

Registered number: 01472039

FANDSTAN ELECTRIC LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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FANDSTAN ELECTRIC LIMITED

COMPANY INFORMATION

Directors	Mr M J Isaac (resigned 5 October 2020) Mr D M Seitz Mr P D Dugan Mr A T Derbyshire (appointed 5 October 2020)
Company secretary	Mr D M Seitz
Registered number	01472039
Registered office	Howard House Graycar Business Park Barton under Needwood Burton-on-Trent Staffordshire DE13 8EN
Independent auditors	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Bankers	J P Morgan 25 Bank Street London E14 5JP

FANDSTAN ELECTRIC LIMITED

CONTENTS

	Page
Strategic report	1 – 2
Director's report	3 – 4
Independent auditor's report	5 – 8
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 – 19

FANDSTAN ELECTRIC LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Business review and financial key performance indicators

The principal activity of the company during the year is that of an intermediate holding company to a group primarily engaged in electrical engineering for transportation and commercial applications.

As an intermediate holding company with no trade as such, the directors do not have formal performance indicators but do review costs incurred as a result of being a holding company.

Principal risks and uncertainties

The directors consider the company to be subject to little in the way of risks and uncertainties, as the majority of expenses incurred relate to recharged overheads and fluctuations of exchange rates on group loan balances. The main risk facing the company is that the Fandstan Electric group of companies does not perform as expected. This is managed through the review of individual company positions at group level.

The Board closely monitor all activities within the group and are involved on a day to day basis in the activities of each company, ensuring significant risks are considered in the group's strategic planning. The Board also review detailed monthly management accounts and detailed profit and cash flow forecasts which are based on signed long term contracts with customers to enable them to regularly review the trading position.

The company makes loans to subsidiaries in local currencies. The company does not take out formal hedging or forward contracts to cover these. Directors monitor currency movements to manage these balances and where appropriate uses them for overseas investment or to increase group support, thus creating a natural hedge.

Future developments

The directors aim to maintain the management policies which have resulted in the group's continued turnovers and profitability.

Directors' statement of compliance with duty to promote the success of the company

The following stakeholder groups according to Section 172(1) of the Companies Act 2006 were identified by the Directors as being relevant for the company:

Our people

Employee involvement

The company does not have any employees however the group as a whole ensures communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs and future prospects.

Disabled employees

The company does not have any employees however the group as a whole gives full and fair consideration to applications for employment by disabled persons. In the event of employees becoming disabled whilst in the service of the group, every effort is made to continue their employment by transfer to alternative duties, and by provision of retraining as is appropriate.

Our suppliers

We believe in a pro-active attitude and an open and honest way of communicating and this has proven to be a solid base for building long term relationships. The company's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal trade practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

FANDSTAN ELECTRIC LIMITED

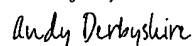
**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Directors' statement of compliance with duty to promote the success of the company (continued)

Other group members

The directors recognise the benefit of working closely with other group members registered in other jurisdictions and the need for consistent business practices across the group. The benefit of which is a combined focus and global customer, supplier and employee satisfaction.

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

DocuSigned by:

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Mr A T Derbyshire
Director

Date: 17 September 2021

FANDSTAN ELECTRIC LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Director's responsibilities statement

The directors are responsible for preparing the strategic report, the director's 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 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 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 for the company 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; 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,448,285 (2019: loss of £691,784).

During the year dividends of £Nil (2019: £Nil) were paid.

The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year are stated on the company information page.

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to all its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Streamlined Energy Carbon Reporting (SECR) exemption

The company has taken the exemption available to it under SI 2018/1155 s20D(7)(a) to not disclose amounts under the SECR requirements as its energy consumption is less than 40,000 kWhs in the year.

FANDSTAN ELECTRIC LIMITED

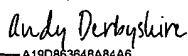
**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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's auditors are aware of that information.

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

DocuSigned by:

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Mr A T Derbyshire
Director

Date: 17 September 2021

FANDSTAN ELECTRIC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANDSTAN ELECTRIC LIMITED

Opinion

We have audited the financial statements of Fandstan Electric Limited (the 'company') for the year ended 31 December 2020, which comprise the profit and loss account, the balance sheet, the 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 company's affairs as at 31 December 2020 and of its 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 company 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 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.

FANDSTAN ELECTRIC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANDSTAN ELECTRIC LIMITED

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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report has 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 director's 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 director's 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 director's 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 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.

FANDSTAN ELECTRIC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANDSTAN ELECTRIC LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes and board minutes in the year and post year end;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

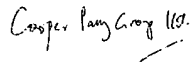
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

FANDSTAN ELECTRIC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANDSTAN ELECTRIC LIMITED

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.



Alison Fovargue (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 17 September 2021

FANDSTAN ELECTRIC LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		-	-
Administrative expenses		1,004,346	(1,201,999)
Operating profit/(loss)	3	1,004,346	(1,201,999)
Interest receivable		443,939	510,215
Profit/(loss) before taxation		1,448,285	(691,784)
Taxation on (loss)/profit on ordinary activities	5	-	-
Profit/(loss) for the financial year		<u>1,448,285</u>	<u>(691,784)</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

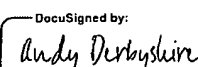
The notes on pages 12 to 19 form part of these financial statements.

FANDSTAN ELECTRIC LIMITED
REGISTERED NUMBER:01472039

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
Fixed Assets					
Investments	6		8,892,758		8,892,758
Current assets					
Debtors: amounts falling due within one year	7	24,677,246		23,210,310	
Cash at bank and in hand		17,469		17,469	
		<u>24,694,715</u>		<u>23,227,779</u>	
Creditors: amounts falling due within one year	8	(78,444)		(59,793)	
Net current assets			<u>24,616,271</u>		<u>23,167,986</u>
Net assets			<u><u>33,509,029</u></u>		<u><u>32,060,744</u></u>
Capital and reserves					
Called up share capital	9		2,800,000		2,800,000
Share premium account	10		1,200,000		1,200,000
Capital redemption reserve	10		5,679,169		5,679,169
Profit and loss account	10		23,829,860		22,381,575
Shareholder's funds			<u><u>33,509,029</u></u>		<u><u>32,060,744</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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Mr A T Derbyshire
Director

Date: 17 September 2021

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

FANDSTAN ELECTRIC LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	2,800,000	1,200,000	5,679,169	22,381,575	32,060,744
Profit for the year	-	-	-	1,448,285	1,448,285
At 31 December 2020	<u>2,800,000</u>	<u>1,200,000</u>	<u>5,679,169</u>	<u>23,829,860</u>	<u>33,509,029</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	2,800,000	1,200,000	5,679,169	23,073,359	32,752,528
Loss for the year	-	-	-	(691,784)	(691,784)
At 31 December 2019	<u>2,800,000</u>	<u>1,200,000</u>	<u>5,679,169</u>	<u>22,381,575</u>	<u>32,060,744</u>

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

FANDSTAN ELECTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

Fandstan Electric Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 December 2020 (2019: year ended 31 December 2019).

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Westinghouse Air Brake Technologies Corporation, a company incorporated in the United States of America, and is included in the consolidated accounts of that company, available as set out in note 12.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires directors to exercise judgement in applying the company's accounting policies. The areas including a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following accounting policies have been applied:

1.2 Disclosure Exemptions

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available under the standard in relation to the presentation of a cashflow statement and the aggregate remuneration of key management personnel. Where required, equivalent disclosures are given in the group accounts of Westinghouse Air Brake Technologies Corporation.

The group accounts of Westinghouse Air Brake Technologies Corporation are publicly available and can be obtained as set out in note 12.

1.3 Going concern

The company has both net current assets of £24.6m (2019: £23.2m) and net assets of £33.5m (2019: £32.0m) at the year end. As an intermediate holding company, the company has a low level of external obligations and meets these through financing arrangements with group undertakings alongside cash held in the bank.

All companies form a part of the wider Westinghouse Air Brake Technologies Corporation Group, which is US SEC listed, the group has considerable financial resources and continues to trade profitably, as demonstrated in the recent results published to Q1 of 2021. The company and its subsidiaries have received a letter of financial support from the ultimate parent company, Westinghouse Air Brake Technologies Corporation, giving it access to financial resources should it require them.

The directors therefore consider it is appropriate for the financial statements to be prepared on a going concern basis.

FANDSTAN ELECTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.4 Investments

Fixed asset investments are stated at cost less provision for impairment.

1.5 Foreign currency translation

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 profit and loss account.

1.6 Dividends

Equity dividends are recognised when they become legally payable.

1.7 Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.8 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

FANDSTAN ELECTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.9 Deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only 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 calculated 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. Current or deferred tax is recognised in the profit and loss account, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current or deferred tax is also recognised in other comprehensive income or directly in equity respectively.

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

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. In preparing these financial statements, the directors have made the following judgements:

Recoverability of debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. Director reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Directors make allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Impairment of investments

The directors review the carrying value of fixed asset investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated taxation based on estimates of whether additional taxes will be due and after taking professional advice where appropriate. Directors estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

FANDSTAN ELECTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**3. Operating profit/(loss)**

The operating profit/(loss) is stated after charging/(crediting):

	2020 £	2019 £
Audit remuneration	7,000	7,000
Exchange differences	<u>(1,022,996)</u>	<u>1,186,554</u>

4. Employees

The company has no employees other than the directors (2019: none).

5. Taxation**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit/(Loss) on ordinary activities before tax	<u>1,448,285</u>	<u>(691,784)</u>
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	275,174	(131,439)
Effects of:		
Income/expenses not taxable/deductible for tax purposes and group relief	(275,174)	131,439
Total tax charge for the year	<u>-</u>	<u>-</u>

FANDSTAN ELECTRIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Fixed asset investments

	Investment in group undertakings £	Total £
Cost		
At 1 January 2020 and 31 December 2020	<u>8,893,886</u>	<u>8,893,886</u>
Impairment		
At 1 January 2020 and 31 December 2020	<u>1,128</u>	<u>1,128</u>
Net book value		
At 31 December 2020	<u>8,892,758</u>	<u>8,892,758</u>
At 31 December 2019	<u>8,892,758</u>	<u>8,892,758</u>

FANDSTAN ELECTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Holding
Brecknell Willis & Co Limited	Howard House, Graycar Business Park, Barton under Needwood, Burton-on-Trent, Staffordshire, DE13 8EN England	Engineering	100%
Stemmann Technik GmbH	Niedersachsenstr.2, 48465 Schuttorf, Germany	Engineering	100%
Stemmann Technik Polska Sp Zoo	55-080 Katy Wroclawskie, ul. Spoldzielcza 22, NIP: 894-23- 15-328 Poland	Engineering	100%
Stemmann Technik France S.A.S.*	20 rue des Piquettes, Locaux B3/B4, 78200, Buchelay France	Agency	100%
Brecknell Willis (Tianjin) Electrification Systems Co. Ltd*	No8, Tongyue Road, Beichen Industrial Park, 12 300405, China	Engineering	100%
Stemmann-Technik (Shanghai) Ltd *	1/, Block B, Building 2, Tianhua Information Science and Technology Park, No195 Long Tian Road, Shanghai, China	Engineering	100%
Stemmann-Technik Hong Kong Company Limited	29/F, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong	Engineering	100%
Fandstan Electric Systems Pty. Ltd	431, Gidc, Manjusar, TAL. Savil, Vadodara, Gujarat 291775	Manufacture	100%

* Denotes companies which are held indirectly by virtue of direct subsidiaries.

The company also has a 24.8% interest in ABU GmbH, a company incorporated in Germany. The interest is held by Stemmann Technik GmbH.

FANDSTAN ELECTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	24,677,246	23,210,310
	<u>24,677,246</u>	<u>23,210,310</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	76,113	57,463
Accruals and deferred income	2,330	2,330
	<u>78,443</u>	<u>59,793</u>

9. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
2,800,000 Ordinary shares of £1 each	<u>2,800,000</u>	<u>2,800,000</u>

10. Reserves

Share capital

Represents the nominal value of shares that have been issued.

Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

On 30 December 2015, the company received a capital contribution of £5,679,169 as part of the capitalisation of amounts owed to group undertakings. The capitalisation creates an other non-distributable reserve of £5,679,169.

Profit and loss account

Retained earnings represents accumulated profit and loss for the year and prior periods less dividends paid.

FANDSTAN ELECTRIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Related party transactions

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publicly available, the company has taken advantage of the FRS 102 section 33.1A exemption from disclosing transactions with wholly owned group companies.

12. Controlling party

The immediate parent company is Fandstan Electric Group Limited, a company registered in England and Wales.

The company's ultimate parent undertaking is Westinghouse Air Brake Technologies Corporation, a company registered in the United States of America. This is the smallest and largest group for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Westinghouse Air Brake Technologies Corporation can be obtained from 1001 Air Brake Avenue, Wilmerding, PA 15148, USA (www.wabtec.com).