# Final Results

Released : 01 Jun 2009

RNS Number : 0877T
Acal PLC
01 June 2009

**FOR RELEASE**
**7:00AM**
**1 JUNE 2009**

**ACAL plc**

**Preliminary Results**
**for the Year Ended 31 March 2009**

Acal plc, a specialist provider of technology products and services, today announces its results for the year ended 31 March 2009.

**Financial highlights**

- Total revenue up 3.7% at £165.4m (2008: £159.5m)
- Profit before tax and exceptional items £0.5m (2008: £6.1m)
- Loss per share before exceptional items (3.8)p (2008: earnings 14.5p)
- Loss before tax of £32.6m from continuing operations (2008: profit £2.6m) after:
    - Impairment of goodwill £41.8m and associate investments £5.4m
    - Profit on disposal of investment in MessageLabsGroup £15.9m
- Dividends 7.0p (2008: 21.9p)
- Net cash at year end £24.5m (2008: £25.6m)

**Operational highlights**

- Restructured Board with new Group Chief Executive and Group Finance Director

- Continued focus on cost and working capital reduction programmes

- Acquisition of Service Source Europe Limited in January 2009 - established management team bringing immediate benefits

- Cash resources ensure that the Group is well-placed to take advantage of opportunities as markets recover

Nick Jefferies, Chief Executive, commented:

“With the significant deterioration in market conditions in the second half, we have been focused on reducing costs and tight management of working capital. This was reflected in a strong net cash balance of £24.5 million at the year end.

The Board has conducted a strategic review and following this we are confident that opportunities exist for us to develop each of our businesses, both organically and by acquisition."

**Enquiries**


**Acal plc**
Nick Jefferies ~ Chief Executive 01483 544500
Malcolm Cooper ~ Finance Director 01483 544500

**Cubitt Consulting**
Brian Coleman-Smith 020 7367 5100
James Verstringhe
Nicola Krafft


There will be a presentation today at 9.30am to analysts at JP Morgan Cazenove, 20 Moorgate, London, EC2R 6DA. The supporting slides will be available on the Acal website (www.acalplc.co.uk).

Acal will update on trading on 24 July 2009 when it will issue its Interim Management Statement in respect of the first quarter. The AGM will also be held on that date.

**Notes to Editors:**

Acal is a specialist provider of technology products and services with three divisions: Electronics, Supply Chain (formerly Parts Services) and Medical. Acal has 17 principal trading companies of which 8 are in mainland Europe, 8 in the United Kingdom and one in South Africa. The Group employed on average 736 people during 2008/9.

**ACAL plc**

**Announcement of Preliminary Results**
**for the Year Ended 31 March 2009**

**CHAIRMAN'S STATEMENT**

The past year has been one of challenge and change for the company. At the corporate level we have seen the appointment of Nick Jefferies as Group Chief Executive and Malcolm Cooper as Group Finance Director.

The Supply Chain (formerly Parts Services) division suffered from a loss of management and from losses on a major new contract that started in May 2008. However, in January 2009, we completed the acquisition of 75% of Service Source Europe Limited ("SSE") a key benefit of which was the strength of their management team. The management of SSE have taken over management of the enlarged division and have established a business plan for the stabilisation and growth of the business. I am pleased to say that the actions initiated by the team and the synergies with our existing businesses are already benefiting our Group results. We completed the acquisition of the remaining 25% of SSE on 9 April 2009.

Within the Electronics division, the deteriorating economic conditions have had an increasing impact on order levels and reported margins have been reduced by the abrupt strengthening of the US dollar. Whilst we anticipate recovery in our Electronics margins as exchange rates stabilise and we focus on higher margin business, we continue to review operating costs.

For the year, the Group's revenue was £165.4 million (2008: £159.5 million), with the increase due to foreign exchange and acquisitions, producing an operating profit before exceptional items of £0.3 million compared with £6.1 million in 2008.

Profit before tax and exceptional items from continuing operations was £0.5 million (2008: £6.1 million). The taxation charge of £1.4 million (2008: £2.3 million) reflects the tax charge on our UK profits that cannot be offset against tax losses in mainland Europe.

The loss after tax and exceptional items from continuing operations was £37.0 million (2008: profit £0.5 million).

**Exceptional items**

We highlighted in our interim report that we had impaired goodwill of £4.2 million and that we would be carrying out a review of remaining goodwill in the light of current economic conditions. This review has resulted in a further impairment resulting in a total impairment charge of £41.8 million for the year.

During the year costs were incurred in reducing headcount to cater for the reduced trading in the Electronics division and to realise synergies from our acquisition of SSE. Further exceptional costs relate to the costs associated with the departure of the previous executive directors and the impairment of investments in associates. Exceptional profits resulted from the disposal of the investment in MessageLabsGroup and the release of unutilised provisions relating to the prior year disposal of our IT Solutions business.

Despite the impairments, the Group retains net assets of £58.6 million at 31 March 2009 (2008: £100.7 million).

**Net cash**

At 31 March 2009, the Group's net cash was £24.5 million compared with £25.6 million at the previous year end. The cash balance has been affected by the proceeds from the sale of our investment in MessageLabsGroup offset by the acquisition of Service Source Europe Limited, the settlement of prior year provisions, the impact of the fall in sterling against the US dollar and the Euro, the payment of £1.3 million into the pension scheme as well as dividends totalling £4.8 million

**Dividend**

At the half year, the Directors declared a rebased interim dividend of 3.5 pence per share. In light of the continuing economic uncertainties and difficult trading conditions, the Board is recommending a final dividend of 3.5 pence per share payable to shareholders on the register as at 19 June 2009. This will make a total of 7.0 pence for the year. As the year's dividend is not covered by earnings, the Board will keep the dividend policy under review recognising that distributions are only sustainable if earnings are sufficient to provide adequate dividend cover.

**Board and Employees**

Malcolm Cooper was appointed as Group Finance Director in August 2008 and Nick Jefferies joined the Group as Chief Executive Officer in January 2009. I am delighted with the fresh approach, positive impact and experience they have brought to the Board.

Acal announces that Steve Sydes, head of the Electronics division, will be leaving the Group during June 2009. After many years with the Group, I would like to thank Steve for his positive contribution and wish him well for the future. Nick Jefferies will assume responsibility for the Electronics division in the short-term.

The challenges of the current market environment place large demands on everybody in the Group. We are fortunate in having a dedicated workforce who are committed to the business and I thank them personally and on behalf of the Board for their continued hard work and support.

**Strategy and Outlook**

Since taking on the role of Chief Executive, Nick Jefferies and the Board have been carrying out a strategic review of our businesses. Comments on each of our businesses are set out in the Strategic and Operational review.

We believe we have opportunities to grow each of our businesses which are now reported as three divisions. Our future lies as a specialist provider of technology

products and services which will, over time, generate higher returns.

The conditions being experienced by our Electronics businesses at this time are as difficult as at any time in the Group's history and we are unable to predict when there will be an improvement. Nevertheless, the strength of our cash balance will enable us to manage the business through the recession and give us the opportunity to come out of it as a stronger Group. The performance of our Supply Chain division has been transformed by our acquisition of SSE and we are focusing on further actions around the Group that will create long-term value for shareholders.

**Richard Moon**

1 June 2009

**ACAL plc**

**STRATEGIC AND OPERATIONAL REVIEW**

**Overview of Group performance**

| | **Year ended 31 March 2009** | | Year ended 31 March 2008 | |
|---|---|---|---|---|
| | **Revenue £ million** | **Operating profit* £ million** | Revenue £ million | Operating profit* £ million |
| Electronics | **103.7** | **0.9** | 103.1 | 3.2 |
| Supply Chain | **54.2** | **1.0** | 48.3 | 3.3 |
| Medical | **7.5** | **1.0** | 8.1 | 1.3 |
| Unallocated costs | **-** | **(2.6)** | - | (1.7) |
| | **165.4** | **0.3** | 159.5 | 6.1 |

*Throughout this review operating profit is stated before exceptional items.

Note: The results for the year ended 31 March 2008 have been restated to reflect Vertec, a distributor of medical equipment, as a separate segment and to separately disclose unallocated corporate costs. Unallocated costs include head office staff costs, Directors' remuneration, professional and head office costs and non-operational costs.

Revenue for 2009 was £165.4 million compared with £159.5 million in 2008. The increase was primarily due to favourable exchange rate movements of approximately £11.3 million in relation to subsidiaries based in mainland Europe and the acquisition of Service Source Europe Limited ("SSE") in January 2009 which contributed £3.9 million to 2009 revenue. After adjusting for these factors, there was an underlying reduction in revenue of 5.5 per cent.

Operating profit for the year ended 31 March 2009 decreased by £5.8m to £0.3 million. This decline reflected falls in each of the three divisions. The Electronics division suffered a reduction in margins principally due to the impact of the significant fall in sterling against the dollar. The Supply Chain division was affected by the departure of a number of senior executives and by losses on a new contract that commenced in May 2008. Both of these issues have been addressed by the acquisition of SSE. Vertec, Acal's medical business, saw some reduction in sales and a reduction in margin.

Market conditions deteriorated progressively across all our businesses during the year. There was a marked decline in bookings within the Electronics division reflecting the impact of the credit crisis and global recession. Against this backdrop, we took steps to realign the cost base of our Electronics business through workforce reductions and we have realised headcount savings within Supply Chain resulting from the synergies between SSE and Acal's existing Supply Chain businesses.

We completed the acquisition of 75% of SSE in January 2009 for a cash consideration of £1.85 million plus £0.35 million for the repayment of preference shares. The remaining 25% was acquired for a consideration of £1.0 million in April 2009. SSE's principal activities relate to the movement of service spares. Its main product sector is the PC market, including related products such as laptops, servers, printers and more recently mid-range and high-end Unix services and storage systems. The acquisition brought with it a strong management team, three of whom had left the Acal Supply Chain division in 2008, and who have since taken over management of the enlarged Supply Chain division. The performance of the business over recent months is encouraging.

**Electronics**

*Revenue up 1% from £103.1 million to £103.7 million*

*Operating profit down 72% from £3.2 million to £0.9 million*

Reported revenue benefited from a strengthening in the Euro against sterling. At constant exchange rates, revenue declined by £8.3 million (7.4 per cent). The impact of the economic decline has been increasingly felt since the turn of the calendar year and the downturn in orders has been felt throughout the division. Nevertheless, Acal's performance continues to compare well. Industry data from IDEA (International Distribution of Electronics Association) showed that sales for the period January to March 2009 reduced by 21.4% against the prior year. Acal's billings for the same period were some 4% better than that.

The decline in revenue has exacerbated a significant decline in margins resulting from both the strengthening of the dollar against both Sterling and the Euro, and margin pressure created by the economic environment.

As announced in February, one of our major semi-conductor suppliers decided to terminate our contract from the end of April. This has impacted bookings since that date.

Despite the actions taken over recent years to centralise operations, we have continued to suffer losses in mainland Europe. Cost reduction actions have been implemented (headcount reduced by 19% over the course of the financial year) and further actions will be taken to re-align the European cost base further.

**Supply Chain**

*Revenue up 12% from £48.3 million to £54.2 million*

*Operating profit down 70% from £3.3 million to £1.0 million*

As well as the impact of the economic climate, Supply Chain was affected during the year by the departure of key management and losses arising from a major new contract which commenced in May 2008. Underlying revenue, excluding the acquisition of SSE, fell by 1%.

The acquisition of SSE and the assumption of control of the Supply Chain division by their management team has brought a renewed vigour to the business and results to date are encouraging. Ongoing losses on a major contract have been largely eradicated as operational improvements have been implemented and discussions are ongoing over a way forward that will benefit both Supply Chain and the customer.

There has been a headcount reduction of 6% since the acquisition was completed reflecting synergies between the businesses. Employee changes actioned to date will result in an annual saving of £0.7 million. Further savings will be achieved as the division's UK statutory entities are amalgamated.

**Medical**

*Revenue down 7% from £8.1 million to £7.5 million*

*Operating profit down 23% from £1.3 million to £1.0 million*

Vertec specialises in the supply of high quality radiology and bone densitometry equipment. The larger part of its revenue is derived in the UK with the remainder being derived from a subsidiary in South Africa. The division delivered another robust performance albeit operating profits were lower than previous year, primarily due to reduced margins attributable to the strengthening of the US dollar.

Unallocated corporate costs for the year totalled £2.6 million (2008: £1.7 million) with the prior year reflecting releases of unutilised provisions.

**Strategic review**

The review of the businesses and their strategy has shown that they are well respected in the markets in which they operate and have experienced and dedicated management and employees. Each of the divisions has opportunities for profitable growth.

*Electronics*

We are a distributor of electronic products to industrial manufacturing and design companies. Our strategy is to focus entirely on specialised products and markets where there are fewer competitors and higher margins can be generated over time. Additionally, we will create a trading model for the future, developing a web channel to complement our existing sales force. This will give our customers the ability to choose how they transact with us.

*Supply Chain*

We are a supplier of new and refurbished IT, EPOS and ATM spare parts to service providers. Our strategy is to realise the benefits of the recent acquisition of Service Source Europe by building the contracted spare parts management business, potentially expanding into other product areas.

*Medical*

We are a supplier of hi-tech medical equipment to public and private healthcare providers. Our strategy is to expand its provision of technology led preventative healthcare equipment by acquiring complementary distributorships.

We will consider selected specialist acquisitions that will complement this strategy.

**Outlook**

We are dealing with an economic and market recession that is unprecedented. We are currently experiencing reduced order levels and it is impossible to know how long this situation will remain.

Despite this, our balance sheet is strong and we are focused on implementing our strategy, managing our cost base and further reducing working capital to maximise cash generation.

The Board is confident that opportunities exist to develop, both organically and by acquisition, each of our businesses.

**Nick Jefferies**
Group Chief Executive

1 June 2009

**ACAL plc**

**FINANCE REVIEW**

**Results for the year**

A review of the trading results for the year is set out in the Chairman's Statement and the Strategic and Operational review.

The pre-exceptional profit before tax from continuing operations for the year is £0.5 million, compared to £6.1 million in the prior year.

The total loss from continuing operations for the year is £37.0 million, compared to a profit of £0.5 million in the prior year reflecting the impact of exceptional items, in particular the non-cash impairments of goodwill and associates of £47.2 million, other exceptional items and taxation described below.

**Adjusted profits**

This year we have introduced an adjusted profit measure on the face of the consolidated income statement. This is a measure which excludes exceptional items, the impact of the volatile finance costs of IAS 19 and share based payments.

The Directors believe that this measure provides additional useful information for shareholders on the underlying trends and performance of the Group and we intend to include adjusted profit as a measure in future periods.

The adjusted profit before tax for the year is £0.8 million compared to £6.1 million last year.

**Overhead costs**

Total operating expenses relating to continuing operations and excluding exceptional items and share based payments were £43.5 million (2008: £39.7 million). Current year overheads include £0.9 million previously classified within cost of sales. The underlying reduction was £1.8 million after adjusting for SSE costs, overheads associated with the new Supply Chain contract and the translation impact of overseas company overheads.

**Exceptional items**

The Group presents on the face of the income statement those items which are separately identifiable by virtue of their size or incidence so as to allow a better understanding of the underlying trading performance of the Group. Exceptional items comprise:

| | **2009** | 2008 |
|---|---|---|
| | **£ million** | £ million |
| Operating: | | |
| Sale of investment in MessageLabsGroup | **15.9** | - |
| Impairment of goodwill | **(41.8)** | - |
| Provision for retained obligations | **0.8** | (3.5) |
| Termination and restructuring costs | **(2.6)** | - |
| Non Operating: | | |
| Impairment of associate investments | **(5.4)** | - |
| Net exceptional items before tax | **(33.1)** | (3.5) |

The sale of MessageLabsGroup to Symantec was completed in November 2008. The total consideration receivable by Acal for its 3.95% stake is £16.2 million of which £15.1 million has been received to date, the balance being retained in escrow until November 2009 pending any warranty claims. The profit on sale of £15.9 million is subject to tax of £4.4m, £2.0m of which was paid during the year.

The impairment of goodwill of £41.8 million results from the review carried out in the light of the current economic conditions, the deterioration in the performance of our businesses and the disparity between the Group's net assets and its market capitalisation. The principal impairments relate to the Group's UK electronic business, and

to ATM and Computer Parts International.

The impairment of the associate investments principally relates to the Group's investment in Westech Electronics Limited, an electronics and engineering service provider, listed on the Singapore stock exchange. Westech announced in September that one of its major customers in Taiwan had defaulted on its payments to the company. It subsequently announced that it had entered into a standstill agreement with certain financial institutions. We have taken the view that Acal's investment is impaired and written it down to £nil. We have also fully impaired the Group's other associate investments at a cost of £0.4 million.

The termination and restructuring costs result from the rationalisation of headcount in the Electronics division in light of the reduced trading levels, headcount savings resulting from the integration of Service Source Europe Limited into Acal's existing Supply Chain businesses and the costs resulting from the termination of executive directors' contracts.

Following the disposal of the IT Solutions division in December 2007, the Group made provision for certain obligations of the division which were retained by the Group following its disposal. These obligations represent costs relating to the impairment of IT systems, properties and people. These were estimated to amount to £3.5 million. Savings of £0.8 million, principally relating to people costs, have been written back this year.

**Net finance income**

Net interest income for the year amounted to £0.5 million (before IAS19 interest cost of £0.2 million (2008: nil)) compared to a net interest charge of £0.7 million for the prior year. The cash inflow resulting from the disposal of the IT Solutions division in December 2007 resulted in a significant cash surplus throughout the year. The decline in interest rates through the second half of the year has reduced the opportunity to earn significant interest income. The trend will continue through 2009/10 if interest rates remain at their current levels.

**Dividends and (loss)/earnings per share**

Basic and diluted loss per share before exceptional items were 3.8 pence (2008: earnings of 14.5 pence). Basic and diluted loss per share after exceptional items from continuing operations were 140.5 pence (2008: earnings of 2.0 pence).

For the year ended 31 March 2009, the Board has recommended a final dividend of 3.5 pence (2008: 14.7 pence). An interim dividend of 3.5 pence per share was paid in January 2009, making the total dividend for the year 7.0 pence per share (2008: 21.9 pence).

**Taxation**

The Group's effective tax rate for the year ended 31 March 2009, calculated on profit before taxation from continuing operations before exceptional items and the Group's share of the post-tax result from associate investments, was 300% (2008: 45%). The tax charge for the year amounted to £1.4 million (2008: £2.3 million). The total tax charge for the year, after exceptional items was £4.4m, including £3.0m relating to exceptional items.

The increase in the rate of underlying tax reflects the deterioration in the overall profits of the Group and the resulting higher proportion of irrecoverable losses incurred in the Group's Continental European companies. The underlying rate also includes the impact of the write off of a deferred tax asset brought forward from the prior year of £0.5 million and disallowable costs.

**Cash flow and net cash**

Cash absorbed by operations was £2.4 million (2008: cash generated £6.7 million) after payments relating to exceptional costs incurred of £2.1 million. Operating profits were significantly lower and there was a net increase in working capital which is explained further below.

The sale of MessageLabsGroup realised £15.1 million in cash which was paid in November 2008. A further £1.1 million is due to be received in November 2009 subject to warranty claims.

Acquisitions totalled £4.4 million, including debt acquired, relating to the acquisition of 75% of the ordinary share capital of Service Source Europe Limited. A further £1.0 million was paid in April 2009 to acquire the remaining 25%.

Tax payments included £2.0 million relating to the profit on disposal of the investment in MessageLabsGroup. A further £2.4 million is payable in 2009/10.

Positive net finance revenue reflected the cash surplus held throughout the year. Net cash was £24.5 million at 31 March 2009 (2008: £25.6 million), the movement reflecting the net impact of the matters outlined above.

At 31 March 2009, the Group had total working capital facilities of £33.7 million with a number of major UK and overseas banks, which in the ordinary course are periodically renewable. In view of its net cash position, the Group has no term facilities and no agreements containing any financial covenants.

The Directors have reviewed cash flow forecasts for 2009 and the projections for 2010 developed during the recent strategic review and have considered a range of different scenarios and the impact of these on the Group's cash flow and facilities. Based on this work, the Directors are satisfied that the Group has adequate resources for the foreseeable future.

**Net assets and working capital**

Movements in working capital are analysed as follows:

| | 2008 £m | Acquisitions and Disposals £m | Translation £m | Underlying movement £m | **2009 £m** |
|---|---|---|---|---|---|
| Inventories | 19.3 | 1.7 | 3.5 | 0.2 | **24.7** |
| Trade & other receivables | 36.0 | 3.7 | 2.8 | (3.0) | **39.5** |
| Trade & other payables | (34.2) | (2.7) | (4.2) | 3.6 | **(37.5)** |
| Net working capital | 21.1 | 2.7 | 2.1 | 0.8 | **26.7** |

The above table highlights the impact on working capital of the acquisition of Service Source Europe Limited and the translation effect of the movement in Euro and dollar exchange rates against sterling. Included within acquisitions and disposals trade and other receivables is £1.1m relating to the deferred balance receivable on the sale of the investment in MessageLabsGroup.

The underlying movements above include inventory relating to the new Supply Chain contract commenced in May 2008.

The business is focused on the reduction of working capital which is reflected in improvements in stock turns and debtor days outstanding over recent months.

**Pensions**

The Group operates a defined contribution pension scheme, but also has a closed defined benefit scheme which dated back to an acquisition in 1999. Assets of the defined benefit scheme were valued at £23.7 million at 31 March 2009 ( 2008: £27.9 million) reflecting the impact of the global economic downturn on equity and bond markets, which resulted in the reduction in the value of assets held by the scheme.

Scheme liabilities under International Accounting Standard No 19 (IAS19) were valued by the actuaries at £29.4 million (2008: £31.7 million), giving a deficit of £5.7 million (2008: £3.8 million).

The most recent scheme funding valuation, conducted at March 2006, showed a deficit of £6.2 million after which contributions of £1.3 million per annum through to November 2012 were agreed with the Trustees. A new scheme funding valuation is being carried out as at 31 March 2009 after which discussions will be held with the trustees regarding the level of ongoing contributions.

**Malcolm Cooper**
Group Finance Director

1 June 2009

**ACAL plc**

**Consolidated income statement** for year ended 31 March 2009

| | | **2009** | | | 2008 | | |
|---|---|---|---|---|---|---|---|
| | Notes | **Before exceptional items £m** | **Exceptional Items (note 7) £m** | **Total £m** | Before exceptional items £m | Exceptional items (note 7) £m | Total restated* £m |
| **Continuing operations** | | | | | | | |
| Revenue | 5,6 | **165.4** | **-** | **165.4** | 159.5 | - | 159.5 |
| Cost of Sales | | **(121.5)** | **-** | **(121.5)** | (113.7) | - | (113.7) |
| Gross profit | | **43.9** | **-** | **43.9** | 45.8 | - | 45.8 |
| Selling and distribution costs | | **(26.8)** | **-** | **(26.8)** | (24.4) | - | (24.4) |
| Administrative expenses | | **(16.8)** | **(44.4)** | **(61.2)** | (15.4) | (3.5) | (18.9) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Other operating income | | **-** | **16.7** | **16.7** | 0.1 | - | 0.1 |
| **Operating profit/(loss)** | 5 | **0.3** | **(27.7)** | **(27.4)** | 6.1 | (3.5) | 2.6 |
| Analysed as: | | | | | | | |
| Adjusted operating profit | | **0.4** | | | 6.2 | | |
| Share based payments | | **(0.1)** | | | (0.1) | | |
| Share of post-tax (losses)/profits from associates | | **(0.1)** | **-** | **(0.1)** | 0.7 | - | 0.7 |
| Impairment of investment in associates | | **-** | **(5.4)** | **(5.4)** | - | - | - |
| Finance costs | | **(1.1)** | **-** | **(1.1)** | (1.5) | - | (1.5) |
| Finance revenue | | **1.4** | **-** | **1.4** | 0.8 | - | 0.8 |
| **Profit/(loss) before tax** | | **0.5** | **(33.1)** | **(32.6)** | 6.1 | (3.5) | 2.6 |
| Analysed as: | | | | | | | |
| Adjusted profit before tax | | **0.8** | | | 6.2 | | |
| Share based payments | | **(0.1)** | | | (0.1) | | |
| IAS 19 income statement charge for pension finance cost | | **(0.2)** | | | - | | |
| **Tax expense** | | **(1.4)** | **(3.0)** | **(4.4)** | (2.3) | 0.2 | (2.1) |
| **Net (loss)/profit from continuing operations** | | **(0.9)** | **(36.1)** | **(37.0)** | 3.8 | (3.3) | 0.5 |
| **Discontinued operations** | 11 | | | | | | |
| Profit for the year from discontinued operations | | | | **-** | | | 27.4 |
| **(Loss)/profit for the year** | | | | **(37.0)** | | | 27.9 |
| **Attributable to:** | | | | | | | |
| Equity holders of the parent | | | | **(37.1)** | | | 27.9 |
| Minority interests | | | | **0.1** | | | - |
| | | | | **(37.0)** | | | 27.9 |
| **(Loss)/earnings per share** | 9 | | | | | | |
| **Continuing operations** | | | | | | | |
| Basic | | **(3.8)p** | **(136.7)p** | **(140.5)p** | 14.5p | (12.5)p | 2.0p |
| Diluted | | **(3.8)p** | **(136.7)p** | **(140.5)p** | 14.5p | (12.5)p | 2.0p |
| **Including discontinued operations** | | | | | | | |
| Basic | | | | **(140.5)p** | | | 105.7p |
| Diluted | | | | **(140.5)p** | | | 105.7p |
| **Dividends** | | | | | | | |
| Dividends per share declared in respect of year | | | | **7.0p** | | | 21.9p |
| Dividends per share paid in year | | | | **18.2p** | | | 21.9p |
| Dividends paid in year | | | | **£4.8m** | | | £5.8m |

*restated for prior year adjustment, see note 11

**Consolidated statement of recognised income and expense**
for the year ended 31 March 2009

| | 2009 £m | 2008 £m |
|---|---|---|
| Actuarial (loss)/gain on defined benefit pension scheme | **(3.0)** | 2.0 |
| Deferred tax relating to pension scheme | **0.8** | (0.7) |
| Foreign currency translation differences | **1.6** | 1.5 |
| **Net (expense)/income recognised directly in equity** | **(0.6)** | 2.8 |
| **(Loss)/profit for the year** | **(37.0)** | 27.9 |
| Total recognised (expense)/income for the year | **(37.6)** | 30.7 |
| | | |
| **Total recognised (expense)/income attributable to:** | | |
| Equity holders of the parent | **(37.7)** | 30.7 |
| Minority interest | **0.1** | - |
| | **(37.6)** | 30.7 |



**Consolidated balance sheet**
at 31 March 2009

| | Notes | 2009 £m | 2008 £m |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **4.7** | 4.4 |
| Intangible assets - goodwill | 13 | **13.5** | 53.4 |
| Intangible assets - other | | **1.5** | 1.1 |
| Investments in associates | | **-** | 5.7 |
| Financial assets | | **-** | 0.3 |
| Deferred tax assets | | **2.6** | 3.4 |
| | | **22.3** | 68.3 |
| **Current assets** | | | |
| Inventories | | **24.7** | 19.3 |
| Trade and other receivables | | **39.5** | 36.0 |
| Current tax assets | | **0.4** | 0.6 |
| Cash and cash equivalents | | **33.2** | 35.6 |
| | | **97.8** | 91.5 |
| **Total assets** | | **120.1** | 159.8 |
| **Current liabilities** | | | |
| Trade and other payables | | **(37.5)** | (34.2) |
| Short-term borrowings | | **(8.6)** | (9.9) |
| Current tax liabilities | | **(5.1)** | (5.2) |
| Provisions | | **(2.5)** | (3.2) |
| | | **(53.7)** | (52.5) |
| **Non-current liabilities** | | | |
| Long-term borrowings | | **(0.1)** | (0.1) |
| Pension liability | 14 | **(5.7)** | (3.8) |
| Deferred tax liabilities | | **(0.5)** | (1.2) |
| Provisions | | **(1.5)** | (1.5) |
| | | **(7.8)** | (6.6) |
| **Total liabilities** | | **(61.5)** | (59.1) |
| **Net assets** | | **58.6** | 100.7 |
| **Equity** | | | |
| Share capital | 15 | **1.3** | 1.3 |
| Share premium account | 15 | **38.0** | 38.0 |
| Translation reserve | 15 | **3.5** | 1.9 |
| Merger reserve | 15 | **3.0** | 3.0 |
| Retained earnings | 15 | **12.4** | 56.5 |
| **Equity attributable to equity holders of the parent** | 15 | **58.2** | 100.7 |
| Equity minority Interest | | **0.4** | - |
| **Total equity** | | **58.6** | 100.7 |

# ACAL plc

**Consolidated cash flow statement**
for the year ended 31 March 2009

| | **2009 £m** | 2008 £m |
|---|---|---|
| **(Loss)/profit for the year** | **(37.0)** | 27.9 |
| Taxation expense (includes £nil (2008: £5.6m) from discontinued operations) | **4.4** | 7.7 |
| Share of results of associates | **0.1** | (0.7) |
| Net finance (income)/costs | **(0.3)** | 1.0 |
| Depreciation of property, plant and equipment | **1.3** | 1.6 |
| Amortisation of intangible assets - software | **0.6** | 3.0 |
| Change in provisions | **(0.7)** | 0.3 |
| Gain on disposal of investments and businesses | **(15.9)** | (31.3) |
| Loss on disposal of property, plant and equipment | **-** | 0.1 |
| Impairment of goodwill and associates | **47.2** | - |
| Pension scheme funding | **(1.3)** | (1.6) |
| Equity-settled share-based payment expense | **-** | 0.1 |
| **Operating cash flows before changes in working capital** | **(1.6)** | 8.1 |
| (Increase)/decrease in inventories | **(0.2)** | 0.8 |
| Decrease in trade and other receivables | **3.0** | 3.7 |
| Decrease in trade and other payables | **(3.6)** | (5.9) |
| Increase in working capital | **(0.8)** | (1.4) |
| **Cash (absorbed by)/generated from operations** | **(2.4)** | 6.7 |
| Interest paid | **(0.8)** | (2.1) |
| Income taxes paid | **(3.4)** | (5.7) |
| **Net cash outflow from operating activities** | **(6.6)** | (1.1) |
| **Cash flows from investing activities** | | |
| Acquisition of shares in subsidiaries | **(2.9)** | - |
| Net debt acquired with subsidiaries | **(1.5)** | - |
| Proceeds from sale of businesses (net of costs) | **-** | 38.5 |
| Proceeds from sale of financial assets | **15.1** | - |
| Purchases of property, plant and equipment | **(1.2)** | (1.2) |
| Proceeds from sale of property, plant and equipment and intangibles | **0.2** | 0.5 |
| Purchases of intangible assets - software | **(0.2)** | (0.2) |
| Interest received | **1.4** | 0.9 |
| Dividends received from associates | **0.2** | 0.2 |
| **Net cash inflow from investing activities** | **11.1** | 38.7 |
| **Cash flows from financing activities** | | |
| Repayments of borrowings | **(0.1)** | (10.1) |
| Dividends paid to company's shareholders | **(4.8)** | (5.8) |
| **Net cash outflow from financing activities** | **(4.9)** | (15.9) |
| **Net (decrease)/increase in cash and cash equivalents** | **(0.4)** | 21.7 |
| Cash and cash equivalents at 1 April | **25.8** | 4.8 |
| Effect of exchange rate fluctuations | **(0.6)** | (0.7) |
| **Cash and cash equivalents at 31 March** | **24.8** | 25.8 |
| **Reconciliation to cash and cash equivalents in the balance sheet** | | |
| Cash and cash equivalents shown above | **24.8** | 25.8 |
| Add back overdrafts | **8.4** | 9.8 |
| Cash and cash equivalents shown within current assets in the balance sheet | **33.2** | 35.6 |

**ACAL plc**

**Notes to the preliminary statement**
for the year ended 31 March 2009

## 1 Publication of non-statutory accounts

The preliminary results were authorised for issue by the Board of Directors on 1 June 2009. The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2009 or 2008, but is derived from those accounts. Statutory accounts for 2008 have been delivered to the Registrar of Companies whereas those for 2009 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 financial information in this statement is 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 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Operational Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Finance Review.

The Group has considerable financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## 4 Accounting policies

The accounting policies used in the year ended 31 March 2009 are consistent with those applied in the financial statements for the year ended 31 March 2008 except for the adoption of the non GAAP measure described below.

The Directors believe that there are items, additional to the exceptional items shown on the face of the income statement that require separate presentation in the financial statements to assist readers' full understanding of the underlying performance of the Group. The face of the income statement now presents adjusted operating profit and adjusted profit before tax and reconciles these to operating profit and profit/(loss) before tax as required to be presented under the applicable accounting standards. Adjusted earnings/(loss) per share is calculated having adjusted profit/(loss) after tax for the same items, their tax effect and the effect of any exceptional tax items. The term adjusted profit is not defined under IFRS and may not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurement of profit. The adjustments made to reported profit/(loss) in the income statement in order to present an adjusted performance measure include:

*Exceptional items*
The Group discloses as exceptional items those items which are exceptional by virtue of their size or incidence so as to allow a better understanding of the underlying trading performance of the Group. The Group includes the profit on disposal of property, investments or businesses, impairments and significant restructuring charges or credits in exceptional items.

*IAS 19 Income Statement finance charge/(credit) for pensions*
Adjusted profit excludes the volatile finance cost/revenue element of IAS 19.

*Share based payments*
Adjusted profit excludes the cost of cash and equity settled share based payments.

*Taxation*
The tax impact of the above items is also excluded in arriving at adjusted earnings.

## 5 Segmental analysis

Segmental information is presented in respect of the Group's business segments, which are the primary basis of segmental reporting. This format reflects the Group's management and internal reporting structures. Inter segment revenue is insignificant.

**Year ended 31 March 2009**

| | Electronics £m | Supply Chain £m | Medical £m | Unallocated £m | Total operations £m |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| **Revenue** | 103.7 | 54.2 | 7.5 | - | 165.4 |
| **Segment profit/(loss) before exceptionals** | 0.9 | 1.0 | 1.0 | (2.6) | 0.3 |
| Exceptional items - goodwill | (29.7) | (12.1) | - | - | (41.8) |
| Exceptional items - restructuring | (1.3) | (0.1) | - | (1.2) | (2.6) |
| Exceptional items - other | (5.4) | - | - | 16.7 | 11.3 |
| Net finance costs | | | | 0.3 | 0.3 |
| Share of post tax losses of associates | (0.1) | - | - | - | (0.1) |
| **Loss before taxation** | (35.6) | (11.2) | 1.0 | 13.2 | (32.6) |
| Taxation | | | | | (4.4) |
| **Loss for the year** | | | | | (37.0) |

**Year ended 31 March 2008**

| | Electronics £m | Supply Chain £m | Medical £m | Unallocated £m | Total £m |
|---|---|---|---|---|---|
| **Revenue** | 103.1 | 48.3 | 8.1 | - | 159.5 |
| **Segment profit/(loss) before exceptionals** | 3.2 | 3.3 | 1.3 | (1.7) | 6.1 |
| Exceptional item - provision for retained obligations | - | - | - | (3.5) | (3.5) |
| Net finance costs | | | | (0.7) | (0.7) |
| Share of post-tax profits of associates | 0.7 | - | - | - | 0.7 |
| **Profit before taxation** | 3.9 | 3.3 | 1.3 | (5.9) | 2.6 |
| Taxation | | | | | (2.1) |
| Profit for the year from continuing operations | | | | | 0.5 |
| Profit for the year from discontinued operations | | | | | 27.4 |
| **Profit for the year** | | | | | 27.9 |

The results for the year ended 31 March 2008 have been restated to reflect Vertec, a distributor of medical equipment, as a separate segment and to separately disclose unallocated costs. Vertec was previously included within Electronics.

## 6 Geographic analysis of revenue by destination

| | **2009 £m** | 2008 £m |
|---|---|---|
| Europe | **157.6** | 152.5 |
| Rest of the World | **7.8** | 7.0 |
| | **165.4** | 159.5 |

## 7 Exceptional items

| | **2009 £m** | 2008 £m |
|---|---|---|
| Other operating income: | | |
| Write back of unutilised provision for retained obligations | **0.8** | - |
| Profit on disposal of financial asset | **15.9** | - |
| | **16.7** | - |
| Administration expenses: | | |
| Impairment of goodwill | **(41.8)** | - |
| Termination and restructuring costs | **(2.6)** | - |
| Provision for retained obligations | **-** | (3.5) |
| | **(44.4)** | (3.5) |
| Net operating exceptional items | **(27.7)** | (3.5) |
| Non operating items: | | |
| Impairment of associate investments | **(5.4)** | - |
| | **(33.1)** | (3.5) |
| Tax on exceptional items | **(3.0)** | 0.2 |
| Total continuing exceptional items | **(36.1)** | (3.3) |

Provisions for retained obligations were set up in 2008 in relation to the sale of the IT Solutions business. The unutilised provision relates to savings on restructuring costs.

The sale of MessageLabsGroup Limited to Symantec was completed in November 2008. The total consideration receivable by Acal for its 3.95% investment is £16.2 million of which £15.1 million was received on completion. An amount of £1.1 million has been retained in escrow and will be paid to Acal if there are no warranty claims within a 12 month period. The profit on disposal is £15.9 million.

The Group has impaired goodwill relating to a number of its Electronics and Supply Chain businesses. This has resulted in an impairment charge of £41.8m in the year to 31 March 2009.

Termination and restructuring costs relating to the reorganisation of the Group have been incurred during the year and a provision created for additional costs. These consist of redundancy and legal costs.

The Group has impaired the carrying value of its associate investments. These investments are no longer considered to have any equity value.

## 8 Dividends

The Directors have proposed a final dividend of 3.5 pence per share, payable on 29 July 2009 to shareholders on the register at 19 June 2009. In accordance with IAS 10, this dividend has not been reflected in the balance sheet at 31 March 2009. The amount of this final dividend is £0.9m. An interim dividend of 3.5 pence per share was paid in January 2009, and the cost of this dividend was £0.9 million.

## 9 (Loss)/earnings per share

Basic (loss)/earnings per share are calculated by dividing the net (loss)/profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted (loss)/earnings per share is the basic 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.

(Loss)/earnings per share from continuing operations including exceptional items of (140.5)p (2008 : 14.5p) and excluding exceptional items of (3.8)p (2008: 14.5p) have been calculated on attributable ongoing (losses)/profits of £(37.1)m (2008: £0.5m) and exceptional items net of tax of £(36.1)m (2008: £(3.3)m).

The following reflects the income and share data used in the basic and diluted (loss)/earnings per share computations:

| | **2009 £m** | 2008 £m |
|---|---|---|
| (Loss)/profit for the year from continuing operations attributable to equity holders of the parent - before exceptionals | (1.0) | 3.8 |
| Exceptional items net of tax | (36.1) | (3.3) |
| (Loss)/profit for the year from continuing operations attributable to equity holders of the parent | (37.1) | 0.5 |
| Profit for the year from discontinued operations attributable to equity holders of the parent | - | 27.4 |
| **(Loss)/profit for the year attributable to equity holders of the parent** | (37.1) | 27.9 |

| | **2009 million** | 2008 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 |

At the year end there were 0.6 million ordinary share options in issue that could potentially dilute earnings per share in the future but are not included in the calculation at the year end because they are currently non-dilutive (2008: 1.1 million).

## 10 Acquisition

On 9 January 2009, the Group acquired 75% of the issued share capital of Service Source Europe Limited ("SSE") for a consideration of £2.9 million (including costs). An analysis of the consideration paid, assets and liabilities acquired and goodwill arising is set out below.

The following table summarises the book value of the major categories of assets and liabilities included in the consolidated financial statements at the date of acquisition.

| | Book value £m | Fair value £m |
|---|---|---|
| Property, plant & equipment | 0.4 | 0.4 |
| Intangible assets - software | 0.1 | 0.1 |
| Intangible assets - customer contracts | - | 0.7 |
| Inventories | 1.7 | 1.7 |
| Trade and other receivables | 2.6 | 2.6 |
| Bank overdrafts | (1.5) | (1.5) |
| Trade and other payables | (2.7) | (2.7) |
| Net assets | 0.6 | 1.3 |
| Minority interest | | (0.3) |
| Provisional goodwill arising on acquisition | | 1.9 |
| Total investment | | 2.9 |
| | | |
| Satisfied by cash | | 2.9 |

Fair value adjustments have been made to certain customer contracts. The fair values on acquisition of SSE are provisional due to the timing of the transaction and will be finalised during 2010 financial year.

Net cash outflows in respect of the acquisition comprise:

| | Total £m |
|---|---|
| Cash consideration | 2.9 |
| Net cash and overdrafts acquired | 1.5 |
| | 4.4 |

From the date of acquisition, SSE has contributed a profit of £0.2 million to the loss from continuing operations of the Group. If the acquisition had taken place at the beginning of the year, the loss for the year from continuing operations for the Group would have been £36.8 million and revenue from continuing operations would have been £176.1 million.

The goodwill of £1.9m comprises the value of expected synergies, the experience and skill of the management team and the value of customer relationships.

On 9 April 2009, Acal acquired the remaining 25% in SSE for a total cash consideration of £1.0 million. Additional assets acquired as a result of this were £0.2 million.

## 11 Discontinued operations

On 27 September 2007, the Company announced that it had conditionally agreed to sell its IT Solutions Business ("ITS") to Avnet, Inc. The sale was completed on 17 December 2007 for a cash consideration of £41 million. The results of ITS have been presented under discontinued operations in the consolidated income statement.

There were no discontinued businesses during the current year.

Profit from discontinued operations comprises

| | **2009 £m** | 2008 £m |
|---|---|---|
| Profit on disposal of IT Solutions business | - | 26.5 |
| Profit for the year from trading of IT Solutions business | - | 0.9 |
| **Profit for the year from discontinued operations** | - | 27.4 |

| | **2009 £m** | 2008 £m |
|---|---|---|
| Sale proceeds | - | 41.0 |
| Sale costs | - | (2.8) |
| Total net assets sold | - | (6.9) |
| | - | 31.3 |
| Tax effect of disposal | - | (4.8) |
| **Profit on disposal of IT Solutions business** | - | 26.5 |

The profit for the year from discontinued operations is derived as follows:

| | **2009 £m** | 2008 £m |
|---|---|---|
| **Revenue - sale of goods** | - | 67.0 |
| Expenses | - | (65.0) |
| Profit before financing and tax | - | 2.0 |
| Finance costs (net) | - | (0.3) |
| Profit before tax | - | 1.7 |
| Income tax expense | - | (0.8) |
| **Profit for the year from discontinued operations** | - | 0.9 |

Cash flows relating to discontinued operations are as follows:

| | **2009 £m** | 2008 £m |
|---|---|---|
| Net cash inflows from operating activities | - | 0.7 |
| Net cash outflows from investing activities | - | - |
| Net cash flows from financing activities | - | - |
| **Net increase/(decrease) in cash and cash equivalents** | - | 0.7 |

***Prior year adjustment***

In 2008, £2.2 million goodwill relating to the IT Solutions business, which was previously written off to reserves, was incorrectly recycled through the income statement as an adjustment to the profit on disposal. The prior year has been restated to correct this error. The impact on the restatement on the financial statements is as follows:

| | **2009 £m** | 2008 £m |
|---|---|---|
| Profit for the year from discontinued operations | **-** | 2.2 |
| (Loss)/profit for the year | **-** | 2.2 |
| Basic and diluted (loss)/ earnings per share including discontinued operations | **-** | 7.2p |

## 12 Movements in cash and net debt

| | **2009 £m** | 2008 £m |
|---|---|---|
| **Net (decrease)/increase in cash and cash equivalents** | **(0.4)** | 21.7 |
| Cash (inflow)/outflow from borrowings | **(0.1)** | 10.1 |
| Effect of exchange rate fluctuations | **(0.6)** | (0.8) |
| **(Decrease)/increase in net cash** | **(1.1)** | 31.0 |
| Net cash/(debt) at beginning of the year | **25.6** | (5.4) |
| **Net cash at end of the year** | **24.5** | 25.6 |

## 13 Intangibles assets - goodwill

| | £m |
|---|---|
| At 1 April 2007 | 53.5 |
| Exchange adjustments | 0.2 |
| Disposal of shares in subsidiary | (0.3) |
| At 31 March 2008 | 53.4 |
| Impairment | (41.8) |
| Acquisition of shares in a subsidiary | 1.9 |
| **At 31 March 2009** | **13.5** |

Goodwill is not amortised but is subject to annual impairment testing.

Goodwill arising in the year relates to the acquisition of Service Source Europe Limited which is part of the Supply Chain division. Further information is disclosed in Note 10.

### Impairment testing of goodwill

The carrying amount of goodwill is analysed as follows:

| | **2009 £m** | 2008 £m |
|---|---|---|
| ATM Parts Company Limited | **0.3** | **5.4** |
| Computer Parts International Limited | **3.9** | **8.9** |
| Service Source Europe Limited | **1.9** | **-** |
| UK electronics businesses | **6.8** | **35.0** |
| Other | **0.6** | **4.1** |
| | **13.5** | **53.4** |

During the year to 31 March 2009, a net impairment charge of £41.8m (2008: nil) was identified as part of the impairment review carried out in view of the challenging economic climate and the performance of the Group businesses. Of the total charge, £27.6m related to the UK electronics businesses, £5.1 million to ATM Parts Company Limited, £5.0 million to Computer Parts International Limited and £4.1m to other businesses.

Goodwill acquired through business combinations is allocated to cash-generating units (CGUs).

The recoverable amount of a CGU is based upon value in use calculations based upon budgets approved by the Board. The key assumptions in these calculations relate to revenue and gross margins. The calculation is most sensitive to revenue assumptions, however senior management believe that the assumptions used are reasonable. Cash flows beyond the plan period are extrapolated using a growth rate of between 1% and 2% (2008: 2.5%). This is based upon budgets and management's assessment of market experience. These rates do not exceed the average long-term growth rate for the relevant markets. The discount rate applied to cash flow projections, based upon management's expectations of the weighted average cost of capital, is 12.0% (2008: 11.6%).

## 14 Pensions

The pension liability relates to the Sedgemoor Group Pension Fund which was brought into the Group on the acquisition of the Sedgemoor Group in 1999. The fund, which is a defined benefit scheme, is operated as a 'paid up' pension scheme with only pensioners and deferred members.

Following the actuarial valuation as at 31 March 2006, which showed a funding shortfall of £6,172,000, the Fund's Trustee, having reviewed its rights under the Scheme, agreed with Sedgemoor Limited ('the Company') a recovery plan based on extra contributions from the Company aimed at eliminating the shortfall by November 2012. A new actuarial valuation is being carried out as at 31 March 2009 after which discussions will be held with trustees regarding the level of ongoing contributions.

The IAS 19 liability at 31 March 2009 was £5.7 million (2008: 3.8m).

## 15 Equity attributable to equity holders of the parent

| | Share capital | Share premium account | Retained earnings | Translation reserve | Merger reserve | Total | Minority Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| At 1 April 2008 | 1.3 | 38.0 | 56.5 | 1.9 | 3.0 | 100.7 | - | 100.7 |
| Total recognised income and expense | - | - | (39.3) | 1.6 | - | (37.7) | 0.1 | (37.6) |
| Equity dividends | - | - | (4.8) | - | - | (4.8) | - | (4.8) |
| Minority interests of subsidiary acquired | - | - | - | - | - | - | 0.3 | 0.3 |
| **At 31 March 2009** | 1.3 | 38.0 | 12.4 | 3.5 | 3.0 | 58.2 | 0.4 | 58.6 |

| | Share capital | Share premium account | Retained earnings | Translation reserve | Merger reserve | Total | Minority Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| At 1 April 2007 | 1.3 | 38.0 | 35.3 | 0.4 | 0.8 | 75.8 | - | 75.8 |
| Total recognised income and expense | - | - | 29.2 | 1.5 | - | 30.7 | - | 30.7 |
| Share based payments | - | - | 0.1 | - | - | 0.1 | - | 0.1 |
| Equity dividends | - | - | (5.8) | - | - | (5.8) | - | (5.8) |
| Transfer of previously written off goodwill | - | - | (2.2) | - | 2.2 | - | - | - |
| Dilution in associates | - | - | (0.1) | - | - | (0.1) | - | (0.1) |
| At 31 March 2008 | 1.3 | 38.0 | 56.5 | 1.9 | 3.0 | 100.7 | - | 100.7 |

## 16 Annual Report and Accounts

The Annual Report and Accounts will be mailed to shareholders on or before 23 June 2009. Copies will also be available at the company's registered office: 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford. GU2 7AH. In addition, this report is available on the company's website: www.acalplc.co.uk.

This information is provided by RNS
The company news service from the London Stock Exchange

END

FR UARURKNRVOAR