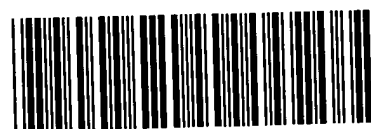


**POWER MAGNETICS AND ELECTRONIC  
SYSTEMS LIMITED**

**Annual Report and Financial Statements**

**31 December 2014**

MONDAY



LD4 \*L4GW5RBE\* #250  
28/09/2015  
COMPANIES HOUSE

# **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2014**

### **CONTENTS**

### **Page**

<b>Officers and professional advisors</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>3</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9</b>

# **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2014**

### **OFFICERS AND PROFESSIONAL ADVISORS**

#### **DIRECTORS**

R. Sharma  
M. Anderson  
M. Waldner

#### **SECRETARY**

S. Harris

#### **REGISTERED OFFICE**

417 Bridport Road  
Greenford  
Middlesex  
UB6 8UA

#### **AUDITOR**

Deloitte LLP  
Reading, United Kingdom

# **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

## **STRATEGIC REPORT**

The directors present their strategic report on Power Magnetics and Electronic Systems Limited ("the Company") for the year ended 31 December 2014.

As part of the restructuring of the holding companies within Ultra Electronics Holdings plc Group, the Company underwent a capital reduction on 20 November 2014 and distributed its assets to its immediate parent company, DF Group Limited.

### **CAUTIONARY STATEMENT**

This Strategic report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed.

The Strategic report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

### **PRINCIPAL ACTIVITY AND FUTURE PROSPECTS**

The principal activity was that of a holding company. Following the distribution of its assets to its parent company DF Group Limited the Company will not trade in the foreseeable future.

### **PRINCIPAL RISK AND UNCERTAINTIES**

The Company held investments in subsidiary companies and was therefore previously exposed to the risk of impairment. The risk was managed through close management of trading entities supporting the value of the investments. These principal risks and uncertainties no longer apply in 2015 following the distribution of the Company's investments to DF Group Limited.

### **GOING CONCERN**

As a result of the distribution of the business to the immediate parent company DF Group Limited on 1 December 2014, the directors conclude that the financial statements should be prepared on a basis other than that of a going concern. No material adjustments arose as a result of the financial statements being prepared on a basis rather than that of a going concern.

Approved by the Board and signed on its behalf by:



M. Waldner  
Director

22 September 2015

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## DIRECTORS' REPORT

The directors present their annual report on the affairs of Power Magnetics and Electronic Systems Limited and the audited financial statements for the year ended 31 December 2014.

The Malaysian branch of Power Magnetics and Electronic Systems Limited was dissolved and there is no impact in the current financial statements.

### DIVIDENDS

An interim dividend of £4,454,999 was paid during the year (2013: £14,900,233). The directors do not propose the payment of a final dividend (2013: £nil).

### DIRECTORS

The directors, who served during the year and to the date of signing, unless otherwise specified, are listed on page 1.

### GOING CONCERN

As a result of the distribution of the business to the immediate parent company DF Group Limited on 1 December 2014, the directors conclude that the financial statements should be prepared on a basis other than that of a going concern. No material adjustments arose as a result of the financial statements being prepared on a basis rather than that of a going concern.

### AUDITOR

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

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

### STRATEGIC REPORT

Disclosures relating to future prospects have been disclosed in the Strategic report on page 2.

Approved by the Board and signed on its behalf by:



M. Waldner  
Director

22 September 2015

# **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

We have audited the financial statements of Power Magnetics and Electronic Systems Limited for the year ended 31 December 2014 which have been prepared on a basis other than going concern and which comprise the Profit and Loss Account, 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).

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 Statement of Directors' Responsibilities, 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 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 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 December 2014 and of the company's 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.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED (CONTINUED)**

### **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.



Kerr Mitchell FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

22 September 2015

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Income from shares in group undertakings		-	28,805
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	-	28,805
Tax charge on profit on ordinary activities	4	-	(401)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		-	28,404

The Profit and Loss account has been prepared on a discontinued operations basis.

The Company did not trade during the current or proceeding years and has no recognised gains and losses. Accordingly no separate statement of total recognised gains and losses has been presented.

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## BALANCE SHEET

As at 31 December 2014

	Note	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Investments	5	-	-
		-	-
<b>CURRENT ASSETS</b>			
Debtors	6	-	5,225
<b>CREDITORS: amounts falling due within one year</b>	7	-	(770)
<b>NET ASSETS</b>		-	4,455
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	2,835
Profit and loss account	9	-	1,620
<b>SHAREHOLDER'S FUNDS</b>	10	-	4,455

The financial statements, Company number 02984371, were approved by the board of directors and authorised for issue on 22 September 2015.

They were signed on its behalf by:



M. Waldner

Director

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding year, is set out below.

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and law. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006, because it is a wholly owned subsidiary of Ultra Electronics Holdings plc which prepares consolidated financial statements which are publicly available. The Company is also, on this basis, exempt from the requirements of FRS 1 to present a cash flow statement.

#### Going concern

As a result of the distribution to its immediate parent company as noted in note 12 of the financial statements, the directors conclude that the financial statements should be prepared on a basis other than that of a going concern. No material adjustments arose as a result of the financial statements being prepared on a basis rather than that of a going concern.

#### Investments

Fixed asset investments are shown at cost less provision for any impairment.

#### Taxation

Current tax, including UK corporation 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.

### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after crediting:

	2014 £'000	2013 £'000
Dividend income	-	28,805

Directors' emoluments are borne by the Company's ultimate parent company, Ultra Electronics Holdings plc and are disclosed in the financial statements of that company. The allocation of directors' emoluments to this Company is £nil (2013: £nil). Auditor's remuneration was borne by the ultimate parent company, the amount attributable to the company is £2,500 (2013: £2,500).

### 3. DIVIDENDS ON EQUITY SHARES

	2014 £'000	2013 £'000
Interim dividend for the year ended 31 December 2014 of £4,454,999 (2013: 525p) per ordinary share	4,455	14,900
Final dividend for the year ended 31 December 2014 of £nil (2013: £ nil) per ordinary share	-	-

The directors did not propose a final dividend for the year ended 31 December 2014 (2013: £nil).

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2014

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
The tax charge comprises:		
UK corporation tax	-	401
<b>Total current tax</b>	<b>-</b>	<b>401</b>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2014 £'000	2013 £'000
<b>Profit before tax for the financial year</b>	<b>-</b>	<b>28,805</b>
Taxation at the standard rate in the UK of 21.49% (2013: 23.25%)	-	6,697
Dividend income not subject to tax	-	(6,697)
Controlled Foreign Company charge	463	401
Adjustments for prior year	-	--
Worldwide debt cap - finance income allocated exemption	(463)	-
<b>Total current tax charge</b>	<b>-</b>	<b>401</b>

### 5. INVESTMENTS

	Total £'000
<b>Cost and net book value at 31 December 2014 and 31 December 2013</b>	<b>-</b>

At 31 December 2013 the Company's fixed asset investment relates to an investment in the following subsidiary company:

Name	Country of registration	Shares held	Principal activity
Ultra Electronics USA Group Inc.	USA	100% Ordinary Share Capital	US investment company

On 1 December the assets of the Company were distributed to the immediate parent company DF Group Limited, consequently no investments are held as at 31 December 2014.

### 6. DEBTORS

	2014 £'000	2013 £'000
Amounts owed by group undertakings	-	5,225

Amounts receivable from group undertakings are unsecured, interest free and receivable on demand.

# POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2014

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Corporation tax liability	-	770

### 8. CALLED-UP EQUITY SHARE CAPITAL

	2014 £'000	2013 £'000
Allotted, called-up and fully paid 1 ordinary shares of £1 each (2013: 2,835,667)	-	2,835

On 1 December 2014 a group reorganisation resulted in the Company undertaking a capital reduction to reduce the issued share capital from 2,835,667 to 1 ordinary share of £1 by cancelling and extinguishing 2,835,666 shares. The remaining Company assets were distributed to its immediate parent entity DF Group Limited.

### 9. RESERVES

	Profit and loss account £'000
At 31 December 2013	1,620
Profit for the financial year	-
Capital reduction credited to reserves	2,835
Dividends Paid	(4,455)
At 31 December 2014	-

### 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £'000	2013 £'000
Opening shareholder's funds	4,455	4,856
Profit for the financial year	-	28,404
Dividends paid	(4,455)	(28,805)
Closing shareholder's funds	-	4,455

### 11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in Financial Reporting Standard number 8 (Related Parties) not to disclose transactions with other group companies as the financial statements of the ultimate parent company are available to the public.

### 12. CAPITAL REDUCTION AND DISTRIBUTION OF ASSETS TO DF GROUP LIMITED

As part of the restructuring of the holding companies within Ultra Electronics Holdings plc Group, the Company underwent a capital reduction on 20 November 2014 and distributed its assets to its immediate

# **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Year ended 31 December 2014**

parent company, DF Group Limited on 1 December 2014. After this date the company no longer traded and will not trade in the foreseeable future. Therefore, the financial statements have been prepared on a basis other than that of a going concern.

### **13. ULTIMATE PARENT COMPANY & CONTROLLING PARTY**

The Company, a private Limited company incorporated Great Britain and registered in England and Wales, is a subsidiary of Ultra Electronics Holdings plc, which is incorporated in Great Britain and registered in England and Wales. The only group in which the results of the Company are consolidated is that headed by Ultra Electronics Holdings plc. Copies of these financial statements are available from that company's registered office at 417 Bridport Road, Greenford, Middlesex, UB6 8UA.

The Company's immediate parent company, DF Group Limited, a holding company incorporated in Great Britain and registered in England and Wales.