

Company Registration No 62919

**ASSOCIATED ELECTRICAL INDUSTRIES LIMITED**

**Report and Financial Statements**

**Year ended 31 March 2013**

THURSDAY



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**ASSOCIATED ELECTRICAL INDUSTRIES LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2013**

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**ASSOCIATED ELECTRICAL INDUSTRIES LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2013**

**OFFICERS AND PROFESSIONAL ADVISORS**

**DIRECTORS**

C G Donaldson  
M A Webberley

**SECRETARY**

C G Donaldson

**REGISTERED OFFICE**

Point 3  
Haywood Road  
Warwick  
CV34 5AH

**AUDITOR**

KPMG LLP  
Chartered Accountants and Statutory Auditor  
Birmingham UK

## ASSOCIATED ELECTRICAL INDUSTRIES LIMITED

### DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2013

This Directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

### PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The Company did not trade during the current and prior year and the Directors do not anticipate that the Company will begin trading in the foreseeable future

### RESULTS AND DIVIDENDS

The Company made a loss for the year after taxation of £205,000 (2012 £168,000 loss) The Directors do not recommend the payment of a dividend (2012 £nil)

The Directors acknowledge that the Company's net current assets position is reliant on an intercompany debtor of £24,427,000. As such, the parent company, telent Limited, has agreed to support the Company for at least the next 12 months, commencing from the date these accounts are signed Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements

### DIRECTORS

The Directors holding office since 1 April 2012 are listed below

C G Donaldson  
M A Webberley

### AUDITOR

In the case of each of the persons who are Directors of the Company at the date when this report is approved

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware, and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, KPMG LLP shall be deemed to be re-appointed as auditor for a further term under the provisions of section 487(2) of the Companies Act 2006

By Order of the Board



M A Webberley  
Director

8 November 2013

## **ASSOCIATED ELECTRICAL INDUSTRIES LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the 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 Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 of the profit or loss of the Company for that period. 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATED ELECTRICAL INDUSTRIES LIMITED**

We have audited the financial statements of Associated Electrical Industries Limited for the year ended 31 March 2013 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss 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.

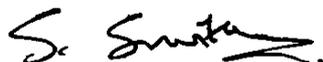
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.



**Stuart Smith (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham, B4 6GH  
Date 8 November 2013

## ASSOCIATED ELECTRICAL INDUSTRIES LIMITED

### PROFIT AND LOSS ACCOUNT

Year ended 31 March 2013

	Note	2013 £000	2012 £000
Interest receivable and similar income			
- foreign exchange differences		4	45
Interest payable and similar charges			
- unwind of discount on provision	6	(194)	(198)
- interest on tax liabilities	5	(15)	(15)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(205)</b>	<b>(168)</b>
Tax charge on loss on ordinary activities	3	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b>8</b>	<b>(205)</b>	<b>(168)</b>

The accompanying notes are an integral part of this profit and loss account

There were no recognised gains or losses in the year or in the prior year other than the loss for that year. Accordingly, no Statement of Total Recognised Gains and Losses has been prepared

All results derive from continuing operations

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

Year ended 31 March

	2013 £000	2012 £000
Shareholder's funds at 1 April	19,269	19,437
Loss for the financial year	(205)	(168)
<b>Shareholder's funds at 31 March</b>	<b>19,064</b>	<b>19,269</b>

# ASSOCIATED ELECTRICAL INDUSTRIES LIMITED

## BALANCE SHEET At 31 March 2013

	Note	2013 £000	2012 £000
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	4	24,427	24,511
Cash at bank and in hand		54	56
		<u>24,481</u>	<u>24,567</u>
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>(403)</u>	<u>(393)</u>
<b>NET CURRENT ASSETS</b>		<u>24,078</u>	<u>24,174</u>
<b>Total assets less current liabilities</b>		<u>24,078</u>	<u>24,174</u>
Provisions for liabilities	6	<u>(5,014)</u>	<u>(4,905)</u>
<b>NET ASSETS</b>		<u>19,064</u>	<u>19,269</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	-	-
Profit and loss account	8	<u>19,064</u>	<u>19,269</u>
<b>SHAREHOLDER'S FUNDS</b>		<u>19,064</u>	<u>19,269</u>

The accompanying notes are an integral part of this balance sheet

The Board of Directors approved and authorised for issue the financial statements of Associated Electrical Industries Limited, registered number 62919 on 8 November 2013

Signed on behalf of the Board of Directors by



M A Webberley  
Director

## ASSOCIATED ELECTRICAL INDUSTRIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, in the United Kingdom

The principal accounting policies are summarised below which have been applied consistently throughout the year and the preceding year

##### Going concern

The Directors acknowledge that the Company's net current assets position is reliant on an intercompany debtor of £24,427,000. As such, the parent company, telent Limited, has agreed to support the Company for at least the next 12 months, commencing from the date these accounts are signed. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements

##### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange on the date of transaction

All exchange gains and losses are included in profit on ordinary activities before taxation. Non-sterling net assets have been translated at year-end rates of exchange

##### Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the present value of the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date

##### Taxation

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of profits for the year, after taking account of adjustments in respect of prior period liabilities

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 2. DIRECTORS, EMPLOYEES AND AUDITOR

The Directors are employed and remunerated by other companies in the telent Group. They do not receive any remuneration specifically for their services as Directors of the Company (2012 nil). The Company had no employees during the year (2012 none). Fees payable to the Company's auditor for the audit of the annual accounts were £1,800 (2012 £1,800), and were borne by another Group company in both the current and preceding years. There were no fees paid for non-audit work in either year.

**ASSOCIATED ELECTRICAL INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2013**

**3 TAX ON LOSS ON ORDINARY ACTIVITIES**

**a) Tax credit on loss on ordinary activities**

	2013 £000	2012 £000
<b>Current taxation</b>		
UK corporation tax at 24% (2012 26%)	-	-
Overscas taxation	-	-
	<u>-</u>	<u>-</u>

	2013 £000	2012 £000
<b>b) Reconciliation of current tax credit for the year</b>		
Loss before tax	(205)	(168)
Tax credit on loss at UK statutory rate of 24% (2012 26%)	49	43
(Non deductible)/non taxable items	(3)	8
Losses not provided in deferred tax	(46)	(51)
Current tax charge for the year	<u>-</u>	<u>-</u>

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly. The deferred tax asset at 31 March 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date. It has not yet been possible to quantify the full anticipated effect of the further 3% rate reduction as the actual impact will be dependent on our deferred tax position at that time.

**c) Deferred tax**

	2013 £000	2013 £000 Not Recognised	2012 £000	2012 £000 Not Recognised
Tax effect of timing differences due to				
Tax losses	-	90	-	48
	<u>-</u>	<u>90</u>	<u>-</u>	<u>48</u>

Deferred tax assets of £90,000 (2012 £48,000) have not been recognised as the Company is not sufficiently certain that it will be able to recover these assets within a relatively short period of time.

## ASSOCIATED ELECTRICAL INDUSTRIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

#### 4. DEBTORS: Amounts falling due within one year

	2013 £000	2012 £000
Amounts owed by Group undertakings	24,427	24,511

The intercompany debtors are considered current as they could be re-called at any time

#### 5. CREDITORS: Amounts falling due within one year

	2013 £000	2012 £000
Interest accrued on overseas tax	327	315
Overseas tax	22	23
Other creditors	54	55
	403	393

#### 6. PROVISIONS FOR LIABILITIES

	2013 £000	2012 £000
At 1 April	4,905	4,984
Unwind of discount	194	198
Utilised in the period	(85)	(277)
At 31 March	5,014	4,905

The provision comprises known and projected claims from former employees relating to industrial diseases. The Company's exposure to these claims was assessed by actuaries at 31 December 2010 and is discounted at a rate of 4.15% (2012: 4.15%). The Directors estimate that the provision will be utilised in the period up to 2050.

#### 7. SHARE CAPITAL

	2013 £000	2012 £000
Called up share capital		
Issued, called up and fully paid: 1 (2012: 1) ordinary share of £1 each	-	-

## ASSOCIATED ELECTRICAL INDUSTRIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

#### 8. PROFIT AND LOSS ACCOUNT

	£000
At 1 April 2012	19,269
Loss for the financial year	(205)
	<hr/>
At 31 March 2013	19,064
	<hr/> <hr/>

#### 9. CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of **telent** Limited, in whose consolidated financial statements, which are publicly available, the Company is included. The Company is therefore exempt from the requirement to prepare a cashflow statement under Financial Reporting Standard 1 (Revised).

#### 10. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of **telent** Limited. Advantage has been taken of the exemption permitted by Financial Reporting Standard 8 not to disclose transactions with entities that are part of the **telent** Group or investees of the Group qualifying as related parties. Balances with these entities are disclosed in note 4 of these financial statements.

#### 11. ULTIMATE PARENT COMPANY

The Company's ultimate controlling party is Tusk Investments LP Inc, a Guernsey registered limited liability partnership. The Company's immediate parent and controlling company is **telent** Limited, which is the only parent undertaking to consolidate the financial statements of the Company.

Copies of the financial statements of **telent** Limited are available from the Secretary at Point 3, Haywood Road, Warwick, CV34 5AH.