

MDC Technology Limited

**Director's report and financial
statements**

Registered number 01597519

30 September 2016

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Director's report

The director presents the director's report and financial statements for the year ended 30 September 2016.

Business review

The company has not traded in either of the last two financial years.

Director

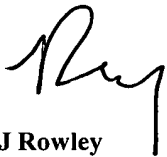
The director who held office during the year was as follows:

P Hodgson (resigned 1st January 2016)

J Rowley (appointed 1st January 2016)

For the year ended 30 September 2016 the company was entitled to exemption from audit under sections 480 and 476 of the Companies Act 2006.

By order of the board



J Rowley
Director

Meridian Business Park
Meridian East
Leicester
LE19 1UX

Date... 28TH FEBRUARY 2016

Profit and loss account

for the year ended 30 September 2016

During the financial year and the previous year, the company did not trade and received no income and incurred no expenditure. Consequently, during these periods, the company made neither a profit nor a loss.

Balance sheet

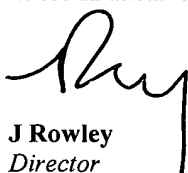
at 30 September 2016

	<i>Note</i>	2016 £000	2015 £000
Creditors: amounts falling due within one year			
Amounts owed to group undertakings	4	(38)	(38)
Net liabilities		<u>(38)</u>	<u>(38)</u>
Capital and reserves			
Called up share capital	5	70	70
Share premium account	6	11,386	11,386
Capital redemption reserve	6	55	55
Profit and loss account	6	(11,549)	(11,549)
Shareholders' deficit		<u>(38)</u>	<u>(38)</u>

The director:

- (a) confirms that the company was entitled to exemption under section 480 of the Companies Act 2006 from the requirement to have its accounts for the financial year ended 30 September 2016 audited.
- (b) confirms that members have not required the company to obtain an audit of its accounts for that financial year in accordance with section 476 of that Act.
- (c) acknowledges his responsibilities for:
 - (i) complying with the requirements of the Act with respect to accounting records and the preparation of accounts, and
 - (ii) these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the director on 28th February 2017 and were signed on its behalf by:


J Rowley
Director

Company number : 01597519

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £38,000 which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by other group companies. Emerson Electric Co. has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The company owns the entire share capital of MDC Technology Trustees Limited, a company incorporated in England and Wales. The investment is valued at £2 being the nominal value of the issued share capital. MDC Technology Trustees Limited does not trade.

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2 Director's emoluments

The director did not receive any remuneration during either year.

Notes (continued)

3 Employee information

There were no employees during either year, other than the director.

4 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to parent company	38	38

5 Called up share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid</i>		
233,591 Ordinary shares of 5p each	12	12
300,000 'A' Ordinary shares of 5p each	15	15
58,980 'B' Ordinary shares of 5p each	3	3
7,920 'C' ordinary shares of £5 each	39	39
79,200 'CC' ordinary shares of 1p each	1	1
	<u>70</u>	<u>70</u>

The holders of the ordinary and 'A' ordinary shares have one vote for every £1 nominal value of shares. The holders of 'C' ordinary shares and 'CC' ordinary shares shall be entitled to 'M' votes for each 'C' ordinary share or 'CC' ordinary share of which he is a holder (where 'M' is C/20 divided by the aggregate number of 'C' ordinary shares and 'CC' ordinary shares there in issue). The 'B' ordinary shares carry no voting rights.

The profits of the company available for distribution shall be applied as follows:

- firstly, with consent of the holders of the 'A' ordinary shares, in paying an aggregate dividend of up to £1,200 to be distributed 25% to the holders of 'A' Ordinary shares as a class, 9% to the holders of the Ordinary shares as a class and 66% to the holders of the 'C' Ordinary shares and 'CC' Ordinary shares as if the same were a single class.
- secondly, in paying to the holders of the 'A' Ordinary shares a fixed cumulative preferential net cash dividend of £0.102 on each share.
- thirdly, in paying the holders of the 'A' Ordinary shares as a class in respect of each financial year of the company a cumulative preferential net cash dividend of a sum which when added to the total fixed dividend payable in respect of that year is equal to 4% of the net profit of the company and its subsidiaries for the relevant financial year.
- fourthly, in paying to the holders of the 'A' Ordinary shares in respect of each financial year of the company, a cumulative net cash dividend on each share of an amount equal to the directors' emoluments in excess of £125,000, index linked, divided by the number of Ordinary shares held by relevant directors.
- finally, provided that the aggregate of the total amount of all dividend payments made or proposed does not exceed one third of the profit after tax of the company and its subsidiaries, the profits which the company may determine to distribute in respect of any financial year, initial Ordinary dividend shall be applied. On each Ordinary share a 'B' Ordinary share, an amount up to but not exceeding the aggregate of the fixed dividend and the participating dividend paid on each 'A' Ordinary share for such year and in respect of the 'C' Ordinary shares and the 'CC' Ordinary shares as a class an amount equal to 792,000 times the initial Ordinary dividend paid in respect of each Ordinary dividend. Finally, with the consent of the holders of 75% of the 'A' Ordinary shares, the 'B' Ordinary shares, the 'C' Ordinary shares and the 'CC' Ordinary shares on a pro rata basis according to the number of shares in issue of those shares.

Notes (continued)

5 Called up share capital (continued)

On winding up, the surplus assets of the company shall belong to and be distributed in the following order of priority:

- firstly, in paying to the holders of the 'A' Ordinary shares £1,278 per share and all arrears of dividends;
- secondly, in payment to the holders of ordinary shares and the holders of 'B' ordinary shares 5p per share and to the holder of the 'C' ordinary shares £5 per share and to the holders of the 'CC' ordinary shares 1p per share, together with a sum equal to any arrears or accruals of the dividends on those shares calculated down to the date of the return of capital;
- finally, any surplus is payable to all class of shareholders as if all shares were of the same class.

All shares are considered to be equity shares.

6 Share premium and reserves

	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At the beginning and end of the year	11,386	55	(11,549)
	<u> </u>	<u> </u>	<u> </u>

7 Related party transactions

MDC Technology Limited is ultimately controlled by Emerson Electric Co. Disclosure of transactions with entities that are part of the group is not required as MDC Technology Limited has invoked the exemption under FRS 8 that applies to 90 per cent subsidiaries.

8 Parent undertakings

The company is a subsidiary undertaking of Emerson Holding Company Limited, incorporated in England and Wales.

The company's ultimate parent company and controlling party is Emerson Electric Co, a company incorporated in the United States of America and which heads the largest group into which the financial statements of MDC Technology Limited are consolidated. Accounts of Emerson Electric Co may be obtained from 8000 Florissant Avenue, PO Box 4100, St Louis, Missouri, MO63136, USA.