

Registration number: 00860093

Premier Farnell UK Limited

Annual Report and Financial Statements

for the Period from 3 July 2023 to 30 June 2024

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Premier Farnell UK Limited

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Premier Farnell UK Limited

Company Information

Directors	D Jackson G Hodgson-Silke
Company secretary	S Damien
Registered office	150 Armley Road Leeds LS12 2QQ
Auditors	KPMG LLP One Sovereign Square Sovereign Street Leeds UK LS1 4DA

Premier Farnell UK Limited

Strategic Report for the Period from 3 July 2023 to 30 June 2024

The directors present their report for the 52 week period from 3 July 2023 to 30 June 2024.

Fair review of the business

Revenue and margin declined year on year reflecting challenging market conditions due to the cyclical market downturn, driven by a decline in market demand and weaker macro-economic conditions. Operating expenses included non-recurring costs relating to the closure of the distribution centre in Belgium and the write-off of software costs (see note 6). As a result of an impairment review, goodwill was fully impaired with an impairment expense incurred of £113,661,000, as a result of the revenue and margin decline in the year and the challenging market conditions (see note 14).

The results for the period are set out on page 15 and show loss before taxation for the period ended 30 June 2024 of £178,824k (2023: £76,621k profit). The loss after taxation for the financial period 2024 was £166,564k (2023: £60,726k profit) and has been transferred to reserves.

The company remains a subsidiary of Avnet Inc. ('Group').

Key performance indicators

The directors manage the company's operations on a group basis. For this reason, the company's directors believe that the analysis using key performance indicators of the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company.

Section 172(1) statement

When making decisions each director ensures that they act in a way which they consider, in all good faith, would most likely promote the company's success for the benefit of its stakeholders as a whole, and in doing so have regard to:

(a) The directors understand the business and the evolving environment in which the company operates. The strategy is to provide customers with effortless global access to technology products and services, which will be achieved through product differentiation and partnering with our key suppliers, eCommerce and multi-channel offering, and driving operational excellence. It is recognised that the long term success of the company is dependent upon its people and core values.

(b) The directors place a strong emphasis on creating a safe, healthy and supportive environment for their employees. The company participates in Avnet group policies and practices to keep employees informed on matters impacting them, through regular Town Hall meetings and communications. The Avnet group conducts regional and global employee surveys to monitor the engagement level and identify key matters which need to be addressed. Employees have access to the group pension arrangements and support via the group wide Assistance programs.

(c) The company's strong mutually beneficial relationships with customers and suppliers is key to the success of the business. Through expanding our product range and adding more SKUs by investing with suppliers to bring new products and technologies to customers, and providing customers with the products and services which then need.

(d) The directors consider the importance of environmental responsibilities, ensuring that policies are implemented to minimise damage caused by the company's activities, including emissions of greenhouse gases, by the use of recycling and by taking active steps to reduce energy consumption.

(e) Training is provided for all employees on business conduct principles, code of conduct, anti-bribery and corruption, export compliance, and privacy and security to ensure that high standards are maintained in dealing with all stakeholders.

(f) The directors act fairly between all members of the company in delivering solid financial results and appropriate investment strategies and capital allocation.

Premier Farnell UK Limited

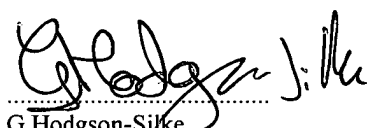
Strategic Report for the Period from 3 July 2023 to 30 June 2024

Engagement with employees

The company provides employees with relevant information, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Within the group of operating companies, employee involvement and engagement is encouraged at all times, to ensure that employees are informed on matters relating to our business performance.

Our people have access to information about our business, strategy and operational performance through various internal communication channels. These include our global intranet, weekly newsletters, regular video broadcasts and various town halls, with local business context, content and translation where appropriate. Our business updates, through regular, consistent and open communication, are essential to engaging our people by keeping them informed.

Approved by the board on 22 September 2025 and signed on its behalf by:



G Hodgson-Silke
Director

Premier Farnell UK Limited

Directors' Report for the Period from 3 July 2023 to 30 June 2024

The directors present their report and the financial statements for the period from 3 July 2023 to 30 June 2024.

Directors' of the company

The directors, who held office during the period, were as follows:

D Jackson

G Hodgson-Silke

Principal activity

The principal activity of the company continued to be that of the sale of electronic and electrical products.

Fair review of the business

Revenue and margin declined year on year reflecting challenging market conditions due to the cyclical market downturn, driven by a decline in market demand and weaker macro-economic conditions. Operating expenses included non-recurring costs relating to the closure of the distribution centre in Belgium and the write-off of software costs (see note 6). As a result of an impairment review, goodwill was fully impaired with an impairment expense incurred of £113,661,000, as a result of the revenue and margin decline in the year and the challenging market conditions (see note 14).

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The company remains a subsidiary of Avnet Inc. ('group').

Principal risks and uncertainties

The principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. The principal risks and uncertainties of Avnet Inc. are disclosed in that company's financial statements.

Dividends

No dividends were paid or proposed during the period (2023: Nil).

Financial instruments

The company's activities expose it to a number of financial risks including credit risk, foreign currency risk and liquidity risk. Financial risk management has been detailed within the notes to the financial statements in note 27.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Engagement with suppliers, customers and other relationships

The delivery of the Company strategy requires strong relationships with suppliers, customers and governmental bodies. The directors promote certain principles in such relationships along with standards described in the Avnet group Code of Conduct and other group policies.

Premier Farnell UK Limited

Directors' Report for the Period from 3 July 2023 to 30 June 2024

Non-financial and sustainability information

Taskforce on Climate-related Financial Disclosures

Premier Farnell UK Limited is a wholly owned subsidiary of Avnet Inc. Within Avnet, ESG governance is managed on a group basis, and the Directors of Premier Farnell UK Limited place reliance on this for their assessment.

Some of the following information is sourced from the Avnet sustainability report.

Governance

Within the Avnet group, the Avnet Board of Directors (Board) oversees the Avnet groups ESG program with a full review at least annually.

The Corporate Governance Committee of the Board (CGC) has primary oversight of ESG, including corporate social responsibility and ESG. It monitors the effectiveness of our ESG program and initiatives, offers advice and counsel to management, and makes recommendations to the Board. As part of its responsibilities, the CGC also oversees Avnet's readiness for potential changes to climate-related regulations. The CGC reviews the ESG road map and new systems implementation that will support environmental data collection and reporting, with the goal to be ready for third-party assurance and to improve reporting efficiency, accuracy, scope and transparency.

The CGC reviews ESG at three quarterly meetings, with an ESG update to the full Board once per year. As part of CGC's oversight of Avnet's environmental strategies and climate risks, environmental topics are covered in at least two CGC meetings per year, and the CGC reports on climate to the Board at least once a year.

At Avnet's management level, the ESG Governance Council oversees Avnet's readiness for potential changes to climate-related regulations globally. The ESG Governance Council includes members of the Farnell global business unit senior leadership team.

The ESG Governance Council oversees the ESG road map and systems implementation for environmental data collection and reporting, aiming to improve reporting efficiency, accuracy, scope and transparency, as well as to prepare for any required third-party assurance. The ESG Governance Council also approves energy, emissions, waste, and water reduction goals, and associated reporting. Performance is recorded and monitored by the corporate ESG team.

Risk management

Avnet's enterprise risk management (ERM) and resiliency program, is a structured and coordinated process that evaluates, prioritizes and mitigates risks across the enterprise. The focus includes operational hazards and risks, economic and financial risks, and strategic risks that may affect the company's operations and financial performance.

Avnet's process for identifying, assessing and responding to sustainability risks, including climate-related risks, is integrated into our ERM program. Avnet convenes an Enterprise Risk Management Council (Risk Council) twice a year to assess current enterprise-level risks and to identify emerging risks. The Risk Council assesses and ranks the top enterprise-level risks that could impact our operations and financial performance. The Risk Council is composed of senior leaders from Avnet's global business units, including Farnell, and support functions. The risks considered include natural disasters due to climate change and man-made issues (e.g., shifts in political climate, workforce issues).

The current strategic planning cycles operate within three defined time frames: short term, medium term and long term:

Premier Farnell UK Limited

Directors' Report for the Period from 3 July 2023 to 30 June 2024

- Short term (zero to three years) The time frame incorporates the potential loss of business due to customers adopting stricter rules on supply chain partners regarding green policies. It matches up with a three-year business planning cycle and addresses the implementation of controls and remediation actions for near-term solutions.
- Medium term (three to 10 years) This time horizon covers projects that require significant lead times and capital investments in the multi-millions of dollars, and involves a continual evaluation of our supply chains, operations and logistics partners. It incorporates both risks and opportunities related to climate change.
- Long term (10-25 years) Defined as risks that will take a long time to manifest, mitigate and resolve.

Strategy

There are several areas where climate-related risks and opportunities are influencing our strategy and associated financial planning.

Product and services

As our customers are asking for more energy-efficient and lower-emission products, we are working with our suppliers to provide those kinds of products to support the technology and design needs.

Farnell is a vital link to customers embracing new and energy-efficient technologies. Farnell distributes the electronic components needed for electric vehicles (EV) and EV infrastructure, the renewable energy industry and energy-efficient data center technologies. Farnell continually evolves its business to serve the emerging and growing climate-related markets.

There are no principal climate risks associated to Farnell's products and services.

Supply chain and/or value chain

Farnell relies on various modes of transport, air, road and sea for the flow of goods into our distribution centers and then downstream to our customers. Climate-related incidents such as hurricanes and extensive flooding can disrupt these modes of freight movement. Environmental factors, pandemic complications and supply chain constraints created a challenging and dynamic logistics flow for Farnell, particularly given our global scale.

Farnell works with our logistics suppliers to create a resilient supply line by more closely monitoring our supply chain impacts, identifying shipping alternatives and diversifying our supply chain sources to provide coverage should one region become unavailable.

Any disruption from events such as typhoons, storms or flooding only have a local impact and are limited in geographical area, for a limited period of time, and as such no significant impact has been experienced or is expected in the future.

There are no principal climate risks associated to Farnell's supply chain.

Operations

To reduce our climate-related risk, we have taken measures to reduce energy costs, diversify our energy portfolio in our operations and increase our renewable energy.

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Directors' Report for the Period from 3 July 2023 to 30 June 2024

Physical risk

An acute physical risk is a major interruption or disruption in service at one of Avnet's distribution centers that, for any reason, such as natural disasters or severe weather, could cause cancellations or delays in a significant number of shipments to customers and, as a result, have an adverse impact on Avnet's business partners, operations and financial performance.

The environmental risks to the Avnet operations are not significant, and documented in the business continuity plan. A risk to the Leeds DC is non climate related fire. The site is fully sprinklered to mitigate this hazard and has a full life safety fire detection system. The site is ISO 14001 and has low environmental risks, flooding and other climate related issues have not been identified as principal risks for the sites continued operation. In the UK all sites certified zero carbon emission electricity and the sites also have 100% back up generation for their electricity supply in the event of a significant distribution network failure and uninterruptable power supplies protect critical infrastructure.

There are no principal climate risks associated to Farnell's operations.

The risks noted above are not material therefore the requirements (e) to (h) have been omitted on the basis that the actual and potential impacts are considered to be very low. This has been determined as part of Avnet's ESG Governance process, with all local Premier Farnell climate risks evaluated within this process and none being identified as material.

Streamline energy and carbon reporting

The kWh figures in the table below are the quantities of energy from activities for which the company is responsible in the UK and the annual quantity of energy consumed resulting from purchase of electricity, heat and vehicle fuel by the company for its own use and arising from those sources over which we have operational control.

Emissions and energy consumption

	2024		2023	
	kWh	tCO2e	kWh	tCO2e
Scope 1 emissions from combustion of fuels and operation of facilities:				
Natural gas	2,623,385.00	532.00	2,291,000.00	763.00
Company fleet	242,854.44	55.00	276,572.88	67.00
Scope 2 emissions due to electricity purchased for own consumption:				
Purchased electricity	6,008,433.00	-	5,595,990.00	-
Scope 3 other indirect emissions:				
Grey fleet	559,519.39	135.00	338,997.62	82.00
All sources	9,434,191	135	8,502,560	912
Intensity ratio	sqm	tCO2e	sqm	tCO2e
CO2e due to premises energy use per square meter	68,034.00	0.011	68,034.00	0.013

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Directors' Report for the Period from 3 July 2023 to 30 June 2024

The company has used the GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that the Company's total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 9,434,192 kWh and 722 tonnes of CO₂ respectively in the financial year. Total energy usage has increased by 931,631 kWh from FY23 with an increase in both gas and electricity consumption. The increase in electricity consumption has no effect on CO₂ as it is purchased from 100% green electricity for all UK sites, which is supplied by BrytEnergy and is Renewable Energy Guarantee of Origin (REGOs) certified as being generated from Zero Carbon sources. This contract commenced on 1st August 2020 and is still in place. Total CO₂ reduced by 190 tonnes, in part due to a reduction in company fleet emissions as a result of the move to hybrid and electric vehicles and a reduction in the number of company vehicles.

Future developments

Future developments and the results for the financial year ended 30 June 2024 can be found in the strategic report.

Going concern

These financial statements are prepared on the going concern basis.

Notwithstanding the current year loss of £159,300k, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is part of the Farnell division within the Avnet Inc. group. The Company sells electronic components and related products to external customers and other group companies.

Operational and financial management is undertaken at a group and divisional level, including regular forecasts, projections and cash flow forecasts.

The Group operates cash pooling arrangements which are managed and monitored centrally. The cash pooling is a notional pool, in that the cash balances remains with each legal entity and only give the bank a right to offset in the event of a default by another group company in the arrangement and only to the extent that the company was in a credit position.

Taking into account these forecasts and projections, after making enquiries and considering the position of the company, the directors have a reasonable expectation the company has adequate resources to continue in operational existence for the foreseeable future. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis.

In the event that the entity requires funds to meet liabilities as they fall due, Avnet Inc. group has indicated its intention to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts currently due to the Group and other subsidiaries, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Directors' liabilities

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Premier Farnell UK Limited

Directors' Report for the Period from 3 July 2023 to 30 June 2024

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the board on 22 September 2025 and signed on its behalf by:



G Hodgson-Silke
Director

Premier Farnell UK Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Premier Farnell UK Limited

Independent Auditor's Report to the Members of Premier Farnell UK Limited

Opinion

We have audited the financial statements of Premier Farnell UK Limited (the "company") for the period ended 30 June 2024 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including a summary of significant accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Premier Farnell UK Limited

Independent Auditor's Report to the Members of Premier Farnell UK Limited

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the nature of revenue, which consists of a high volume of low value transactions.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries to revenue and cash accounts throughout the year where the corresponding entry is to an unexpected account.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, recognising the financial and regulated nature of the Company’s activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Premier Farnell UK Limited

Independent Auditor's Report to the Members of Premier Farnell UK Limited

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Premier Farnell UK Limited

Independent Auditor's Report to the Members of Premier Farnell UK Limited

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

.....
David Caseldine (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Sovereign Square
Sovereign Street
Leeds
UK
LS1 4DA

22 September 2025

Premier Farnell UK Limited

Profit and Loss Account for the Period from 3 July 2023 to 30 June 2024

	Note	2024 £ 000	2023 £ 000
Turnover	5	749,593	856,778
Cost of sales		<u>(588,662)</u>	<u>(620,272)</u>
Gross profit		160,931	236,506
Distribution costs		(171,296)	(160,724)
Non-recurring expenses		(48,127)	-
Goodwill impairment		<u>(113,661)</u>	<u>-</u>
Operating (loss)/profit	6	(172,153)	75,782
Interest receivable and similar income	7	5,110	3,631
Interest payable and similar expenses	8	<u>(11,781)</u>	<u>(2,792)</u>
(Loss)/profit before tax		(178,824)	76,621
Tax on (loss)/profit	12	<u>12,260</u>	<u>(15,895)</u>
(Loss)/profit for the period		<u><u>(166,564)</u></u>	<u><u>60,726</u></u>

The above results were derived from continuing operations.

The notes on pages 19 to 43 form an integral part of these financial statements.

Premier Farnell UK Limited

Statement of Other Comprehensive Income for the Period from 3 July 2023 to 30 June 2024

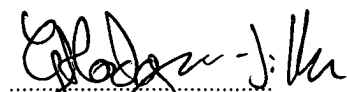
	2024 £ 000	2023 £ 000
(Loss)/profit for the period	(166,564)	60,726
Items that may be reclassified subsequently to profit or loss		
Gain/(loss) on cash flow hedges	<u>426</u>	<u>(438)</u>
Total comprehensive (loss)/income for the period	<u>(166,138)</u>	<u>60,288</u>

Premier Farnell UK Limited
(Registration number: 00860093)
Balance Sheet as at 30 June 2024

		(As restated)	
		30 June 2024	02 July 2023
	Note	£ 000	£ 000
Fixed assets			
Intangible assets	14	5,544	134,373
Tangible assets	15	39,403	44,325
Right of use assets	16	31,315	33,324
Investments	17	2,000	2,000
		<u>78,262</u>	<u>214,022</u>
Current assets			
Stocks	19	424,797	363,375
Trade and other debtors	20	109,784	154,193
Cash at bank and in hand		105,224	89,161
Other financial assets	18	208	-
		<u>640,013</u>	<u>606,729</u>
Creditors: Amounts falling due within one year	24	<u>(396,238)</u>	<u>(330,540)</u>
Net current assets		<u>243,775</u>	<u>276,189</u>
Total assets less current liabilities		322,037	490,211
Creditors: Amounts falling due after more than one year	25	<u>(32,195)</u>	<u>(34,231)</u>
Net assets		<u>289,842</u>	<u>455,980</u>
Capital and reserves			
Called up share capital	21	250	250
Other reserves	22	208	(218)
Retained earnings		<u>289,384</u>	<u>455,948</u>
Shareholders' funds		<u>289,842</u>	<u>455,980</u>

Please refer to note 4 for details on the prior period restatement.

Approved by the board on 22 September 2025 and signed on its behalf by:



 G Hodgson-Silke
 Director

Premier Farnell UK Limited

Statement of Changes in Equity for the Period from 3 July 2023 to 30 June 2024

	Called up share capital £ 000	Cash flow hedging reserve £ 000	Profit and loss account £ 000	Total £ 000
At 3 July 2023	250	(218)	455,948	455,980
Loss for the period	-	-	(166,564)	(166,564)
Other comprehensive income	-	426	-	426
Total comprehensive income	-	426	(166,564)	(166,138)
At 30 June 2024	<u>250</u>	<u>208</u>	<u>289,384</u>	<u>289,842</u>

	Called up share capital £ 000	Cash flow hedging reserve £ 000	Profit and loss account £ 000	Total £ 000
At 4 July 2022	250	220	383,382	383,852
Restatement - see note 4	-	-	11,840	11,840
At 4 July 2022 (As restated)	<u>250</u>	<u>220</u>	<u>395,222</u>	<u>395,692</u>
Profit for the period	-	-	60,726	60,726
Other comprehensive income	-	(438)	-	(438)
Total comprehensive income	-	(438)	60,726	60,288
At 2 July 2023	<u>250</u>	<u>(218)</u>	<u>455,948</u>	<u>455,980</u>

The notes on pages 19 to 43 form an integral part of these financial statements.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

150 Armley Road
Leeds
LS12 2QQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK adopted International Financial Reporting Standards.

The company is exempt under section 401 of the Companies Act 2006 from preparing consolidated financial statements. Please see note 29 for more detail.

The financial statements covers 52 week period ending on Monday 30 June 2024 (financial year ended 2023: 52 week period ending Friday 2 June 2023)

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

Summary of disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 7 - 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 - 'Revenue from Contracts with Customers' (disaggregation of revenue, significant changes in contract assets and liabilities, details on transaction price allocation, timing of the satisfaction of performance obligations and significant judgements made in the application of IFRS 15).

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

- The requirements of paragraph 52 lessee, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 lessor of IFRS 16 - 'Leases' (lessee disclosures and lessor disclosures in relation to finance leases and lease income on operating leases).
- The requirements of paragraph 58 of IFRS 16 (a maturity analysis of lease liabilities), provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.
- Paragraphs 38, 38A, 1(f) and 40A-D of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
 - i) paragraph 79(a)(iv) of IAS 1
 - ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment'
 - iii) paragraph 118(e) of IAS 38, 'Intangible assets'
 - iv) the presentation of a statement of financial position as at the beginning of the preceding period when an entity makes a retrospective restatement of items in its financial statements
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
 - i) 10(d) (statement of cash flows);
 - ii) 16 (statement of compliance with all IFRS);
 - iii) 38A (minimum of two primary statements, including cash flow statements);
 - iv) 38B-D (additional comparative information);
 - v) 111 (cash flow statement information);
 - vi) 134-136 (capital management disclosures)
- IAS 7 - 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraphs 88C and 88D of IAS 12, 'Income taxes' (certain disclosure requirements concerning exposure to Pillar Two income taxes);
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).
- The requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of Assets'

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Going concern

These financial statements are prepared on the going concern basis.

Notwithstanding the current year loss of £159,300k, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is part of the Farnell division within the Avnet Inc. group. The Company sells electronic components and related products to external customers and other group companies.

Operational and financial management is undertaken at a group and divisional level, including regular forecasts, projections and cash flow forecasts.

The Group operates cash pooling arrangements which are managed and monitored centrally. The cash pooling is a notional pool, in that the cash balances remains with each legal entity and only give the bank a right to offset in the event of a default by another group company in the arrangement and only to the extent that the company was in a credit position.

Taking into account these forecasts and projections, after making enquiries and considering the position of the company, the directors have a reasonable expectation the company has adequate resources to continue in operational existence for the foreseeable future. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis.

In the event that the entity requires funds to meet liabilities as they fall due, Avnet Inc. group has indicated its intention to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts currently due to the Group and other subsidiaries, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Revenue

Recognition

The company generates revenue from sale of electronic and electrical products to external customers. The company considers customer purchase orders to be the contracts with a customer. Revenue is recognised when contractual performance obligations between the company and customers are satisfied. This will typically be on dispatch or delivery, which is when control is transferred to the customer. Revenue is recorded net of customer discounts and rebates. The company estimates different forms of variable consideration at the time of sale based on historical experience, current conditions and contractual obligations.

Finance income and costs

Interest payable and similar expenses include interest payable. Other interest receivable and similar income include, interest receivable on group loans.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	2% straight line
Plant and equipment	10% to 33% straight line

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Intangible assets

Goodwill arising on the acquisition of trade and assets represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalised includes direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and estimated useful lives:
Software	3 years straight line
Customer list	9 years straight line
Concessions, patents, licences, trademarks	10 years straight line

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Impairment

The carrying amounts of the Company's non-financial assets in the scope of IAS 36 are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset of cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investments

Interests in associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. At each reporting date, interests in associates are assessed for impairment, and any impairment losses or reversals of impairment losses are recognised immediately in the profit or loss.

Associates are classified as undertakings in which the company has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over this policies).

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Stock

Inventories are stated at the lower of cost and estimated net realisable value, with cost being determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset, and;
- Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used).

Initial recognition and measurement

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Subsequent measurement

After the commencement date, the company measures the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the profit and loss account, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 Property, Plant and Equipment depreciated and charged in accordance with the depreciation requirements of IAS 16 as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Called up share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Defined benefit pension obligation

The company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is Premier Farnell Limited. The company then recognises a cost equal to its contribution payable for the period.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Share based payments

Certain employees of the company participate in share-based payment arrangements issued by Avnet Inc. (the ultimate parent company of the group). The awards are granted by Avnet Inc and the company has no obligation to settle the awards, but as the company receives the related employment services, it therefore also accounts for the arrangement as an equity-settled scheme.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly in equity. The total amount to be expensed is determined by reference to the fair value of the instruments granted.

- Including any market performance conditions (for example, an entity's share price),
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets, and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specific vesting conditions are to be satisfied. In addition, in some circumstances, employees might provide services in advance of the grant date, and so the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement and grant date.

At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets, intangible assets, deferred tax assets and prepayments.

The company recognises financial assets and financial liabilities in the balance sheet when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Classification and measurement

The company classifies all its financial assets as financial assets at amortised cost. The classification is determined on the basis of both: (1) the company business model for managing financial assets and (2) the contractual cash flow characteristics of the financial assets. For an asset to be measured at amortised cost, the contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ('SPPI'). For the purpose of SPPI test, principal is the fair value of financial asset at initial recognition. Interest is consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

The company determines the classification of financial assets and liabilities at initial recognition and evaluates this designation at every reporting date. The designation of financial assets at fair value through profit or loss is generally irrevocable.

Financial assets at amortised cost

Financial assets at amortised cost are financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are included in current assets except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Financial assets at amortised cost as disclosed at balance sheet date include the following categories:

- Amounts owed by parent or group undertakings represent amounts recoverable for services within the group.
- Other debtors relate to other receivables due to the company in the normal course of the business.

Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at fair value through the profit or loss ('FVTPL'), are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

The company assesses financial assets for credit losses at each balance sheet date, and measures loss allowance for expected credit losses.

Amounts owed by parent or group undertakings represent amounts recoverable from group companies and as such are not subject to any impairment losses given the strong credit position of the group.

Hedge accounting

The company designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the company formally documents the relationship between the hedging instruments and hedge items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The company makes an assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting that changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

2 Accounting policies (continued)

Cash flow hedges

The company makes an assessment for a cash flow hedge of a forecast transaction, of whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect profit or loss, then the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and other comprehensive income.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. However, if the derivative is novated to a central clearing counterparty by both parties as a consequence of laws or regulations without changes in its terms except for those that are necessary for the novation, then the derivative is not considered expired or terminated.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Information about such judgements and estimates is contained in the Accounting Policies and Notes to the financial statements, and the key areas are summarised below:

Goodwill

The estimation of the recoverable amount of goodwill used when assessing goodwill for impairment.

Stock

The estimation of the net realisable value of inventory.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

4 Prior period adjustment

The company has adjusted the presentation of the comparative Balance Sheet. The directors identified that bank overdraft balances amounting to £85,464,451 were offset with cash and cash equivalents instead of shown separately as loans and borrowings within 'Creditors: amounts falling due within one year' as the offsetting criteria was not met. The change in presentation does not have an impact on the net current assets or the cashflow statement.

The directors identified that an amount due to related parties of £11,839,667 recognised within Creditors: Amounts falling due within one year in relation to group tax relief was no longer payable and should have been reclassified as capital contribution within Equity: profit and loss account in 2018. Creditors: Amounts falling due within one year and the profit and loss account within equity at 4 July 2022 have been adjusted from £226,443,000 previously reported to £214,603,333 and from £383,381,653 previously reported to £395,221,320 respectively. There is no impact on the comparative profit for the period.

	2023 as previously reported	Restatement	2023 restated
	£ 000	£ 000	£ 000
Cash at bank and in hand	3,697	85,464	89,161
Creditors - amounts falling due within one year	(256,916)	(73,624)	(330,540)
Net current assets	264,349	11,840	276,189
Net assets	444,140	11,840	455,980
Profit and loss account	444,108	11,840	455,948
Total shareholders' funds	444,140	11,840	455,980

5 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

	2024	2023
	£ 000	£ 000
Sale of goods	<u>749,593</u>	<u>856,778</u>

A geographical analysis of turnover has not been presented as the directors have concluded that it would be prejudicial to the company.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

6 Operating (loss)/profit

Arrived at after charging/(crediting)

	2024	2023
	£ 000	£ 000
Depreciation expense	6,045	5,558
Depreciation on right of use assets - property	2,008	1,895
Amortisation expense	9,454	8,946
Short term lease charges	227	150
Loss on disposal of property, plant and equipment	849	412
Foreign exchange losses	103	1,343
Write off intangible fixed assets	31,849	-
Restructuring expenses - distribution centre closure	16,278	-
Goodwill impairment	113,661	-

During the fiscal year the company incurred the following non recurring expenses: £16.3m (2023: nil) restructuring expenses related to the closure of the Liege distribution centre which were recharged from Farnell Electronic Components Limited, and £31.8m (2023: nil) software development costs expensed and intangible software assets written off due to the non completion of projects and due to the replacement of legacy website technology.

During the fiscal year, the company incurred an impairment expense of £113.7m (2023: nil), as a result of goodwill being fully impaired following an impairment review (note 14).

7 Interest receivable and similar income

	2024	2023
	£ 000	£ 000
Interest income on bank deposits	5,110	3,631

8 Interest payable and similar expenses

	2024	2023
	£ 000	£ 000
Interest on bank overdrafts and borrowings	10,368	1,355
Interest paid to group undertakings	85	96
Interest expense on leases - Property	1,328	1,341
	11,781	2,792

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024	2023
	£ 000	£ 000
Wages and salaries	50,418	49,637
Social security costs	5,290	4,587
Pension costs, defined contribution scheme	2,480	2,030
	<u>58,188</u>	<u>56,254</u>

The average monthly number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2024	2023
	No.	No.
Administration and support	452	445
Sales	167	176
Distribution	780	683
	<u>1,399</u>	<u>1,304</u>

10 Directors' remuneration

The directors' remuneration (and the highest paid director) for the period was as follows:

	2024	2023
	£ 000	£ 000
Remuneration	<u>-</u>	<u>266</u>

No recharge or allocation is made for remuneration borne by other group entities as it would be inconsequential.

11 Auditors' remuneration

	2024	2023
	£ 000	£ 000
Audit of the financial statements	<u>329</u>	<u>80</u>

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

12 Income tax

Tax charged/(credited) in the profit and loss account

	2024	2023
	£ 000	£ 000
Current taxation		
UK corporation tax	-	16,475
UK corporation tax adjustment to prior periods	<u>(7,895)</u>	<u>(2,428)</u>
	<u>(7,895)</u>	<u>14,047</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(4,790)	(280)
Adjustment in respect of prior periods	<u>425</u>	<u>2,128</u>
Total deferred taxation	<u>(4,365)</u>	<u>1,848</u>
Tax (receipt)/expense in the profit and loss account	<u><u>(12,260)</u></u>	<u><u>15,895</u></u>

The tax on (loss)/ profit before tax for the period is higher than the standard rate of corporation tax in the UK (2023 - higher than the standard rate of corporation tax in the UK) of 25% (2023 - 20.5%).

The differences are reconciled below:

	2024	2023
	£ 000	£ 000
(Loss)/profit before tax	<u>(178,824)</u>	<u>76,621</u>
Corporation tax at standard rate	(44,706)	15,707
Decrease in current tax from adjustment for prior periods	(7,470)	(300)
Decrease from changes in tax provisions due to legislation	-	(51)
Non deductible goodwill impairment	28,415	-
Unrecognised tax losses	11,487	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>14</u>	<u>539</u>
Total tax (credit)/charge	<u><u>(12,260)</u></u>	<u><u>15,895</u></u>

The main rate of corporation tax in the UK increased from 19% to 25% with effect from 1 April 2023.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

13 Deferred tax

Deferred tax movement during the period:

	At 3 July 2023 £ 000	Recognised in income £ 000	At 30 June 2024 £ 000
Accelerated tax depreciation	4,363	(418)	3,945
Tax losses carried forward	-	(3,945)	(3,945)
	<u>4,363</u>	<u>(4,363)</u>	<u>-</u>

Deferred tax movement during the prior period:

	At 4 July 2022 £ 000	Recognised in income £ 000	At 2 July 2023 £ 000
Accelerated tax depreciation	1,194	3,169	4,363
	<u>1,194</u>	<u>3,169</u>	<u>4,363</u>

Significant estimates

The deferred tax assets include an amount of £3,945,000 recognised for carried-forward tax losses, incurred due to the losses in the current year. In addition a further asset of £11,487,000 in relation to carried-forward tax losses has not been recognised. The recoverable deferred tax asset was based on the estimated future taxable income for a three year period. The tax losses can be carried forward and have no expiry date.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

14 Intangible assets

	Goodwill £ 000	Concessions, patents, licences, trademarks £ 000	Customer list £ 000	Software £ 000	Total £ 000
Cost					
At 3 July 2023	223,757	28,900	830	82,806	336,293
Additions	-	-	-	4,396	4,396
Write off	-	-	-	(26,526)	(26,526)
At 30 June 2024	<u>223,757</u>	<u>28,900</u>	<u>830</u>	<u>60,676</u>	<u>314,163</u>
Amortisation					
At 3 July 2023	110,096	28,900	830	62,094	201,920
Amortisation charge	-	-	-	9,454	9,454
Amortisation eliminated on write off	-	-	-	(16,416)	(16,416)
Impairment	<u>113,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,661</u>
At 30 June 2024	<u>223,757</u>	<u>28,900</u>	<u>830</u>	<u>55,132</u>	<u>308,619</u>
Carrying amount					
At 30 June 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,544</u>	<u>5,544</u>
At 2 July 2023	<u>113,661</u>	<u>-</u>	<u>-</u>	<u>20,712</u>	<u>134,373</u>

Computer software comprises software that is separately identifiable from plant and equipment and includes software licence and the capitalisation of internal labour relating to software development.

Impairment tests for goodwill

Goodwill relates to the acquisition of the trade and assets of Farnell Electronic Components Limited and Combined Precision Components plc.

For the purpose of impairment testing the total goodwill balance of £113,661,000 (2023: £113,661,000) has been allocated to the Premier Farnell UK cash generating unit (CGU). CGUs represent the smallest identifiable groups of assets that generate cash inflows that are largely independent of each other. The CGU has not changed compared to the prior year.

The company tests goodwill for impairment on annual basis.

For the impairment review, the recoverable amount of the CGU was based on value-in-use calculations which required the use of assumptions.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

14 Intangible assets (continued)

The key assumptions were as follows:

The calculations used were based on forecasts for the Farnell Global reporting unit of Avnet Inc. which cover the next five years. The cash flows in this period include estimated growth rates which are consistent with industry forecast. The calculation considers current business performance, macroeconomic factors, and the assumptions on revenue growth and margin percentages were compared with historical results to ensure they were consistent.

A long-term growth rate of 2.0% was applied based on considerations of expected industry growth rates and inflation rates, and does not exceed the expected long-term GDP growth rate.

A post-tax discount rate of 13.0% was used, consistently with the cash flows included in the model. This includes a tax rate assumption of 25.0%. The corresponding discount rate in the previous year's impairment review was 13%.

Goodwill impairment charge

During the year, goodwill with a carrying value of £113,661,000 was reviewed for impairment. As a result of that review the goodwill was fully impaired, with an impairment charge of £113,661,000. The impairment loss is due to the revenue and margin decline in the year, and the wider challenging market conditions within the electronic components industry due to a decline in market demand and weaker macro-economic conditions. No class of asset other than goodwill was impaired on the basis that directors carried out a review of recoverable amounts with reference to fair value less costs of disposals of the assets, which was in each case greater than the carrying amount. As at 30 June 2024, the recoverable amount of the entire CGU was £221,948,000.

15 Tangible assets

	Freehold property £ 000	Plant and equipment £ 000	Total £ 000
Cost			
At 3 July 2023	241	95,921	96,162
Additions	-	1,972	1,972
Disposals	-	(5,775)	(5,775)
At 30 June 2024	<u>241</u>	<u>92,118</u>	<u>92,359</u>
Depreciation			
At 3 July 2023	241	51,596	51,837
Charge for the period	-	6,045	6,045
Eliminated on disposal	-	(4,926)	(4,926)
At 30 June 2024	<u>241</u>	<u>52,715</u>	<u>52,956</u>
Carrying amount			
At 30 June 2024	<u>-</u>	<u>39,403</u>	<u>39,403</u>
At 2 July 2023	<u>-</u>	<u>44,325</u>	<u>44,325</u>

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

16 Right of use assets

	Property £ 000	Total £ 000
Cost		
At 3 July 2023	<u>40,704</u>	<u>40,704</u>
At 30 June 2024	<u>40,704</u>	<u>40,704</u>
Depreciation		
At 3 July 2023	7,381	7,381
Charge for the period	<u>2,008</u>	<u>2,008</u>
At 30 June 2024	<u>9,389</u>	<u>9,389</u>
Carrying amount		
At 30 June 2024	<u>31,315</u>	<u>31,315</u>
At 2 July 2023	<u>33,324</u>	<u>33,324</u>

17 Investments

Associates

	£ 000
Cost	
At 3 July 2023	<u>2,000</u>
At 30 June 2024	<u>2,000</u>
Carrying amount	
At 30 June 2024	<u>2,000</u>
At 2 July 2023	<u>2,000</u>

The company is a partner of the Premier Farnell Pension Funding Scottish Limited Partnership ('partnership'). The company has right to exercise, or actually exercises, significant influence over the partnership.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

18 Other financial assets

	30 June 2024 £ 000	02 July 2023 £ 000
Current financial assets		
Derivative assets held for risk management and hedge accounting	<u>208</u>	<u>-</u>

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

19 Stock

	30 June	02 July
	2024	2023
	£ 000	£ 000
Finished goods and goods for resale	424,797	363,375

The cost of stock recognised as an expense in the period amounted to £552,593k (2023 - £580,075k). This is included within cost of sales.

The amount of write-down of stock recognised as an expense in the period is £10,949k (2023 - £4,599k). This is included within cost of sales.

Inventories are stated after provisions for impairment of £31,112k (2023 - £20,162k).

20 Trade and other debtors

	30 June	02 July
	2024	2023
	£ 000	£ 000
Trade and other debtors falling due within one year		
Trade debtors	50,594	56,850
Provision for impairment of trade debtors	(2,485)	(2,693)
Net trade debtors	48,109	54,157
Debtors from related parties	39,597	69,256
Prepayments	14,086	11,989
Other debtors	7,992	18,791
	109,784	154,193

Debtors from related parties are all repayable upon demand, due in less than one year, and are interest free.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

21 Called up share capital

Allotted, called up and fully paid shares

	30 June 2024		02 July 2023	
	No. 000	£ 000	No. 000	£ 000
250,000 ordinary shares of £1 each	250	250	250	250

Called up share capital represents the nominal value of shares that have been issued.

Rights, preferences and restrictions

The company's ordinary shares each carry the right to one vote at general meetings of the company and rank equally on distribution of dividends.

22 Reserves

Retained earnings

Retained earnings represent the aggregate of accumulated profits earned by the company since incorporation, less amounts distributed to shareholders.

Other reserves

Cash flow hedging reserve represents the effective portion of changes in the fair value of the derivatives.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

23 Leases

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	30 June	02 July
	2024	2023
	£ 000	£ 000
Payment		
Right of use assets	2,063	1,978
Interest	1,328	1,341
	3,391	3,319
	3,391	3,319

24 Creditors: amounts falling due within one year

(As restated)

	30 June	02 July
	2024	2023
	£ 000	£ 000
Trade creditors	55,535	81,241
Amounts due to related parties	12,581	32,272
Amounts due to group undertakings in respect of corporation tax	20,827	99,878
Social security and other taxes	5,205	3,640
Loans and borrowings	281,875	85,463
Current portion of long term lease liabilities	2,858	2,813
Accrued expenses	17,357	20,652
Derivative financial liabilities (note 26)	-	218
Deferred tax liabilities	-	4,363
	396,238	330,540
	396,238	330,540

Please refer to note 4 for details on the prior period restatement.

Amounts owed to group undertakings are unsecured, non interest bearing and repayable on demand.

25 Creditors: amounts falling due after more than one year

	30 June	02 July
	2024	2023
	£ 000	£ 000
Long term lease liabilities	32,195	34,231
	32,195	34,231
	32,195	34,231

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

26 Commitments

Pension commitments

Employees of the company are eligible for membership of the Premier Farnell UK Pension Scheme (the "Scheme"). The employees who joined the Scheme prior to 31 December 1998 continue to receive final salary benefits. Employees joining the Scheme from 1 January 1999 are entitled to defined contribution benefits only.

Details of the latest formal actuarial valuation of the Scheme can be found in the financial statements of Premier Farnell Limited, together with the Scheme's disclosures in accordance with International Accounting Standard 19 (IAS 19).

Premier Farnell Limited is the sponsoring employer and fully recognises the net defined benefit cost of the Scheme. The detailed disclosures required by IAS 19 have been included in the financial statements of Premier Farnell Limited. The company has recognised a charge in the profit and loss account equal to the contributions paid in the year.

27 Financial risk review

This note presents information about the company's exposure to financial risks.

Foreign currency risk

The company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than pounds sterling. The currencies giving rise to this risk are primarily the Euro and US dollar.

The company hedges significant foreign currency exposures in respect of forecast sales and purchases of inventory through foreign exchange contracts. All such foreign exchange contracts have maturities of less than one year.

Liquidity risk

The group operates cash pooling arrangements which are managed and monitored centrally to ensure that the operational and working capital requirements of the company can be met at all times.

Derivatives financial instruments

Forward foreign currency contracts hedge currency exposures for sales receipts and payments for inventory purchases within the next 12 months and will recycle to the income statement over that period.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date. The fair values are within level 2 of the fair value hierarchy.

Premier Farnell UK Limited

Notes to the Financial Statements for the Period from 3 July 2023 to 30 June 2024

28 Net debt

	(As restated)	
	30 June 2024 £ 000	02 July 2023 £ 000
Current loans and borrowings		
Bank overdrafts	281,875	85,463
Cash and short-term deposits	<u>(105,224)</u>	<u>(89,161)</u>
	<u>176,651</u>	<u>(3,698)</u>

The company's exposure to market and liquidity risks, including maturity analysis, relating to loans and borrowings is disclosed in note 27 "Financial risk review".

29 Related party transactions

Summary of transactions with associates

	2024 £ 000	2023 £ 000
Rental payment	798	974

30 Parent and ultimate parent undertaking

The company's immediate parent is Farnell Holding Limited, incorporated in the United Kingdom.

The ultimate parent is Avnet Inc, a company incorporated in the United States of America.

The largest and the smallest group in which the results of Premier Farnell UK 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.