <u><u>424</u></u> | <u><u>424</u></u> |
| Allotted, called up and fully paid: | | |
| Ordinary shares of £1 each | 70 | 70 |
| Redeemable ordinary shares of £1 each | 350 | 350 |
| | <u>420</u> | <u>420</u> |
| | <u><u>420</u></u> | <u><u>420</u></u> |

The redeemable ordinary shares of £1 nominal value rank pari passu with the ordinary shares, except that the redeemable ordinary shares may be redeemed at par at the option of either the company or the holder at any time.

Notes *(continued)*

18 Reserves

| | Share premium £'000 | Profit and loss account £'000 |
|---------------------------------|------------------------------------|--|
| At beginning of period | 429 | 10,218 |
| Profit for the financial period | - | 11,253 |
| | 429 | 21,471 |
| At end of period | 429 | 21,471 |

19 Pension commitments

Maplin Electronics Limited, a fully owned subsidiary of Maplin Electronics Group (Holdings) Limited, is the sponsoring employer of The Maplin Electronics Group Personal Pension Scheme, a defined contribution money purchase scheme. The pension cost charge for the period represents contributions payable by the group to the fund and amounted to £179,000 (2004: £205,000).

Previously Maplin Electronics Limited was the sponsoring employer of The Saltire Group Pension Scheme and its predecessor The Saltire Group Retirement Benefits Scheme. Both of these schemes are in the latter stages of winding up which is expected to be finalised by summer 2006. No costs have been incurred in respect of either of these schemes during the period and no additional liabilities are expected to be incurred on completion of the wind up of the schemes.

20 Related party

The ultimate controlling party is Montagu Private Equity Limited as a result of the size of their shareholding in the Group.

21 Ultimate parent company

The company is a subsidiary undertaking of Maplin Electronics (Holdings) Limited.

The largest group in which the results of the company are consolidated is that headed by Maplin Electronics Group (Holdings) Limited. The consolidated accounts of this company are available to the public from the registered office.