

Registered number: 00316018

CEF HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019



CEF HOLDINGS LIMITED

COMPANY INFORMATION

Directors	K. A. D. Barnett C. H. Beddows G. L. Hartland T. A. Hartland Mackie M. S. Jacobs J. A. Mackie
Company secretary	M.S. Jacobs
Registered number	00316018
Registered office	Georgina Mackie House 141 Farmer Ward Road Kenilworth Warwickshire CV8 2SU
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

CEF HOLDINGS LIMITED

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CEF HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2019

Principal activities

The company itself is a holding company whose principal activity is the provision of management services to other companies of the group, whose principal activity during the year continued to be the wholesaling of electrical goods.

Business review

The turnover of the group increased by £29m during the year from £569m in 2018 to £598m in 2019.

The operating profit increased from £12.9m in 2018 to £13.3m in 2019 resulting in a profit before tax of £14.5m compared to £12.7m in 2018.

Overall, the directors consider the results for the year to be satisfactory.

Principal risks and uncertainties

The group is subject to a number of financial risks, including interest rate risk, liquidity risk and currency risk.

Interest rate risk

The group manages its interest rate risk by using both fixed and variable rate debt. Any increases in interest rates should not significantly affect the underlying profitability of the group.

Liquidity risk

Short term and long term debt finance are obtained as necessary, which combined with cash flow from the group's trading operations, ensures that the group has adequate financing to meet its everyday requirements.

Currency risk

The group includes operations outside the United Kingdom.

Financial key performance indicators

The key performance indicators in the group are turnover and profitability. Along with debtor days and the number of stock turns these indicators are used to help the directors monitor the performance of the business.

Trade debtors have increased by £14.5m during 2019 and the number of debtor days have increased from 54 days in 2018 to 60 days in 2019. Closing stock has increased by £12.2m to £103.1m.

Other key performance indicators

The number of employees of the group has increased, with an average of 2,844 employees this year compared to 2,806 employees last year.

The directors recognise that employees are a key factor in the strength of the group and would like to thank them for their continued efforts during the year.

Employee policies

The directors recognise the importance of good communications and relations with employees. The management of each subsidiary is responsible for the development of employee participation practices appropriate to its own requirements.

The group encourages the employment of disabled persons whenever practicable and endeavours to ensure that disabled employees benefit from training and career development in common with other employees.

CEF HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019**

Environmental issues

The company takes environmental issues very seriously and is committed to minimising the impact of our activities on the environment in order to benefit society as a whole.

This report was approved by the board on 15 October 2019 and signed on its behalf.



M.S. Jacobs
Secretary

CEF HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2019

The directors present their report and the financial statements for the year ended 30 April 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £11,260,000 (2018 - £10,090,000).

A dividend of £Nil (2018 - £Nil) was paid during the year.

The directors who served during the year were:

K. A. D. Barnett
C. H. Beddows
G. L. Hartland
T. A. Hartland Mackie
M. S. Jacobs
J. A. Mackie

Matters covered in the strategic report

The business review, principal risks and uncertainties and financial key performance indicators are not included in the Directors' Report as they are covered in the Group Strategic Report as required under s414C of the Companies Act 2006.

CEF HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 October 2019 and signed on its behalf.



M.S. Jacobs
Secretary

CEF HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEF HOLDINGS LIMITED

Opinion

We have audited the financial statements of CEF Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2019, which comprise the Group Income statement, the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 April 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

CEF HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEF HOLDINGS LIMITED (CONTINUED)

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

CEF HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEF HOLDINGS LIMITED (CONTINUED)

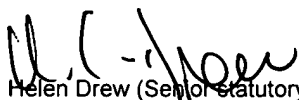
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Drew (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

15 October 2019

CEF HOLDINGS LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2019**

	Note	2019 £000	2018 £000
Turnover	4	598,010	569,015
Cost of sales		(402,324)	(374,599)
Gross profit		195,686	194,416
Administrative expenses		(185,707)	(184,444)
Other operating income	5	3,327	2,881
Operating profit	6	13,306	12,853
Interest receivable and similar income	10	5,735	4,774
Interest payable and similar expenses	11	(4,542)	(4,909)
Profit before tax		14,499	12,718
Tax on profit	12	(3,239)	(2,628)
Profit for the financial year		11,260	10,090

The notes on pages 16 to 35 form part of these financial statements.

CEF HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2019

	2019 £000	2018 £000
Profit for the financial year	11,260	10,090
Other comprehensive income		
Exchange gain/(loss) taken to reserves	45	(964)
Total comprehensive income for the year	11,305	9,126

The notes on pages 16 to 35 form part of these financial statements.

CEF HOLDINGS LIMITED
REGISTERED NUMBER: 00316018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	13	134	205
Tangible assets	14	59,237	54,881
		<u>59,371</u>	<u>55,086</u>
Current assets			
Stocks	16	103,107	90,947
Debtors: amounts falling due after more than one year	17	90,914	81,729
Debtors: amounts falling due within one year	17	146,688	140,873
Cash at bank and in hand		2,176	2,067
		<u>342,885</u>	<u>315,616</u>
Creditors: amounts falling due within one year	18	(245,096)	(226,326)
Net current assets		<u>97,789</u>	<u>89,290</u>
Total assets less current liabilities		<u>157,160</u>	<u>144,376</u>
Creditors: amounts falling due after more than one year	19	(7,545)	(6,012)
Provisions for liabilities			
Other provisions	22	(194)	(248)
		<u>(194)</u>	<u>(248)</u>
Net assets		<u><u>149,421</u></u>	<u><u>138,116</u></u>
Capital and reserves			
Called up share capital	23	24,841	24,841
Capital redemption reserve	24	7,192	7,192
Profit and loss account	24	117,388	106,083
		<u>149,421</u>	<u>138,116</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 October 2019.


C. H. Beddows
 Director

The notes on pages 16 to 35 form part of these financial statements.

CEF HOLDINGS LIMITED
REGISTERED NUMBER: 00316018

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	Note	2019 £000	Restated 2018 £000
Fixed assets			
Investments	15	409,606	375,070
Current assets			
Debtors: amounts falling due after more than one year	17	89,705	84,325
Debtors: amounts falling due within one year	17	46,290	50,245
		<u>135,995</u>	<u>134,570</u>
Creditors: amounts falling due within one year	18	(164,491)	(157,129)
Net current liabilities		(28,496)	(22,559)
Net assets		<u>381,110</u>	<u>352,511</u>
Capital and reserves			
Called up share capital	23	24,841	24,841
Revaluation reserve	24	332,263	297,763
Capital redemption reserve	24	7,192	7,192
Profit and loss account	24	16,814	22,715
		<u>381,110</u>	<u>352,511</u>

The loss for the financial year dealt with in the financial statements of the parent company was £5,901,000 (2018 - loss £2,786,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 October 2019.


C. H. Beddows
 Director

The notes on pages 16 to 35 form part of these financial statements.

CEF HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 May 2018	24,841	7,192	106,083	138,116
Profit for the year	-	-	11,260	11,260
Exchange loss taken to reserves	-	-	45	45
At 30 April 2019	24,841	7,192	117,388	149,421

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 May 2017	24,841	7,192	96,957	128,990
Profit for the year	-	-	10,090	10,090
Exchange loss taken to reserves	-	-	(964)	(964)
At 30 April 2018	24,841	7,192	106,083	138,116

The notes on pages 16 to 35 form part of these financial statements.

CEF HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019**

	Called up share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 May 2018 (as previously stated)	24,841	7,192	252,693	22,715	307,441
Prior year adjustment	-	-	45,070	-	45,070
At 1 May 2018 (as restated)	24,841	7,192	297,763	22,715	352,511
Loss for the year	-	-	-	(5,901)	(5,901)
Revaluation of investment in subsidiaries	-	-	34,500	-	34,500
At 30 April 2019	24,841	7,192	332,263	16,814	381,110

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 May 2017 (as previously stated)	24,841	7,192	264,506	25,501	322,040
Prior year adjustment	-	-	43,257	-	43,257
At 1 May 2017 (as restated)	24,841	7,192	307,763	25,501	365,297
Loss for the year	-	-	-	(2,786)	(2,786)
Revaluation of investment in subsidiaries	-	-	(10,000)	-	(10,000)
At 30 April 2018	24,841	7,192	297,763	22,715	352,511

The notes on pages 16 to 35 form part of these financial statements.

CEF HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2019**

	2019 £000	2018 £000
Cash flows from operating activities		
Profit for the financial year	11,260	10,090
Adjustments for:		
Amortisation of intangible assets	94	188
Depreciation of tangible assets	5,364	4,842
Loss on disposal of intangible assets	16	-
Profit on disposal of tangible assets	(293)	(164)
Interest paid	4,542	4,909
Interest received	(5,735)	(4,774)
Taxation charge	3,239	2,628
(Increase) in stocks	(12,160)	(12,974)
(Increase)/decrease in debtors	(16,086)	17,596
Increase in creditors	6,791	6,532
(Decrease)/increase in provisions	(54)	38
Corporation tax (paid)	(423)	(7,330)
Foreign exchange	2,573	(3,008)
Net cash generated from operating activities	(872)	18,573
Cash flows from investing activities		
Purchase of intangible fixed assets	(39)	(25)
Purchase of tangible fixed assets	(11,022)	(23,644)
Sale of tangible fixed assets	1,574	580
Interest received	4,470	4,774
Net cash from investing activities	(5,017)	(18,315)
Cash flows from financing activities		
New loan	1,722	-
Repayment of loans	(50)	(529)
New deep discount securities	293,835	350,457
Repayment of deep discount securities	(297,353)	(374,544)
Repayment of/new finance leases	(13)	(30)
Interest paid	(4,465)	(4,003)
HP Interest paid	(2)	(4)
Net cash used in financing activities	(6,326)	(28,653)
Net (decrease) in cash and cash equivalents	(12,215)	(28,395)
Cash and cash equivalents at beginning of year	(42,384)	(13,989)
Cash and cash equivalents at the end of year	(54,599)	(42,384)

CEF HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

	2019 £000	2018 £000
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,176	2,067
Bank overdrafts	(56,775)	(44,451)
	<u>(54,599)</u>	<u>(42,384)</u>

The notes on pages 16 to 35 form part of these financial statements.

CEF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

1. General information

CEF Holdings Limited is a private company (limited by shares), incorporated in England and Wales, registration number 00316018. The registered office and principal trading address is Georgina Mackie House, 141 Farmer Ward Road, Kenilworth, Warwickshire, CV8 2SU.

The principal activity of the group during the year continued to be the wholesaling of electrical goods.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

Going concern

The directors have assessed the Group's ability to continue as a going concern. As a result of this assessment, no material uncertainties have been identified that cast doubt about the ability of the Group to continue as a going concern.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The financial statements consolidate the accounts of CEF Holdings Limited and all of its subsidiary undertakings ('subsidiaries'). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date on which control is obtained and their assets and liabilities at fair value at the date of acquisition. Where subsidiaries are sold during the year, the results are included to the date on which control passes.

The year ends of some of the overseas subsidiaries accounts are not coterminous due to delays in the receipt thereof.

The parent company has not presented its own profit and loss account, as provided by Section 408 of the Companies Act 2006.

2.3 Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Income Statement over its useful economic life of 10 years.

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

2. Accounting policies (continued)

2.4 Valuation of investments

Subsidiary undertakings are classified as fixed assets and carried at fair value. For material subsidiaries, this is done by an independent valuer.

Gains and losses are recognised in the consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Income Statement.

2.5 Intangible assets

Software costs are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Software	- over 4 years
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2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- over 20 to 50 years
Long leasehold property	- over 50 years
Aircraft, plant and machinery	- over 2 to 10 years
Motor vehicles	- over 4 years
Assets acquired under finance leases	- over period of lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administration expenses' in the Income Statement.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for impairment of obsolete and slow moving stocks.

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

2. Accounting policies (continued)

2.8 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

Short term debtors are measured at the transaction price, less any impairment.

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Deep discount securities

The excess of the redemption value over the issue value of deep discount securities is accumulated from the date of issue by charging to the Income Statement the discount over the period to redemption.

The balance sheet liability is the issue value together with that proportion of the discount accrued from the date of issue to the balance sheet date. The deep discount securities comprise loans from the members of the ultimate parent undertaking.

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentational currency

The Group's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement.

On consolidation, the results of overseas operations are translated into sterling at the average rates of exchange during the year and their balance sheets at the rate ruling at the Balance Sheet date. Exchange differences arising on translating the opening net assets and the results of overseas operations are recognised in other comprehensive income.

2.11 Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, which is deemed to be at the point of despatch.

2.12 Research and development

Research and development expenditure is written off in the year in which it is incurred.

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where judgements and estimates have been made include the following:

Valuation of investments

The valuation technique used is based on net profit after taxation for the previous 4 years, weighted towards the most recent years, taking into account they are 100% owned private companies.

Stock provisioning

The provision, which ranges from 0% to 100% of cost, is estimated based on the age profile of the stock and stock turnover. At each balance sheet date, stocks are assessed for any provision and therefore these percentages may vary from year to year. Any loss is recognised immediately in the Income Statement.

Provision for empty property costs

The provision relates to the costs to be incurred, including rent, for premises not being used or re-let. These are the expected costs to be incurred for the time the property is anticipated to remain empty whilst the letting agents seek a new tenant.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Consequent to the provisions of paragraph 68(5) of Schedule 1 Part III to Statutory Instrument 2008 No. 410, an analysis of turnover and profits has not been disclosed.

5. Other operating income

	2019	2018
	£000	£000
Other operating income	2,963	2,490
Rents receivable	364	391
	3,327	2,881

CEF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

6. Operating profit

The operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	5,364	4,842
Amortisation of intangible assets, including goodwill	94	188
Operating lease rentals	16,184	15,945

7. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	174	168
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	78	75

CEF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £000	Group 2018 £000
Wages and salaries	102,675	102,358
Social security costs	12,091	11,820
Cost of defined contribution scheme	2,914	2,040
	<u>117,680</u>	<u>116,218</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Full time	2,817	2,779
Part time	27	27
	<u>2,844</u>	<u>2,806</u>

9. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	4,627	6,643
Company contributions to defined contribution pension schemes	5	5

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,874,000 (2018 - £1,934,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 (2018 - £2,000).

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

10. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from group companies	910	981
Bank interest receivable	6	4
Other interest receivable	3,554	3,789
Exchange gain	1,265	-
	5,735	4,774

11. Interest payable and similar charges

	2019 £000	2018 £000
Bank interest payable	1,735	1,429
Other loan interest payable	153	160
Deep discount securities interest	2,344	2,226
Loans from group undertakings	308	133
Finance leases and hire purchase contracts	2	4
Exchange loss	-	957
	4,542	4,909

CEF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

12. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	3,195	3,861
Adjustments in respect of previous periods	(16)	(672)
Double taxation relief	(13)	-
Foreign tax		
Foreign tax on income for the year	13	13
Total current tax	<u>3,179</u>	<u>3,202</u>
Deferred tax		
Origination and reversal of timing differences	(22)	(577)
Adjustments in respect of previous periods	1	3
Effect of rate change	81	-
Total deferred tax	<u>60</u>	<u>(574)</u>
Taxation on profit on ordinary activities	<u><u>3,239</u></u>	<u><u>2,628</u></u>

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	14,499	12,718
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	2,755	2,416
Effects of:		
Depreciation of non-qualifying assets	232	181
Non taxable / deductible exchange gains / losses	(3)	(125)
Amortisation of goodwill	-	15
Difference due to tax rate variances	95	33
Adjustments to tax charge in respect of prior periods	(15)	(67)
Other timing differences leading to an increase (decrease) in taxation	1	14
Foreign taxes	-	13
Other permanent differences	159	117
Group relief	15	31
Total tax charge for the year	3,239	2,628

Deferred tax has been provided at 17% (2018 - 18%) as this is the rate at which the directors expect these timing differences to reverse.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

13. Intangible assets

Group

	Software £000	Goodwill £000	Total £000
Cost			
At 1 May 2018	3,820	797	4,617
Additions	39	-	39
Disposals	(17)	-	(17)
Foreign exchange movement	(4)	-	(4)
At 30 April 2019	<u>3,838</u>	<u>797</u>	<u>4,635</u>
Amortisation			
At 1 May 2018	3,615	797	4,412
Charge for the year	94	-	94
On disposals	(1)	-	(1)
Foreign exchange movement	(4)	-	(4)
At 30 April 2019	<u>3,704</u>	<u>797</u>	<u>4,501</u>
Net book value			
At 30 April 2019	<u>134</u>	<u>-</u>	<u>134</u>
At 30 April 2018	<u>205</u>	<u>-</u>	<u>205</u>

CEF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

14. Tangible fixed assets

Group

	Freehold Land and Buildings £000	Long Leasehold Land and Buildings £000	Aircraft, Plant and Machinery £000	Motor Vehicles £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 May 2018	13,396	652	53,597	2,717	26,421	96,783
Additions	145	-	3,007	334	7,536	11,022
Transfers intra group	-	-	(27)	-	-	(27)
Disposals	(1,073)	-	(2,825)	(589)	-	(4,487)
Transfers between classes	27,534	-	5,144	-	(32,678)	-
Foreign exchange movements	(9)	-	(49)	(14)	-	(72)
At 30 April 2019	39,993	652	58,847	2,448	1,279	103,219
Depreciation						
At 1 May 2018	854	70	40,184	794	-	41,902
Charge for the year	549	9	4,362	444	-	5,364
Transfers intra group	-	-	(27)	-	-	(27)
Disposals	(133)	-	(2,764)	(309)	-	(3,206)
Foreign exchange movements	(4)	-	(38)	(9)	-	(51)
At 30 April 2019	1,266	79	41,717	920	-	43,982
Net book value						
At 30 April 2019	38,727	573	17,130	1,528	1,279	59,237
At 30 April 2018	12,542	582	13,413	1,923	26,421	54,881

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £000	2018 £000
Aircraft, plant and machinery	-	15

CEF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

14. Tangible fixed assets (continued)

Included in land and buildings is freehold land at cost of £10,703,000 (2018 - £5,446,000) which is not depreciated.

15. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2018 (as previously stated)	330,000
Prior Year Adjustment	45,070
	<hr/>
At 1 May 2018 (as restated)	375,070
Additions	23,131
Revaluations	34,500
	<hr/>
At 30 April 2019	432,701
Impairment	
Charge for the period	23,095
	<hr/>
At 30 April 2019	23,095
	<hr/>
Net book value	
At 30 April 2019	409,606
	<hr/>
At 30 April 2018 (as restated)	375,070
	<hr/>

The historical cost of investments in subsidiary companies is £68,407,000 (2018 - £45,277,000).

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
City Electrical Factors Limited	Ordinary	100%
Kenilworth Finance Limited	Ordinary	100%
City Electrical Factors Pty Ltd **	Ordinary	100%
City Electric Supply Pty Ltd**/**	Ordinary	100%
CEF Almacen Material Electrico SAU**	Ordinary	100%
City Electrical Factors Limited	Ordinary	100%

** 31 March year end

*** Direct subsidiary of City Electrical Factors Pty Limited

The registered office of City Electrical Factors Limited and Kenilworth Finance Limited is Georgina Mackie House, 141 Farmer Ward Road, Kenilworth, Warwickshire, CV8 2SU. Both of these entities are incorporated in England and Wales.

The registered office of City Electrical Factors Pty Ltd and City Electric Supply Pty Ltd is Unit 2, 4 Bonnal Road, Erina, NSW 2250. Both of these entities are incorporated in Australia.

The registered office of CEF Almacen Material Electrico SAU is Centro comercial La Colonia, local 34, San Pedro de Alcántara, Malaga. The entity is incorporated in Spain.

The registered office of City Electrical Factors Limited is BDO Wellington Limited, Level 1, 50 Customhouse Quay, Wellington, 6011, New Zealand. The entity is incorporated in New Zealand.

16. Stocks

	Group 2019 £000	Group 2018 £000
Finished goods and goods for resale	103,107	90,947

Stock recognised in cost of sales during the year as an expense was £397,974,000 (2018 - £368,622,000).

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

17. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Due after more than one year				
Amounts owed by group undertakings	-	-	4,730	8,044
Other debtors	90,914	81,729	84,975	76,281
	<u>90,914</u>	<u>81,729</u>	<u>89,705</u>	<u>84,325</u>
	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Due within one year				
Trade debtors	98,234	83,692	-	-
Amounts owed by group undertakings	37,493	46,198	46,011	49,987
Other debtors	4,533	5,170	-	-
Prepayments and accrued income	4,864	4,189	279	258
Deferred taxation (note 23)	1,564	1,624	-	-
	<u>146,688</u>	<u>140,873</u>	<u>46,290</u>	<u>50,245</u>

Included within other debtors are loans provided to the directors by a subsidiary company on similar terms to other loans provided by that subsidiary. Amounts are due from M. S. Jacobs £57,000 and C. H. Beddows £23,000. Corresponding figures for 30 April 2018 are £46,000 and £30,000 respectively. The maximum amounts outstanding during the year were £57,000 and £30,000 respectively. The movement in the year is due to new loans and monthly repayments.

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

18. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank overdrafts	56,775	44,451	28,945	66,110
Bank loans	172	-	-	-
Other loans	310	291	-	-
Deep discount securities	78,404	80,605	-	-
Trade creditors	46,569	41,158	-	-
Amounts owed to group undertakings	16,138	13,815	134,012	90,000
Corporation tax	1,730	-	1,238	750
Other taxation and social security	12,100	12,373	43	33
Obligations under finance lease and hire purchase contracts	-	13	-	-
Other creditors	27,870	28,321	-	-
Accruals and deferred income	5,028	5,299	253	236
	245,096	226,326	164,491	157,129

19. Creditors: Amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank loans	1,549	-	-	-
Other loans	3,382	3,450	-	-
Other creditors	2,614	2,562	-	-
	7,545	6,012	-	-

The group and a third party each own a 50% interest in an aircraft, which is part financed by a loan from PNC Equipment Finance, LLC. The loan is secured on the aircraft and there is a cross guarantee with the third party.

Included within other creditors is an amount of £Nil (2018 - £354,870) which is due after more than five years.

CEF HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

20. Financial instruments

	Group 2019 £000	<i>Group 2018 £000</i>
Financial assets		
Financial assets that are debt instruments measured at amortised cost	234,450	217,830
Financial liabilities		
Financial liabilities measured at amortised cost	(239,005)	(220,213)

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, amounts owed by group undertakings, cash and cash equivalents.

Financial liabilities measured at amortised cost comprise bank borrowings, deep discount securities, amounts owed to group undertakings, trade and other creditors, accruals, obligations under finance leases and hire purchase contracts, other loans and provisions for empty property costs.

21. Deferred taxation

Group

	2019 £000	<i>2018 £000</i>
At 1 May 2018	1,624	1,049
Charged to profit or loss	(60)	575
At 30 April 2019	1,564	1,624
	Group 2019 £000	<i>Group 2018 £000</i>
Deferred capital allowances	774	834
Other timing differences	698	706
Unpaid deep discount securities' interest	92	84
	1,564	1,624

CEF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

22. Provisions

Group

	Provision for empty property costs £000
At 1 May 2018	248
Charged to profit or loss	(54)
At 30 April 2019	<u>194</u>

Provision for empty property costs

The provision relates to the costs to be incurred, including rent, for premises not being used or re-let. These are the expected costs to be incurred for the time the property is anticipated to remain empty whilst the letting agents seek a new tenant.

23. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
38,813,760 (2018 - 38,813,760) Ordinary shares of £0.64 each	<u>24,841</u>	<u>24,841</u>

24. Reserves

Revaluation reserve

This reserve includes the difference between cost and market value for revalued assets.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve into which amounts were transferred following the redemption or purchase of the company's own shares.

Profit & loss account

This reserve includes all current and prior period retained profits and losses.

CEF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

25. Prior year adjustment

The Company has made a prior year adjustment in 2018 of £45,070,000 in respect of an over impairment of investments which was being offset against the revaluation reserve.

The prior period adjustment in 2017 for the over impairment was £43,257,000.

26. Contingent liabilities

The Company is party to unlimited multilateral guarantees as security for the bank borrowings of its fellow group companies. At 30 April 2019 the potential liability under these guarantees amounted to £29,751,206 (2018 - £Nil).

The group has entered into arrangements with other group companies whereby debts of those companies have been guaranteed. These guarantees at 30 April 2019 amounted to £74,000 (2018 - £136,000).

27. Capital commitments

At 30 April 2019 the Group and Company had capital commitments as follows:

	Group 2019 £000	Group 2018 £000
Contracted for but not provided in these financial statements	5,527	6,001

28. Pension commitments

The group contributes to defined contribution pension schemes whose assets are held separately from those of the group in independently administered funds. At the year end there were outstanding contributions of £159,951 (2018 - £140,340).

C&F HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

29. Commitments under operating leases

At 30 April 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	<i>Group 2018 £000</i>
Not later than 1 year	13,349	<i>13,300</i>
Later than 1 year and not later than 5 years	28,629	<i>31,805</i>
Later than 5 years	11,460	<i>10,815</i>
Total	53,438	<i>55,920</i>

The company had no commitments under the non-cancellable operating leases as at the reporting date.

30. Related party transactions

No transactions with related parties were undertaken during the year such as are required to be disclosed under Section 33 of FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland other than already disclosed.

Key management personnel

Key management personnel are considered to be individuals who have authority and responsibility for planning, directing and controlling the activities of the group. The total remuneration of these individuals, including Directors emoluments, amounted to £11,028,000 (2018 - £12,811,000).

31. Controlling party

The immediate and ultimate parent company is Labora Holdings Limited, a company incorporated in Jersey, Channel Islands, which has no controlling party.

The smallest and largest group for which consolidated financial statements have been prepared for the year ended 30 April 2019 is Labora Holdings Limited.