Final Results

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Acal PLC
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ACAL plc

(Leading pan-European, value-added technology based distributor
providing specialist design-in, sales, marketing and other services)

Announcement of Preliminary Results
for the Year Ended 31 March 2007

£millions	2007	2006	Change
Turnover - ongoing activities**	£260.9m	£257.0m	+ 1.5%
EBIT* - ongoing activities	£10.5m	£9.9m	+6.1%
Profit before tax			
- ongoing activities (excluding exceptionals)	£ 9.8m	£8.6m	+ 14.0%
- including disposed activities	£ 14.8m	£9.7m	
Basic earnings per share			
- ongoing activities (excluding exceptionals)	25.0p	19.6p	+27.6%
- including disposed activities	44.4p	22.3p	
Dividends per share - relating to year	21.9p	21.6p	+1.4%

(* EBIT - Earnings before interest, tax, the Group's share of profit of
associated companies and exceptional items)

(** Disposed activities represent the sold AC&R business and ongoing activities
represent the remaining business of the Group)

• Sales of ongoing activities up 1.5% at £260.9m

• Profit before tax and exceptionals of ongoing activities up 14.0% at £9.8m

• EPS of ongoing activities before exceptionals up 27.6% at 25.0p

• Electronics: Financial performance now benefiting from growing higher
technology product portfolio

• Parts Services: Weaker demand experienced in this division

• IT Solutions: Major success in Networking and Security Products;
stability in margins

• Total dividends for year up 1.4% at 21.9p per share

For further information:-

Acal plc 01483 544500
Tony Laughton - Chief Executive 01483 544500

Jim Virdee - Finance Director 020 7367 5100
Cubitt Consulting 020 7367 5100
Brian Coleman-Smith 020 7367 5100
James Verstringhe
Leanne Denman

Notes to Editors:

1 Acal is a leading European technology based distributor providing specialist design-in, sales, marketing and other services through three divisions: Electronics, Parts Services and IT Solutions. Its value-added philosophy and geographic coverage enable Acal to provide specialist knowledge and support to customers on a pan-European basis.

2 Design-in is the process by which Acal's sales engineers work with customers and suppliers to procure components which meet the specific technical and performance needs of the customers.

3 Acal has operating companies in the UK, Netherlands, Belgium, Germany, France, Italy, Spain and Scandinavia. Westech Electronics, an associated company, is based in Singapore and covers the Far East region.

CHAIRMAN'S STATEMENT

Following the disposal of the Air Conditioning & Refrigeration business in July 2006, the focus of the Company has been on implementing our strategy of increasing market share to achieve profitable growth. In October 2006, as part of the group's consolidation, Acal acquired the remaining minority interest in CPI and commenced the process of integration of its customer-facing activities with EAF, our other major Parts Services business.

Sales of ongoing activities grew 1.5% to £260.9m despite an 8.8% fall in Parts Services. EBIT for the year grew by 6.1% to £10.5m reflecting significant improvement in the performance of both Electronics and IT Solutions offsetting the reduced profit in Parts Services. The Group's ongoing activities made a 40% return on average capital employed, before exceptional items, up from 31% for the prior year.

Costs have remained under close control across all businesses with further consolidation of logistic and back office functions resulting in selective headcount reductions. However, due to recent successes in mainland Europe we have recruited additional staff in both Germany and Italy to address new Electronics business.

Profit before taxation and exceptional items from ongoing activities grew by 14.0% from £8.6m to £9.8m and the corresponding earnings per share increased 27.6% to 25.0p.

Dividend

The Board is recommending a final dividend of 14.7p per share payable to shareholders on the register as at 15 June 2007. This, together with the interim dividend of 7.2p will make a total of 21.9p for the year, an increase of 1.4%.

Board Composition and Governance

There have been no changes to the composition of the Board or any of its Committees during the year. The Directors remain of the view that the Board, as currently constituted, is appropriate for a Company of Acal's size and incorporates a suitable balance of skills; the matter is, however, kept under review. Acal continues to strive for high standards of corporate governance, full details of which are set out in the governance statement included as part of the Annual Report and Accounts.

Employees

To succeed in a competitive environment requires commitment and dedication from staff. We are fortunate at Acal to have a motivated, loyal and committed workforce and I take this opportunity to thank them personally and on behalf of

the Board for their continued hard work and support.

Strategy and the Future

The growth in sales and profits of our two largest divisions, Electronics and IT Solutions, has been very much in line with our plans and we continue to invest in new resources, particularly in Electronics. The Parts Services business, after an excellent prior year, suffered this year as a result of weaker demand in the first half and a significant slowdown on a major contract. Whilst there continue to be major opportunities going forward, their timing remains difficult to predict.

Our strategy remains unchanged: to concentrate on Europe, selectively to expand our supplier base in Electronics and IT Solutions and to extend our offerings to the supply chain in Parts Services. We plan to continue our progress by growing our market share rather than relying on market growth.

We strive for greater efficiency and continue to consolidate many administrative and logistical functions across all three divisions.

We continue to consider ways of enhancing shareholder value and whilst our strategy is primarily based upon organic growth we will consider selective acquisitions where they accelerate the delivery of this strategy.

Richard Moon
4 June 2007

CHIEF EXECUTIVE'S REVIEW

The Group is a leading distributor of technology products and services for the electronics and IT industries throughout Europe.

Performance Review Table

The performance of Acal's divisions in each of the years ended 31 March 2007 and 2006 is set out below:

	2007				2006			
	Sales		EBIT*		Sales		EBIT*	
	£m	as % of Group	£m	as % of Sales	£m	as % of Group	£m	as % of Sales
Electronics	107.6	41%	3.5	3.3%	104.0	41%	2.4	2.3%
Parts Services	51.9	20%	3.0	5.7%	56.9	22%	5.2	9.1%
IT Solutions	101.4	39%	4.0	3.9%	96.1	37%	2.3	2.4%
	260.9	100%	10.5	4.0%	257.0	100%	9.9	3.9%

* EBIT - Earnings before interest, tax, the Group's share of profit of associates and exceptional items, stated after full allocation of central costs.

Last year saw an increase in both sales and profits in the two largest divisions, Electronics and IT Solutions and a decline in Parts Services. In total the ongoing businesses, after the sale in July 2006 of the Air Conditioning and Refrigeration Division, showed a small increase in sales, up from £257.0m to £260.9m. More significantly however, profit before taxation and exceptionals of ongoing activities is up 14.0% from £8.6m in the prior year to £9.8m. Again, this is due to the success of our Electronics and IT Solutions Divisions.

Electronics
"The only Pan-European Demand Creation Distributor"

Sales up 3.5% from £104.0m to £107.6m
EBIT up 46% from £2.4m to £3.5m

Although the UK market for passive and electromechanical components has been somewhat soft, growth continues in this division with the success of our higher technology products, primarily semiconductors, power and RF & wireless products which have been, and remain, a prime focus. Specialised semiconductors now account for an increasing proportion of the division's sales. The major gains have been in Continental Europe as the expansion of the product portfolio took place earlier there than in the UK. There has also been significant investment in people, particularly in Germany and Italy where in the second half of the year we have recruited in excess of twenty dedicated semiconductor staff. These comprise Sales Directors, Field Sales Engineers, Application Engineers and Product Managers.

The restructuring process continues with further consolidation of the UK passive and electromechanical components businesses: Radiatron has now merged with Acal Technology. Logistics (primarily inventory) is being centralised into two principal locations, one at Hook in the UK and the second in Eindhoven in the Netherlands.

In line with the growth of our higher technology products our market share is increasing, as too is our customer base which totalled nearly 9,500 Europe-wide by the end of the year. This, together with our emphasis on the design 'pipeline' or funnel of prospects which continues to increase, provides a clear indication of projects and potential business in the future.

Parts Services ('PS')
"Europe's premier IT Parts Management Company"

Sales down 8.8% from £56.9m to £51.9m
EBIT down 42% from £5.2m to £3.0m

After an excellent prior year, 2006/7 proved to be difficult, especially for CPI and particularly in the first half. This was as a consequence of weaker demand, some price erosion and cutbacks on a major contract. Despite this the division has produced a creditable overall EBIT return of 5.7% of sales after the allocation of central costs.

New "preferred supplier" arrangements are being agreed with several customers and the 'opportunity funnel' is stronger than ever, although it can typically take some while before these convert into new business. In addition, following the acquisition of the minority interest in CPI we have completed the integration of the sales and business development teams of CPI and our other major UK IT parts operation, EAF. We are now better positioned to offer all the division's services to existing and prospective customers.

IT Solutions
"Europe's Niche IT Solutions Distributor"

Sales up 5.5% from £96.1m to £101.4m
EBIT up 74% from £2.3m to £4.0m

The outstanding successes here have been Networking and Security product sales and

Acal Value Added Services (AVAS), but across the whole spectrum of this division the stabilisation, and in some cases improvement, of gross margins have had a major influence. This margin improvement has come in part from a shift in product mix to devices which have more capability and intelligence, and in part from our focus of providing value added solutions which can command higher unit prices than discrete hardware and consequently better margins.

The Headway document management business, which has experienced relatively flat sales year-on-year, improved its profitability and is now embarking upon a number of new initiatives which fit closely with its core focus. Although it would be premature to forecast growth at this stage, there is considerable optimism that these will lead to both an increase in revenue and further margin improvement.

Similarly the Storage Networking business had flat sales but also improved its profitability significantly. Again, this is largely due to a gradual shift to more advanced higher value products that command better margins.

Lastly, Vertec, our medical imaging and instrumentation business, again put in a strong performance with an improvement in both sales and net margins. Vertec has

now established an operation in South Africa with the same key suppliers that it has worked with in the UK for many years. It is anticipated that this operation will quickly move into profit, benefiting from the reputation of its key suppliers and the market momentum behind private healthcare in that country.

Associates

Acal's major associate, Singapore-based Westech, in which we have a 36% shareholding, increased sales and profits in its year ended 31 December 2006 with sales up 65% to S$330.2m and net profits up 69% to S$6.1m.

Acal People

Acal has a great team of people - enthusiastic, hardworking, motivated and always prepared to go the extra yard for the customer. As importantly, they are very supportive of the fact that change is the norm rather than the exception in our industries. This is a spirit which stands us in good stead for the future and provides a great deal of confidence in our ability to succeed.

I would like to express my appreciation and thanks to them all.

Tony Laughton
4 June 2007

FINANCE DIRECTOR'S REVIEW

Results for the Year

Following the sale of the Group's Air Conditioning and Refrigeration ("AC&R") business, which was announced in May 2006 and completed in July 2006, that business has been described as "disposed activities" and the remainder of the Group's business as "ongoing activities" in the financial statements for the year ended 31 March 2007.

Sales of the Group's ongoing activities increased from £257.0m in 2006 to £260.9m for the year ended 31 March 2007, an overall increase of 1.5%. This overall increase represented an increase of 3.5% for the Electronics division, an increase of 5.5% for the IT Solutions division and a decline of 8.8% for the Parts Services division. Earnings before interest, tax, the Group's share of associated companies and exceptional items ("EBIT") increased from £9.9m in the prior year to £10.5m for the year ended 31 March 2007, an increase of 6.1%. Both the Electronics and IT Solutions divisions showed significant increases in EBIT of 46% and 74% respectively, but the Parts Services division decreased by 42%. Further information on each division's performance is set out in the Chief Executive's Review.

Although most international business in the electronics industry is denominated in US dollars, the principal exchange rate which affects the translation of the results of the Group's non-UK activities is that between the Euro and Sterling. During the year under review sterling was, on average, marginally (0.6%) stronger against the Euro and 7.3% stronger against the US dollar as compared to the previous year. Consequently variations in exchange rates had an insignificant effect on the translation of Acal's sales and profits for the year to 31 March 2007 relative to those for the prior year.

Average gross margin for the Group's ongoing activities during the year to 31 March 2007 was 25.4%, slightly ahead of 25.3% for the previous year. Whilst all activities in the Electronics and IT Solutions divisions showed an improvement in gross margins, there was a decline in the Parts Services division resulting from a lower level of contracted business.

Net operating expenses of the Group's ongoing activities, excluding exceptional items, were £55.6m for the year ended 31 March 2007 (2006: £55.2m). Although the average number of employees working in Acal's ongoing activities during this period, at 954, was unchanged from that for the previous year, there was significant underlying change. There were some manning reductions in the passive and electromechanical activities of the Electronics division and the Parts Services division, but we have continued to invest in additional resources to support the Group's strategy of expanding its specialist semiconductor portfolio, in particular the establishment of dedicated teams, together comprising over 20 members, for these products in Germany and Italy during the second half of the year. Overall the Group has continued to maintain good control over operating costs.

The exceptional item of £0.4m in the year to 31 March 2007 represented the recovery of a receivable which was previously considered impaired and hence

provided against. In the prior year there were two exceptional items, a profit of £0.6m on sale of investments and the cost of £0.8m of withdrawing from part of the IT Solutions business.

Acal's principal associated company is Westech Electronics Limited. It distributes electronic components throughout the Far East region, excluding Japan, and has its head office in Singapore. Westech's sales grew from S$255m (approximately £86.3m) for the year ended 31 March 2006 to S$321m (approximately £108m) for the year under review. In the corresponding periods the Group's share of profits of associate companies, which under International Financial Reporting Standards is reported after tax, increased from £0.4m to £0.6m.

Although interest rates were higher, average net debt during the year was lower and accordingly net interest cost at £1.1m (before IAS19 financing cost of £0.2m) was lower than the previous year's figure of £1.6m (before IAS19 financing cost of £0.1m). Thus net interest cost was covered 9.5 times (2006: 6.2 times) by operating profit (before exceptional items) arising from the Group's ongoing activities.

The Group's effective tax rate for the year to 31 March 2007, calculated on the basis of profit before taxation excluding the Group's share of post-tax profit from associates was 33.0% (2006: 33.8%).

The table below explains the effect of the Group's disposed (AC&R) activities on the results for the year.

£m	Before Tax	Tax	After Tax
Trading profit for the period	0.4	(0.2)	0.2
Profit on disposal	6.0	(0.1)	5.9
Provision for retained obligations	(1.8)	0.5	(1.3)
	4.6	0.2	4.8

The retained obligations referred to in the table above related to people, properties and IT systems.

In October 2006, Acal purchased the 28.4% minority interest in Computer Parts International Limited, which is part of the Parts Services division, for a consideration of approximately £6.7m. Hence the minority interest in the Group's profit ceased to arise from that time onwards.

Acal's earnings per share from ongoing activities, before exceptional items, were 25.0p for the year ended 31 March 2007 as compared to 19.6p for the year before, an increase of 27.6%. Basic earnings per share, including disposed activities, were 44.4p (2006: 22.3p).

The interim and proposed final ordinary dividends in respect of the year to 31 March 2007 will absorb £5.8m (2006: £5.7m). These are covered 2.0 times (2006: 1.0 times) by basic earnings, including disposed activities, and 1.1 times (2006: 0.9 times) by earnings from ongoing activities before exceptional items.

Working Capital and Balance Sheet

The Group continues to place particular emphasis on the management of working capital. For this purpose it uses a model which compares each item of trading assets to the three-month moving average of sales (TMMA). The table below shows the target model in comparison to the actual achievement.

Ongoing Activities

	Target TMMA Ratio	31 March 2007 TMMA Ratio	31 March 2006 TMMA Ratio
Trading fixed assets	0.5	0.5	0.5
Current assets			
Stock	1.2	1.0	0.9

Debtors	2.3	2.4	2.4
Current liabilities			
Creditors	(2.2)	(2.5)	(2.4)
Tax	(0.1)	(0.1)	(0.1)
Total trading assets	1.7	1.3	1.3

(Note: This trading assets model excludes goodwill, investments, non-current tax assets, net debt/cash and long-term liabilities).

The above table shows, for example, that our target is for stock to represent 1.2 months of sales and the actual level of stock at 31 March 2007 represented 1 month of sales.

The level of working capital at 31 March 2007 had benefited from a number of short-term factors which were not sustainable and reversed in the period after the year-end. This effect is estimated to have amounted to around £4m to £5m and was reflected in the net debt of £5.4m (2006: £6.5m) at the year-end. As reported last year there was a similar short-term benefit of between £8m to £9m at 31 March 2006.

The Group's debt is provided principally under bilateral bank facilities negotiated centrally in the UK and locally in territories where Acal operates. There are committed long-term facilities of £25m available to the Group as well as short-term facilities which are used mainly for working capital requirements.

Capital expenditure for the year to 31 March 2007 was £2.2m (2006: £2.5m) and the charge to profits in respect of depreciation and amortisation of fixed assets amounted to £3.1m (2006: £3.2m) for the same period.

It has always been Acal's policy that its pension schemes should be of the defined contribution type so that the extent of the Group's financial liabilities can be clearly ascertained. However, when Sedgemoor Limited, then a listed public company, was acquired in June 1999, it brought with it certain defined benefit schemes, the principal one of which was the Sedgemoor Group Pension Fund (together "the Sedgemoor Scheme"). Soon after acquisition the Sedgemoor Scheme was curtailed and all future service accrual ceased. A triennial actuarial valuation of the Sedgemoor Scheme was conducted as at 31 March 2006. At that date the gross pension liability under IAS19 was £9.1m and net of the relevant deferred tax it was £6.4m.

Primarily as a result of movements in bond yields, but also the contributions made since then, the gross liability at 31 March 2007 was £7.4m and net of the relevant deferred tax it was £5.2m.

Shareholders funds at 31 March 2007 were £75.8m (2006: £69.9m), the improvement from last year primarily reflecting retained earnings. Net debt at that date represented 7.1% of shareholders funds as compared to 9.3% a year earlier.

Return on Capital Employed

Return on average capital employed of the Group's ongoing activities, which is calculated using operating profit before exceptional items and net assets excluding goodwill but adding back net debt, was 40% for the year to 31 March 2007 as compared to 31% for the year before.

Jim Virdee
4 June 2007

consolidated income statement
for the year to 31 March 2007

Continuing operations	Note	Ongoing activities £m	Disposed activities (note 7) £m	2007 Total £m	2006 £m
Revenue	4	260.9	-	260.9	257.0
Operating profit		10.9	(1.8)	9.1	9.7

Analysed between:					
Operating profit before exceptional items		10.5	-	10.5	9.9
Exceptional items - provision for retained obligations	5,7	-	(1.8)	(1.8)	-
Exceptional items - recovery of impaired receivable	5	0.4	-	0.4	-
Exceptional items - profit on disposal of investments	5	-	-	-	0.6
Exceptional items - product withdrawal costs	5	-	-	-	(0.8)
Share of post-tax profits from associates	3	0.6	-	0.6	0.4
Finance costs		(1.7)	-	(1.7)	(2.3)
Finance income		0.4	-	0.4	0.6
Profit before taxation		10.2	(1.8)	8.4	8.4
Analysed between:					
Profit before taxation before exceptional items		9.8	-	9.8	8.6
Exceptional items - provision for retained obligations	5,7	-	(1.8)	(1.8)	-
Exceptional items - recovery of impaired receivable	5	0.4	-	0.4	-
Exceptional items - profit on disposal of investments	5	-	-	-	0.6
Exceptional items - product withdrawal costs	5	-	-	-	(0.8)
Taxation	3	(3.1)	0.5	(2.6)	(2.7)
Analysed between:					
Taxation before exceptional items		(3.0)	-	(3.0)	(2.8)
Exceptional items - taxation credit arising consequent on the disposal	3	-	0.5	0.5	-
Exceptional items - taxation charge arising on recovery of impaired receivable		(0.1)	-	(0.1)	-
Exceptional items - taxation charge arising					

on profit on disposal of investments		-	-	-	(0.1)
Exceptional items - taxation credit arising on product withdrawal costs		-	-	-	0.2
Profit after taxation for the year from continuing operations		7.1	(1.3)	5.8	5.7
Discontinued operations					
Profit for the year from discontinued operations	7	-	6.1	6.1	0.9
Profit for the year		7.1	4.8	11.9	6.6
Attributable to:					
Equity holders of the parent				11.7	6.0
Minority interests				0.2	0.6
				11.9	6.6
Earnings per share (note 9)					
Continuing operations					
Basic					
- including exceptional items		26.1p	(4.8p)	21.3p	19.1p
- excluding exceptional items		25.0p	-	25.0p	19.6p
Diluted					
- including exceptional items		26.1p	(4.8p)	21.3p	19.1p
- excluding exceptional items		25.0p	-	25.0p	19.6p
Including discontinued operations					
Basic				44.4p	22.3p
Diluted				44.4p	22.3p
Dividends					
Dividends per share declared in respect of year				21.9p	21.6p
Dividends per share paid in year				21.6p	21.6p
Dividends paid in year				£5.7m	£5.7m

consolidated balance sheet

at 31 March 2007

	2007	2006
	£m	£m

Non-current assets		
Property, plant and equipment	6.3	6.7
Goodwill	53.5	48.8
Intangible assets - software	3.9	4.8
Investments in associates	5.0	4.7
Other financial assets	0.3	0.3
Deferred tax assets	4.0	4.0
	73.0	69.3
Current assets		
Inventories	23.7	21.4
Trade and other receivables	58.8	58.0
Current tax assets	0.4	1.7
Cash and cash equivalents	11.9	16.9
	94.8	98.0
Current liabilities		
Trade and other payables	(58.9)	(58.0)
Short-term borrowings	(7.2)	(11.2)
Current tax liabilities	(2.8)	(3.7)
Provisions	(2.1)	(1.0)
	(71.0)	(73.9)
Net current assets	23.8	24.1
Assets of discontinued operations classified as held for sale	-	6.2
Non-current liabilities		
Long-term borrowings	(10.1)	(12.2)
Pension liability	(7.4)	(9.1)
Deferred tax liabilities	(1.6)	(1.8)
Provisions	(1.9)	(0.7)
	(21.0)	(23.8)
Liabilities of discontinued operations classified as held for sale	-	(4.1)
Net assets	75.8	71.7
Equity		
Share capital	1.3	1.3
Share premium account	38.0	38.0
Share scheme reserve	0.3	0.2
Other reserves	1.2	1.8
Retained earnings	35.0	28.6
Equity attributable to equity holders of the parent	75.8	69.9
Minority interests	-	1.8
Total equity	75.8	71.7

consolidated cash flow statement
for the year to 31 March 2007

	2007 £m	2006 £m
Profit for the year	11.9	6.6
Taxation expense (includes £0.3m (2006: £0.4m) from		

discontinued operations)	2.9	3.1
Share of results of associates	(0.6)	(0.4)
Net finance costs	1.3	1.7
Depreciation of property, plant and equipment	1.9	2.1
Amortisation of intangible assets - software	1.2	1.1
Change in provisions	2.3	0.7
Gain on disposal of investments	(6.0)	(0.6)
Gain on disposal of property, plant and equipment	-	(0.1)
Pension scheme funding	(1.0)	(0.7)
Equity-settled share-based payment expense	0.1	0.1
Operating cash flows before changes in working capital	14.0	13.6
(Increase)/decrease in inventories	(2.5)	2.1
Increase in trade and other receivables	(1.9)	(5.7)
Increase in trade and other payables	1.6	5.9
(Increase)/decrease in working capital	(2.8)	2.3
Cash generated from operations	11.2	15.9
Interest paid	(1.5)	(2.1)
Income taxes paid	(3.4)	(2.9)
Net cash flows from operating activities	6.3	10.9
Cash flows from investing activities		
Acquisition of shares in subsidiaries	(6.7)	(0.4)
Proceeds from sale of subsidiaries	8.3	-
Net overdrafts disposed of with subsidiaries	0.4	-
Proceeds from sale of investments	-	2.5
Purchases of property, plant and equipment	(1.8)	(2.2)
Proceeds from sale of property, plant and equipment and intangibles	0.2	0.3
Purchases of intangible assets	(0.4)	(0.3)
Interest received	0.4	0.6
Dividends received from associates	0.2	0.1
Net cash inflow from investing activities	0.6	0.6
Cash flows from financing activities		
Repayments of borrowings	(7.1)	(3.1)
Dividends paid to company's shareholders	(5.7)	(5.7)
Dividends paid to minority interests	(0.1)	-
Net cash outflow from financing activities	(12.9)	(8.8)
Net (decrease)/increase in cash and cash equivalents	(6.0)	2.7
Cash and cash equivalents at 1 April	10.8	8.0
Effect of exchange rate fluctuations	-	0.1
Cash and cash equivalents at 31 March	4.8	10.8

Reconciliation to cash and cash equivalents in the balance sheet		
Cash and cash equivalents shown above	4.8	10.8
Add back overdrafts	7.1	6.1
Cash and cash equivalents shown within current assets in the balance sheet	11.9	16.9

consolidated statement of recognised income and expense
for the year to 31 March 2007

	2007 £m	2006 £m
Actuarial profit/(loss) on defined benefit pension scheme	0.9	(3.4)
Deferred tax relating to pension scheme	(0.5)	0.8
Investments - cumulative fair value adjustments taken to income statement on disposal	-	(0.4)
Foreign currency translation differences	(0.6)	0.7

Net income and expense recognised directly in equity	(0.2)	(2.3)
Profit for the year	11.9	6.6
Total recognised income and expense for the year	11.7	4.3
Restatement for the effects of IAS 32 and 39 (i)	-	0.4
Total recognised income and expense	11.7	4.7
Total recognised income and expense attributable to:		
Equity holders of the parent	11.5	4.1
Minority interests	0.2	0.6
	11.7	4.7

(i) On 1 April 2005, the balance sheet was restated for the effects of IAS 32 and 39.

reconciliation of movements in shareholders' equity
for the year to 31 March 2007

	2007 £m	2006 £m
Shareholders' equity at start of year	69.9	71.3
Total recognised income and expense	11.5	4.1
Dividends	(5.7)	(5.7)
Share-based payments	0.1	0.1
Movements in associates' reserves	-	0.1
Shareholders' equity at end of year	75.8	69.9

Notes to the preliminary statement

for the year ended 31 March 2007

1 Publication of non-statutory accounts

The preliminary results were approved by the Board on 4 June 2007. The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2007 or 2006, but is derived from those accounts. Statutory accounts for 2006 have been delivered to the Registrar of Companies whereas those for 2007 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

2 Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and as applied in accordance with the provisions of the Companies Act 1985.

3 Segmental analysis

Year to 31 March 2007

	Electronics £m	Parts Services £m	IT Solutions £m	Unallocated £m	Total ongoing activities £m	Disposed activities £m	Total operations £m
Revenue	107.6	51.9	101.4	-	260.9	5.3	266.2

Segment result	5.2	3.8	5.6	(3.7)	10.9	0.4	11.3
Provision for retained obligations	-	-	-	-	-	(1.8)	(1.8)
Profit on disposal of activities	-	-	-	-	-	6.0	6.0
Net finance costs	-	-	-	(1.3)	(1.3)	-	(1.3)
Share of post-tax profits of associates	0.6	-	-	-	0.6	-	0.6
Profit before taxation	5.8	3.8	5.6	(5.0)	10.2	4.6	14.8
Taxation					(3.1)	0.2	(2.9)
Profit for the year					7.1	4.8	11.9

The figures for total operations in the table above may be analysed between continuing and discontinued operations as follows:

	Continuing operations £m	Discontinued operations £m	Total operations £m
Revenue	260.9	5.3	266.2
Segment result	10.9	0.4	11.3
Provision for retained obligations	(1.8)	-	(1.8)
Profit on disposal of subsidiaries	-	6.0	6.0
Net finance costs	(1.3)	-	(1.3)
Share of post-tax profits of associates	0.6	-	0.6
Profit before taxation	8.4	6.4	14.8
Taxation	(2.6)	(0.3)	(2.9)
Profit for the year	5.8	6.1	11.9

Year to 31 March 2006

	Electronics £m	Parts Services £m	IT Solutions £m	Unallocated £m	Total continuing activities £m	Discontinued activities £m	Total operations £m
Revenue	104.0	56.9	96.1	-	257.0	18.4	275.4
Segment result	3.5	6.0	3.6	(3.2)	9.9	1.3	11.2
Profit on disposal of investments	-	-	-	0.6	0.6	-	0.6

Product withdrawal costs	-	-	(0.8)	-	(0.8)	-	(0.8)
Net finance costs	-	-	-	(1.7)	(1.7)	-	(1.7)
Share of post-tax profits of associates	0.4	-	-	-	0.4	-	0.4
Profit before taxation	3.9	6.0	2.8	(4.3)	8.4	1.3	9.7
Taxation					(2.7)	(0.4)	(3.1)
Profit for the year					5.7	0.9	6.6

4 Geographic analysis of revenue by destination

	2007 £m	2006 £m
United Kingdom	99.1	114.0
Continental Europe	154.3	136.8
Rest of the World	7.5	6.2
	260.9	257.0

5 Exceptional items

	2007 £m	2006 £m
Other operating income:		
Recovery of impaired receivable	0.4	-
Profit on disposal of investments	-	0.6
	0.4	0.6
Other operating expenses:	-	(0.8)
Product withdrawal costs		
Provision for retained obligations	(1.8)	-

6 Acquisition of minority interest

On 13 October 2006, the Company acquired the remaining 28.4% minority interest in Computer Parts International Limited for a consideration of £6.7 million.

7 Disposed activities

On 25 May 2006, the Company announced the disposal of its air conditioning and refrigeration business. The disposal was completed on 3 July 2006 for a cash consideration of £8.3 million.

The effect of the disposal during the year is as follows:

	£m
Sale proceeds	8.3
Total net assets sold	(2.3)
	6.0
Tax effect of disposal	(0.1)
Profit on disposal	5.9

In addition a provision of £1.8m has been made to cover certain obligations of the disposed activities which have been retained by the Group. These obligations represent costs relating to people, properties and impairment of IT systems.

Profit from discontinued operations comprises:

	Year ended 31 Mar 2007 £m	Year ended 31 Mar 2006 £m
Profit on disposal of discontinued operations	5.9	-
Profit for the year from trading of discontinued operations	0.2	0.9
Profit for the year from discontinued operations	6.1	0.9

8 Dividends

The Directors have proposed a final dividend of 14.7 pence per share, payable on 25 July 2007 to shareholders on the register at 15 June 2007. In accordance with IAS 10, this dividend has not been reflected in the balance sheet at 31 March 2007. The amount of this final dividend is £3.9 million. An interim dividend of 7.2 pence per share was paid in January 2007, and the cost of this dividend was £1.9 million.

9 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are the basic and adjusted earnings per share after allowing for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share calculations:

	2007 million	2006 million
Weighted average number of shares for basic earnings per share	26.4	26.4
Effect of dilution - share options	-	-
Adjusted weighted average number of shares for diluted earnings per share	26.4	26.4

	2007 £m	2006 £m
Profit attributable to equity holders of the parent	11.7	6.0

10 Reconciliation of net cash flow to movements in net debt

	2007 £m	2006 £m
Net (decrease)/increase in cash and cash equivalents	(6.0)	2.7

Cash outflow from decrease in debt	7.1	3.0
Effect of exchange rate fluctuations	-	0.1
Decrease in net debt	1.1	5.8
Net debt at beginning of the year	(6.5)	(12.3)
Net debt at end of the year	(5.4)	(6.5)

11 Annual Report and Accounts

The Annual Report and Accounts will be mailed to shareholders on or before 20 June 2007. Copies will also be available from: -

Acal plc
2 Chancellor Court
Occam Road
Surrey Research Park
Guildford GU2 7AH

The results will not be advertised in any newspaper

Ends

This information is provided by RNS
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