

R. D. Trading Limited
Financial Statements
31 December 2017

RDC

An Arrow Company



Edmund Carr
Chartered Accountants

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EDMUND CARR LLP

Chartered Accountant & Statutory Auditor
146 New London Road
Chelmsford
Essex
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R. D. Trading Limited

Financial Statements

Year ended 31 December 2017

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R. D. Trading Limited

Officers and Professional Advisers

The board of directors

G P Tarpinian
C Stansbury
C Garn (Served from 13 April 2017 to 31 March 2018)
E Stephens (Appointed 13 April 2017)

Registered office

Tekhnicon
Springwood
Braintree
Essex
CM7 2YN

Auditor

Edmund Carr LLP
Chartered Accountant & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Bankers

Barclays Bank plc
40-41 High Street
Chelmsford
Essex
CM1 1BE

Bank Mendes Gans
P.O. Box 198
1000 AD Amsterdam
The Netherlands

R. D. Trading Limited

Strategic Report

Year ended 31 December 2017

The principal activity of the company during the year remained the provision of mid and end-of-life IT asset management services, including remarketing, refurbishing, redeployment and recycling.

Revenue was broadly in line with the previous year with unfavourable FX movements reducing sales to the European Union which were offset by a growth in sales to the UK and Rest of World.

Becoming part of Arrow Electronics' global service offering required RDC to review its approach to owned inventory which resulted in a change in treatment of stock reserves and an aggressive approach to inventory rejuvenation. This decision resulted in a reduction in gross profit which in turn had a negative impact on profit despite a 10% reduction in administrative expenses. However, the Balance Sheet remains well funded with a 15% growth in cash holdings.

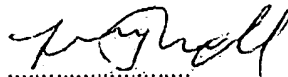
As a result of the work undertaken in 2017 to integrate RDC's services and processes with its global counterparts within the Arrow Electronics Group it enters 2018 very well placed to provide truly global solutions to a multitude of clients ranging from "multinational VARS to local consumers".

The company has a wide range of programmes to identify financial risks and enable these to be reduced to a minimum. The main financial risks are interest rates, liquidity, foreign currency and credit.

This report was approved by the board of directors on 16 July 2018 and signed on behalf of the board by:



E Stephens
Director



C J Romell
Director

Registered office:
Tekhnicon
Springwood
Braintree
Essex
CM7 2YN

R. D. Trading Limited

Directors' Report

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Directors

The directors who served the company during the year were as follows:

G P Tarpinian	
C Stansbury	
C Garn	(Appointed 13 April 2017)
E Stephens	(Appointed 13 April 2017)

Dividends

The directors do not recommend the payment of a dividend.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the directors have set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss of the company for that period.

R. D. Trading Limited

Directors' Report *(continued)*

Year ended 31 December 2017

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on16 July 2018..... and signed on behalf of the board by:



.....
E Stephens
Director



.....
C J Romell
Director

Registered office:
Tekhnicon
Springwood
Braintree
Essex
CM7 2YN

R. D. Trading Limited

Independent Auditor's Report to the Member of R. D. Trading Limited

Year ended 31 December 2017

Opinion

We have audited the financial statements of R. D. Trading Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

R. D. Trading Limited

Independent Auditor's Report to the Member of R. D. Trading Limited *(continued)*

Year ended 31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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.

Opinions 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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

R. D. Trading Limited

Independent Auditor's Report to the Member of R. D. Trading Limited *(continued)*

Year ended 31 December 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

R. D. Trading Limited

Independent Auditor's Report to the Member of R. D. Trading Limited *(continued)*

Year ended 31 December 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmund Carr LLP

R Crace (Senior Statutory Auditor)

For and on behalf of
Edmund Carr LLP
Chartered Accountant & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

6 August 2018

R. D. Trading Limited

Statement of Comprehensive Income

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	47,304,103	46,673,858
Cost of sales		39,159,624	35,283,903
Gross profit		<u>8,144,479</u>	<u>11,389,955</u>
Administrative expenses		7,023,318	7,761,118
Other operating income	5	79,800	79,800
Operating profit	6	<u>1,200,961</u>	<u>3,708,637</u>
Other interest receivable and similar income	10	52,003	49,175
Interest payable and similar expenses	11	102	394
Profit before taxation		<u>1,252,862</u>	<u>3,757,418</u>
Tax on profit	12	297,686	805,335
Profit for the financial year		<u>955,176</u>	<u>2,952,083</u>
Foreign currency retranslation		4,079	14,702
Total comprehensive income for the year		<u>959,255</u>	<u>2,966,785</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

R. D. Trading Limited

Statement of Financial Position

31 December 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	13		2,206,063		2,738,280
Current assets					
Stocks	14	4,746,155		6,595,264	
Debtors	15	4,109,952		2,508,625	
Cash at bank and in hand		16,441,915		14,316,780	
		<u>25,298,022</u>		<u>23,420,669</u>	
Creditors: amounts falling due within one year	16	<u>6,279,130</u>		<u>5,893,249</u>	
Net current assets			<u>19,018,892</u>		<u>17,527,420</u>
Total assets less current liabilities			<u>21,224,955</u>		<u>20,265,700</u>
Net assets			<u>21,224,955</u>		<u>20,265,700</u>
Capital and reserves					
Called up share capital	18		100		100
Profit and loss account	19		21,224,855		20,265,600
Shareholders funds			<u>21,224,955</u>		<u>20,265,700</u>

These financial statements were approved by the board of directors and authorised for issue on 16 July 2018, and are signed on behalf of the board by:



E Stephens
Director



C J Romell
Director

Company registration number: 02699427

The notes on pages 12 to 19 form part of these financial statements.

R. D. Trading Limited

Statement of Changes in Equity

Year ended 31 December 2017

	Called up share capital £	Other reserves £	Profit and loss account £	Total £
At 1 January 2016	100	120,580	17,178,235	17,298,915
Profit for the year			2,952,083	2,952,083
Other comprehensive income for the year:				
Foreign currency retranslation	–	–	14,702	14,702
Total comprehensive income for the year	–	–	2,966,785	2,966,785
Expired options, rights and warrants	–	(120,580)	120,580	–
Total investments by and distributions to owners	–	(120,580)	120,580	–
At 31 December 2016	100	–	20,265,600	20,265,700
Profit for the year			955,176	955,176
Other comprehensive income for the year:				
Foreign currency retranslation	–	–	4,079	4,079
Total comprehensive income for the year	–	–	959,255	959,255
At 31 December 2017	100	–	21,224,855	21,224,955

The notes on pages 12 to 19 form part of these financial statements.

R. D. Trading Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Tekhnicon, Springwood, Braintree, Essex, CM7 2YN.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Arrow Electronics, Inc which can be obtained from 9201 East Dry Creek Road, Centennial, CO 80112, USA. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) Disclosures in respect of share-based payments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

The turnover shown in the Statement of Comprehensive Income represents amounts invoiced during the year, exclusive of Value Added Tax.

The company also sells previously used computers on behalf of customers. The sales proceeds plus remarketing fees are also included in turnover, exclusive of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

R. D. Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign branches.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign branches.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

R. D. Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Tangible assets

All fixed assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer hardware and software	-	10% - 25% straight line
Improvements to leasehold property	-	6.7% - 25% straight line
Fixtures and fittings and office equipment	-	25% straight line
Plant and machinery	-	25% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sales of goods	36,560,201	35,290,782
Rendering of services	10,743,902	11,383,076
	<u>47,304,103</u>	<u>46,673,858</u>

R. D. Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

4. Turnover *(continued)*

An analysis of turnover by geographical area is given below:

	2017 £	2016 £
United Kingdom	19,394,682	18,518,174
European Union	15,704,962	17,190,057
Rest of the World	12,204,459	10,965,627
	<u>47,304,103</u>	<u>46,673,858</u>

5. Other operating income

	2017 £	2016 £
Rental income	<u>79,800</u>	<u>79,800</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	559,627	620,761
Foreign exchange differences	27,869	(74,139)
Defined contribution plan expense	208,581	173,707
Operating lease costs - Plant and equipment	158,733	156,258
Operating lease costs - Other	<u>1,032,188</u>	<u>1,002,800</u>

7. Auditor's remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>13,500</u>	<u>13,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>4,605</u>	<u>3,343</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017 No.	2016 No.
Direct staff	235	239
Indirect staff	<u>66</u>	<u>69</u>
	<u>301</u>	<u>308</u>

R. D. Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	7,450,492	7,192,589
Social security costs	637,143	700,421
Other pension costs	208,581	173,707
	<u>8,296,216</u>	<u>8,066,717</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	142,657	-
Company contributions to defined contribution pension plans	7,193	-
	<u>149,850</u>	<u>-</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	<u>2</u>	<u>-</u>

10. Other interest receivable and similar income

	2017	2016
	£	£
Interest on cash and cash equivalents	<u>52,003</u>	<u>49,175</u>

11. Interest payable and similar expenses

	2017	2016
	£	£
Other interest payable and similar charges	<u>102</u>	<u>394</u>

12. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	298,128	804,515
Adjustments in respect of prior periods	(442)	820
Total current tax	<u>297,686</u>	<u>805,335</u>
Tax on profit	<u>297,686</u>	<u>805,335</u>

R. D. Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

12. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	1,252,862	3,757,418
Profit on ordinary activities by rate of tax	241,133	751,484
Adjustment to tax charge in respect of prior periods	(442)	820
Effect of expenses not deductible for tax purposes	806	1,523
Effect of capital allowances and depreciation	55,026	44,755
Movement in provisions	878	6,456
Other adjustments	285	297
Tax on profit	<u>297,686</u>	<u>805,335</u>

13. Tangible assets

	Computer hardware and software £	Improvements to leasehold property £	Fixtures and fittings and office equipment £	Plant and machinery £	Total £
Cost					
At 1 January 2017	3,090,024	2,749,586	637,979	379,113	6,856,702
Additions	–	27,410	–	–	27,410
At 31 December 2017	<u>3,090,024</u>	<u>2,776,996</u>	<u>637,979</u>	<u>379,113</u>	<u>6,884,112</u>
Depreciation					
At 1 January 2017	2,293,342	1,080,678	445,386	299,016	4,118,422
Charge for the year	222,959	219,230	78,176	39,262	559,627
At 31 December 2017	<u>2,516,301</u>	<u>1,299,908</u>	<u>523,562</u>	<u>338,278</u>	<u>4,678,049</u>
Carrying amount					
At 31 December 2017	<u>573,723</u>	<u>1,477,088</u>	<u>114,417</u>	<u>40,835</u>	<u>2,206,063</u>
At 31 December 2016	<u>796,682</u>	<u>1,668,908</u>	<u>192,593</u>	<u>80,097</u>	<u>2,738,280</u>

14. Stocks

	2017 £	2016 £
Goods for resale	<u>4,746,155</u>	<u>6,595,264</u>

R. D. Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

15. Debtors

	2017	2016
	£	£
Trade debtors	3,185,849	1,625,867
Amounts owed by group undertakings	210,864	69,991
Prepayments and accrued income	453,672	527,611
VAT debtor	224,129	266,902
Other debtors	35,438	18,254
	<u>4,109,952</u>	<u>2,508,625</u>

16. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,614,585	2,145,346
Amounts owed to group undertakings	205,406	428,515
Accruals and deferred income	4,128,999	2,877,386
Corporation tax	151,730	191,992
Social security and other taxes	178,410	250,010
	<u>6,279,130</u>	<u>5,893,249</u>

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £208,581 (2016: £173,707).

18. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

19. Other reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share options reserve - This reserve recorded the amounts accrued for the equity-settled share-based payments relating to the Sharesave Scheme operated by the Company. Since the takeover by Arrow Electronics this reserve account has been realised.

R. D. Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

20. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	1,035,135	1,129,622
Later than 1 year and not later than 5 years	4,018,520	4,024,962
Later than 5 years	2,083,333	3,000,000
	<u>7,136,988</u>	<u>8,154,584</u>

21. Related party transactions

Related party transactions and balances between group members are not required to be disclosed in the accounts per Paragraph 33.1A of FRS 102.

22. Controlling party

The directors considered the ultimate parent company to be Arrow Electronics Inc, a company incorporated in the United States of America, at the year-end date. The registered address for Arrow Electronics Inc is 9201 East Dry Creek Road, Centennial, CO 80112, United States.