

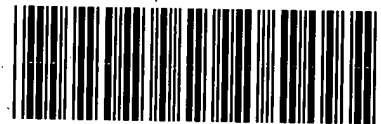
# **Litton UK Limited**

## **Annual Report and Financial Statements**

**For the year ended 31 December 2015**

Registered number: 02830182

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# **Litton UK Limited**

## **Annual Report and financial statements 2015**

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# **Litton UK Limited**

## **Annual Report and financial statements 2015**

### **Officers and professional advisers**

#### **Directors**

Ms Gillian C. Westbrook (appointed 1 July 2015)  
Mr Roger C. Wiltshire

#### **Secretary**

Mr Roger C. Wiltshire

#### **Registered office**

2nd Floor Clareville House  
26-27 Oxendon Street  
London  
SW1Y 4EL

#### **Bankers**

Lloyds TSB plc  
25 Gresham Street  
London  
EC2V 7HN

#### **Auditor**

Deloitte LLP  
Global House  
High Street  
Crawley  
RH10 1DL

# Litton UK Limited

## Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2015.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and as such the Company is exempt from the requirement to produce a Strategic Report.

### Principal activities

Litton UK Limited was primarily set up as a holding company for various divisions of Northrop Grumman Corporation. Following the various restructuring programmes within the group, Litton UK Limited now holds intercompany balances only.

### Review of business and future developments

The company has continued to provide intercompany loans. The company has a strong balance sheet with net assets of £24,054,028 (2014: £23,839,074) and a profit before tax generated through intercompany interest receivable.

### Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 of the Accounting Policies.

### Dividends

No dividend was paid during the year (2014: £nil).

### Directors

The directors who served throughout the year and to the date of signing, except as noted, are set out below:

Mr Michael S. Dunn (Terminated: 1 July 2015)

Mr Roger C. Wiltshire

Ms Gillian Catherine Westbrook (Appointed: 1 July 2015)

### Auditor


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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Pursuant to s386 of the Companies Act 1985 the company resolved to dispense with the obligation to reappoint auditors annually. Deloitte LLP will therefore continue to act as auditors for the company until the Board resolves otherwise.

Approved by the Board and signed on its behalf by:

  
Roger Wiltshire  
Director

26 July 2016

**Registered office:**  
2nd Floor Clareville House  
26-27 Oxendon Street  
London  
SW1Y 4EL

# **Litton UK Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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) including FRS 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- FRS 102 reporting standard has been followed with no departures; 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.

## Independent auditor's report to the members of Litton UK Limited

We have audited the financial statements of Litton UK Limited for the year ended 31 December 2015 which comprise the Statement of income and retained earnings, the Balance Sheet and the related notes 1 to 13. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditors' 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion

In our opinions the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

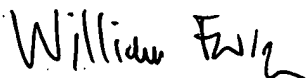
### Opinion on other matter prescribed by the Companies Act 2006

In our opinions the information given in the Directors' Report for the financial period 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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



William Farren FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Crawley, United Kingdom

26 July 2016

## Litton UK Limited

### Statement of income and retained earnings For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Administrative expenses		(20)	(22)
<b>Operating loss</b>		(20)	(22)
Finance costs (net)	5	290	284
<b>Profit on ordinary activities before taxation</b>	4	270	262
Tax (charge) on profit on ordinary activities	6	(55)	(58)
<b>Profit for the financial year</b>	10	215	204
<b>Retained earnings at beginning of year</b>		(1,140)	(1,344)
<b>Retained earnings at end of year</b>		(925)	(1,140)

A statement of comprehensive income is not included in these accounts as there are no recognised gains or losses for the current or preceding financial years other than as stated in the profit and loss account.

All results derive from continuing operations.

# Litton UK Limited

## Balance sheet

For the year ending 31 December 2015

	Note	2015 £'000	2014 £'000
<b>Current assets</b>			
Debtors	7	24,065	37,611
		<u>24,065</u>	<u>37,611</u>
<b>Creditors: amounts falling due within one year</b>	8	(10)	(13,771)
<b>Net current assets</b>		<u>24,055</u>	<u>23,840</u>
<b>Net assets</b>		<u>24,055</u>	<u>23,840</u>
<b>Capital and reserves</b>			
Called up share capital	9	24,937	24,937
Share premium account	10	43	43
Profit and loss account	10	(925)	(1,140)
<b>Shareholders' funds</b>	10	<u>24,055</u>	<u>23,840</u>

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These financial statements of Litton UK Limited (registered number 02830182) were approved by the Board of Directors on 25 July 2016.

Signed on behalf of the Board of Directors



Roger Wiltshire  
Director



# **Litton UK Limited**

## **Notes to the financial statements For the year ended 31 December 2015**

### **1. Accounting policies**

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

#### **General information and basis of accounting**

Litton UK Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1.

The average monthly number of employees (including executive directors) was nil (2014: nil).

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

There were no material adjustments to prior year financial statements on adoption of FRS 102 in the current year. For more information see note 13.

The prior year financial statements were not restated as there were no material adjustments on adoption of FRS 102 in the current year.

#### **Going concern**

The directors have acknowledged their responsibility with respect to going concern and in reaching their conclusions have taken into account factors including the company's balance sheet and future prospects. After making due enquiries and taking account of possible future changes the directors have a reasonable expectation that the company has adequate resources to continue to operate for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Cash flow statement**

The company is exempted from producing a cash flow statement as required by Financial Reporting Standard 102 as it is a wholly-owned subsidiary undertaking within the context of the Standard. A consolidated group cash flow statement is presented in the financial statements of the ultimate parent company, which are available as detailed in note 11.

#### **Deferred taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

# **Litton UK Limited**

## **Notes to the financial statements (continued)** **For the year ended 31 December 2015**

### **1. Accounting policies (continued)**

#### **Deferred taxation (continued)**

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### **2. Critical accounting judgements**

Due to the nature of the company and the transactions entered into, no judgements or assumptions are made by management. Therefore, there are no critical accounting judgements to disclose.

### **3. Information regarding directors remuneration and employees**

The directors received no remuneration in the current or preceding financial year.

The company had no employees in either the current or preceding financial year. Accordingly, there are no staff costs which are required to be disclosed.

# Litton UK Limited

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 4. Profit on ordinary activities before taxation

	2015 £'000	2014 £'000
<b>This is stated after charging:</b>		
Auditor's remuneration -		
Fees payable to the company's auditor for audit of the company's annual report	8	10
Tax services	8	9
	<u>8</u>	<u>9</u>

### 5. Finance costs (net)

	2015 £'000	2014 £'000
<b>Receivable:</b>		
Interest on loans to other group companies	360	350
	<u>360</u>	<u>350</u>
<b>Payable:</b>		
Interest on loans from other group companies	(70)	(66)
	<u>(70)</u>	<u>(66)</u>

### 6. Tax on profit on ordinary activities

	2015 £'000	2014 £'000
<b>Analysis of tax charge on ordinary activities:</b>		
<b>Current tax</b>		
UK corporation tax	(55)	(57)
	<u>(55)</u>	<u>(57)</u>
Adjustments in respect of prior years	-	(1)
	<u>-</u>	<u>(1)</u>
<b>Total current tax</b>	<u>(55)</u>	<u>(58)</u>

	2015 £'000	2014 £'000
<b>Factors affecting tax charge for the current period:</b>		
Profit on ordinary activities before taxation	270	262
	<u>270</u>	<u>262</u>
Tax charge at thereon 20% (2014: 21.5%)	(55)	(57)
	<u>(55)</u>	<u>(57)</u>
<b>Effects of:</b>		
Prior period adjustment	-	(1)
	<u>-</u>	<u>(1)</u>
<b>Total current tax</b>	<u>(55)</u>	<u>(58)</u>

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

A deferred tax asset has not been recognised in respect of Schedule D Case VI losses 2015 (2014: £47,602) as there is insufficient evidence that suitable taxable income will be available in the foreseeable future.

# Litton UK Limited

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 7. Debtors

	2015 £'000	2014 £'000
Amounts owed by group undertakings	24,065	37,611
	<u>24,065</u>	<u>37,611</u>

### 8. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group companies	-	13,748
Corporation tax	(6)	2
Accruals and deferred income	16	21
	<u>10</u>	<u>13,771</u>

### 9. Called up share capital

	2015 £'000	2014 £'000
<b>Called up, allotted and fully paid:</b>		
24,937,000 ordinary shares of £1 each	24,937	24,937
	<u>24,937</u>	<u>24,937</u>

### 10. Combined statement of changes in reserves and reconciliation of movement in shareholders' funds

	Share capital £'000	Profit and loss account £'000	Share premium £'000	Total 2015 £'000	Total 2014 £'000
At 1 January	24,937	(1,140)	43	23,840	23,636
Profit for year	-	215	-	215	204
	<u>24,937</u>	<u>(925)</u>	<u>43</u>	<u>24,055</u>	<u>23,840</u>

# **Litton UK Limited**

## **Notes to the financial statements (continued)** **For the year ended 31 December 2015**

### **11. Ultimate parent company and controlling party**

At 31 December 2015 the ultimate parent company and controlling party was Northrop Grumman Corporation, a company which is incorporated in the United States of America. Copies of the group financial statements of Northrop Grumman Corporation which represent the accounts of both the smallest and largest group in which Litton UK Limited is consolidated are available from the corporate offices at 2980 Fairview Park Drive, Falls Church, Virginia 22042, USA.

The immediate parent company is Northrop Grumman Guidance and Electronics Company Inc which is incorporated in the United States of America. Northrop Grumman Guidance and Electronics Company Inc is a wholly owned subsidiary of Northrop Grumman Corporation from whom copies of its financial statements are available.

The company has taken the exemption available in section 33 of FRS 102 from disclosing the details of transactions with other group companies as it is a wholly owned subsidiary.

### **12. Related parties transactions**

The company has taken advantage, as a 100% subsidiary, of the exemption under section 33 of FRS 102, related party disclosures, from disclosure of transactions and balances with group companies. Accordingly, transactions with the Northrop Grumman Corporation and its subsidiaries are not disclosed separately.

### **13. Explanation of transition to FRS 102**

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2015. There have been no changes to the accounting policies of the entity as a consequence of adopting FRS 102.