Annual Report and Notice of A

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ACAL plc

("Acal" or "the Group")

ANNUAL REPORT AND ACCOUNTS 2010
NOTICE OF ANNUAL GENERAL MEETING 2010

Acal plc, a specialist provider of technology products and services across Europe and South Africa, has today issued to its shareholders its Annual Report and Accounts for the Group for the year ended 31 March 2010, together with the Notice of Annual General Meeting ('AGM') and shareholder proxy form. The AGM will be held at Acal's head office at 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH on Thursday 29 July 2010 at 11.00am.

Copies of the Notice of AGM, the proxy form and the Annual Report and Accounts for the Group for the year ended 31 March 2010 will be available on Acal's website (www.acalplc.co.uk).

In accordance with Listing Rule 9.6.1, Acal has today submitted to the UK Listing Authority two copies of each of the following documents:

a) Annual Report and Accounts;
b) Notice of AGM and ancillary document; and
c) Proxy form to shareholders.

Copies of the above documents will be available for inspection at the UK Listing Authority's Document Viewing Facility which is situated at:

Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

The Notice of AGM includes a resolution to adopt new Articles of Association. A summary of the principal changes proposed to the existing Articles of Association is given in the explanatory notes to the Notice of AGM. The full text of the new Articles has been forwarded to the Financial Services Authority in accordance with Disclosure and Transparency Rule (DTR) 6.1.2 and can be inspected at the above address.

The Group announced its preliminary results for the 52 weeks ended 31 March 2010 on 2 June 2010. It today provides the following additional regulated information, in relation to the Annual Report and Accounts, in full unedited text as required to be made public under the Disclosure and Transparency Rules. This announcement should be read together with the preliminary results announcement.

A condensed set of financial statements was attached to the Group's preliminary results announcement, which included an indication of important events that occurred during the year under review. The Annual Report and Accounts also contains information regarding the Group's principal risks and uncertainties and a Directors' responsibility statement relating to its content. An extract of this information is provided below as required under the Disclosure and Transparency Rules.

Principal Risks and Uncertainties

The list below sets out the most significant financial, commercial and other risks to the achievement of the Group's business goals. The list

is not exhaustive and does not list the risks in any order of priority.

Financial risks

- Liquidity
  The current economic conditions continue to create uncertainty over the availability of bank financing in the present banking climate and consequently there is a risk that the Group may have insufficient resources to meet its financial liabilities as they fall due. The Group addresses this risk by maintaining adequate banking facilities and by continuously monitoring forecast and actual cash flows to ensure that liquidity requirements will be met. The Group regularly discusses its requirements with its principal bankers and it is considered unlikely that the Group will face any significant funding issues in the foreseeable future.

- Foreign currency
  The Group's main foreign exchange exposures relate to the translation of results and net assets denominated in overseas currencies into sterling, and transactions in foreign currencies. The policy of the Group is to use hedges to reduce these risks. These hedges are achieved through forward currency contracts and currency borrowings.

- Interest rates
  Fluctuations in rates affect the interest the Group receives on its cash deposits and the amount payable on external borrowings. The Group does not hedge against its interest rate risk.

- Credit
  Credit risk exists in relation to customers, banks and insurers. These risks are mitigated by maintaining rigorous credit control procedures across a wide customer base.

  Credit risk attributable to its trade and other receivables is minimised by dealing with recognised creditworthy third parties who have been through a credit verification process. The maximum exposure to credit risk is limited to the carrying value of trade and other receivables.

  As well as credit risk exposures inherent within the Group's outstanding receivables the Group is exposed to counterparty credit risk arising from the placing of deposits and entering into derivative financial instrument contracts with banks and financial institutions.

  The Group manages this credit risk by entering into financial instrument contracts only with highly credit-rated counterparties which are reviewed and approved annually by the Board. The Group has Board approved maximum counterparty exposure limits for specified banks and financial institutions based on the long term credit ratings of Standard & Poor's and Moody's.

  Counterparties' positions are monitored on a regular basis to ensure that they are within the approved limits and that there are no significant concentrations of credit risk.

- Retirements benefits funding
  The funding position of the Group's post-retirement benefit schemes may be adversely affected by poor investment performance, changes in interest and inflation rates, improved mortality rates and changes in the regulatory environment. The income statement, and the level of cash contributions required to be made to the schemes, may be positively or negatively affected by the amount of the retirement benefits obligations.

  The defined benefit scheme has been closed to new members. Deficit recovery plans are agreed with the corporate Trustee of the scheme based on actuarial advice and the results of scheme valuations.

- Acquisitions
  Acal considers acquisitions as part of its growth strategy. Such acquisitions may not realise the benefits anticipated. The Group undertakes due diligence and obtains representations, warranties and indemnities from vendors where possible. The Group implements comprehensive business integration processes.

Commercial and other risks

- Product demand
  The current global financial crisis presents significant challenges to the Group, principally related to the level of market demand. A significant or prolonged downturn, due to recession, would decrease demand for the Group's products and adversely affect Group revenue. The Group spreads its activities across the Electronics, Supply Chain and Medical markets to reduce its exposure to any one business and constantly reviews its costs to partially mitigate any reduction in demand.

- Competition
  The Group competes in a highly competitive global market that has experienced significant consolidation in recent years. Losing contracts to competitors, many of whom have greater financial and marketing resources, or being forced to accept lower margins, would have an adverse impact on the Group's results. The Group mitigates this risk by diversifying its operations across divisions, geographies and product types.

- Product liability
  There is a risk that products supplied by the Supply Chain division may fail in service, which could lead to a claim under product liability. To offset this risk, technically qualified personnel and control systems are in place to ensure products meet quality requirements. Further, the Group has established Group-wide product liability insurance.

- Contracts
  The Supply Chain division enters into significant long-term contracts for the outsourcing of parts services. There is a risk that the Group could suffer losses on such contracts through incorrect pricing, through an inaccurate assessment of the costs associated with such contracts or through weak business processes. To mitigate this risk, major contracts must go through a Board approval process to ensure that risks associated with such contracts have been properly evaluated.

- Supply chain
  The Group relies on independent suppliers for the products which it distributes, some of which may be available from a limited number of suppliers or distributed under agreement with a specific supplier. Any disruption to the supply chain could have an impact on the Group's ability to meet customer requirements and adversely affect the Group's results. The Group maintains significant investment in logistics

facilities and subjects business continuity plans to regular testing to manage the risk of a loss of a major facility or supplier.

- People
  The success of the Group depends upon the efforts, experience and expertise of certain senior and specialist employees. Failure to retain them or recruit suitable replacements would have an adverse effect. To mitigate this risk, the Group maintains competitive remuneration packages and good communications at all levels.

Statement of Directors' responsibilities

The Directors, as at the date of the Annual Report and Accounts, confirm that to the best of their knowledge and belief:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of Acal plc and the undertakings included in the consolidation taken as a whole; and
- the management reports include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Related party transactions

During the year, there were no related party transactions requiring disclosure.

For further information:

Gary Shillinglaw - Group Company Secretary 01483 544500

Chris Lane/James Verstringhe 020 7367 5100
Cubitt Consulting

Notes to Editors:

The Acal Group is a leading technology-based specialist distributor in Europe providing sales, marketing and other services through three Divisions: Electronics, Supply Chain and Medical. The Electronics Division distributes electronic products to industrial manufacturing and design companies. The Supply Chain Division supplies new and refurbished IT, EPOS and ATM spare parts to service providers while the Medical Division supplies advanced medical equipment to public and private healthcare providers. Acal has operating companies in the UK, Netherlands, Belgium, Germany, France, Italy, South Africa, Spain and the Nordic region.

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

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