Archer Communications Systems Limited

Annual report

for the year ended 31 March 2009

Registered no: 3342471

Archer Communications Systems Limited

Annual report
for the year ended 31 March 2009

Archer Communications Systems Limited

Directors and advisers

Executive directors

I Muir
S Urquhart

Bankers

Barclays Bank plc
54 Lombard Street
London
EC3P 3AH

Secretary and registered office

D Parkes
6 Carlton Gardens
London
SW1Y 5AD

Directors' report for the year ended 31 March 2009

The directors present their report and the audited financial statements for the year ended 31 March 2009.

Principal activity

The company's principal activity, until the cessation of trading on 31 July 2000, was the development of military communication systems and ancillary equipment.

Review of results for the period

The results for the period are set out on page 5.

Dividends and transfers to reserves

During the year dividends of £Nil were declared (2008: £Nil). The profit for the financial year of £68,000 has been transferred to reserves.

Business review

Archer Communications Systems Limited (ACSL) was incorporated in March 1997 as a joint venture company between ITT Defence Limited, Siemens Plessey Systems Limited (now BAE SYSTEMS (Defence Systems) Limited) and Racal Radio Limited. Following a revision of the Joint Venture Agreement, BAE SYSTEMS assumed responsibility on 19 March 1999 for the management of ACSL under agreements reached with its fellow partners/shareholders.

The Company was formed as a consequence of the decision of the UK Ministry of Defence to select the joint venture as the Prime Contractor and Prime Systems Integrator of the £2 billion Bowman tactical communications programme.

The company was awarded the Package 0 Bowman Risk Reduction contract in July 1997, which, with extensions, totalled just over £170 million. In June 2000 the company bid for the main contract on Bowman, but the UK MOD rejected the bid. The Shareholder Committee met at the end of July 2000, deciding not to re-bid, to cease trading and make the employees of the company redundant. All employees have now left the company.

Subsequently the company has reached financial settlement with the UK MOD on its Risk Reduction contract, and has settled all of its major sub-contracts with suppliers.

Future outlook

The company is currently settling its financial affairs and anticipates that it has sufficient funds to settle its outstanding liabilities. It is the intention of the directors that the company will enter into members' voluntary liquidation as soon as its outstanding liabilities are settled.

Directors

The directors of the company who held office during the year are listed below:

Executive directors

I Muir
S Urquhart
D Parkes (Company Secretary)

Non-executive directors

There are currently no non-executive directors.

Directors' interests

No director had any interest at any time during the year in the share capital of the company.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2009. The directors also confirm that applicable accounting standards have been followed and that having regard to the circumstances set out in note 1 on page 8, the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company, and prevent and detecting fraud and other irregularities.

Charitable donations

Payments of a charitable nature made during the year for the company amounted to £Nil (2008: £Nil).

By order of the board

I Muir
Executive Director

Profit and loss account
for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Turnover - discontinued operations	2	-	-
Cost of sales		-	-
Gross profit – discontinued operations		-	-
Net operating expenses	3	**68**	-
Operating profit - discontinued operations		**68**	-
Exceptional items from cessation of operations		-	-
Profit / (loss) on ordinary activities before interest		**68**	-
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
Profit / (loss) on ordinary activities before taxation		**68**	-
Tax on (loss) / profit on ordinary activities	6		-
Profit / (loss) for the financial year	11	**68**	-

All items dealt with in the above profit and loss account relate to discontinued operations.

The company has no recognised gains and losses other than the profits and losses above, and therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents.

Archer Communications Systems Limited

Balance sheet
at 31 March 2009

	Notes	2009 £'000	2008 £'000
Current assets			
Cash at bank and in hand		**217**	**219**
		217	**219**
Creditors: amounts falling due within one year	7	**(15)**	**(62)**
Net current assets		**202**	**157**
Total assets less current liabilities		**202**	**157**
Provisions for liabilities and charges	8	**(25)**	**(48)**
Net assets		**177**	**109**
Capital and reserves			
Called-up share capital	10	**1**	**1**
Profit and loss account	11	**176**	**108**
Shareholders' funds	12	**177**	**109**

For the year ended 31 March 2009 the company was entitled to the exemption under section 249A(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

(i) ensuring the company keeps accounting records which comply with section 221; and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on pages 4 to 19 were approved by the board of directors on 04/12/2009 and were signed on its behalf by:

I Muir
Executive Director

Archer Communications Systems Limited
Cash flow statement
for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Net cash inflow from discontinued operating activities			
Net cash (outflow) / inflow before exceptional items (reconciliation to operating profit on page 7)		(2)	-
		(2)	-
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		-	-
Net cash (outflow) / inflow from returns on investments and servicing of finance		(2)	-
Equity dividends paid to shareholders		-	-
Taxation paid		-	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		-	-
Disposal of fixed assets		-	-
Net cash (outflow) / inflow from capital expenditure		(2)	-
Management of liquid resources and financing		-	-
(Decrease) / increase in cash in the year		(2)	-

Reconciliation of net cash flow to movement in net debt		2009 £'000	2008 £'000
(Decrease) / increase in cash in the year	21	(2)	-
Cash inflow / (outflow) from debt financing	21	-	-
Movement in net debt in the period	21	(2)	-
Opening net cash	21	219	219
Closing net cash	21	217	219

Reconciliation of operating profit to net cash outflow from operating activities

	2009 £'000	2008 £'000
Operating profit – discontinued operations	68	-
(Decrease) / increase in trade creditors	(49)	-
(Decrease) / increase in other creditors	(23)	-
(Decrease) / increase in accruals and deferred income	2	-
Net cash (outflow) /inflow from discontinued operating activities	(2)	-

Notes to the financial statements for the year ended 31 March 2009

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, is set out below.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

Basis of preparation

The company was awarded the Package 0 Bowman Risk Reduction contract in July 1997. In June 2000 the company bid for the main Bowman Supply contract, but the UK MOD rejected the bid. The Shareholder Committee met at the end of July 2000, deciding not to re-bid, to cease trading and make the employees of the company redundant. Subsequently the company has reached financial settlement with the UK MOD on the Risk Reduction contract, and has settled all of its major sub-contracts with suppliers. The company is currently settling its financial affairs and anticipates that it has sufficient funds to settle its outstanding liabilities. The financial statements have therefore been prepared on this basis, although the directors consider that there is no difference between the financial statements drawn up on the basis that the company's activities will be discontinued and a going concern basis.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis, over the estimated useful lives of the assets concerned.

Leased assets

Payments made under assets held as operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Foreign currencies

Foreign currency income and expenditure is accounted for at the rate of exchange ruling at the time of the transaction. Balance sheet assets and liabilities are translated into sterling at the closing rate of exchange ruling at the end of the financial year.

All exchange gains and losses are dealt with through the profit and loss account in the period in which they arise.

Stocks and work in progress, including long term contracts

Stocks and work in progress are stated at the lower of cost or net realisable value. Cost includes a proportion of production overheads where applicable.

Profit on long term contracts is recognised in relation to the value of work performed to date whilst full provision is made for all foreseeable losses.

Pension scheme arrangements

The company contributes to a number of different pension schemes. In respect of defined benefit pension schemes, the fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular costs are spread over the expected average remaining service lives of members of the scheme.

In respect of defined contribution schemes, contributions are charged to the profit and loss account in the year in which they fall due.

The company provides no other post retirement benefits to its employees.

Turnover

Turnover comprises the invoiced value of goods and services supplied in the normal course of business, excluding value added tax, less discounts allowed.

In the case of contracts of a long term nature, turnover includes the value of work done appropriate to the stage of completion of the contract in each case.

Deferred taxation

Deferred taxation is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a 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 and expenditure in tax computations in periods in periods different from those in which they are included in the financial statements.

2 Turnover

Turnover is all derived from the principal activity of the company and consists entirely of sales made in the United Kingdom.

3 Net operating expenses

	2009 £'000	2008 £'000
Discontinued operations		
Other Operating expenses	**68**	-
	68	-

4 Directors' emoluments

The directors did not receive any emoluments in the current or prior year.

5 Employee information

The company did not have any employees during the current or prior year.

6 Tax on (loss) / profit on ordinary activities

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 21%. The differences are explained below:

	2009 £'000	2008 £'000
Profit / (loss) on ordinary activities before tax	**69**	-
Profit / (loss) on ordinary activities multiplied by standard rate in the UK- 21%	**14**	-
Effects of:		
Adjustment to tax charge in respect of loss brought forward	**(14)**	-
Current tax charge / (credit) for the year	**-**	-

No provision for deferred tax is required.

The deferred tax asset which has not been provided in the accounts is made up as follows:

	2009 £'000	2008 £'000
Losses	**5**	18

7 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	**13**	62
Accruals and deferred income	**2**	-
	15	62

8 Provisions for liabilities and charges

	Redundancy & termination provision £'000
At 1 April 2008	48
(Credited) / charged to the profit and loss account	(21)
Utilised in the year	(2)
At 31 March 2009	25

The redundancy and termination provision arose in respect of costs incurred following the decision to cease trading as a result of the UK MOD's rejection of the company's bid for the main Bowman supply contract.

9 Pension obligations

The company contributes to a number of different pension schemes. With the approval of the parent companies, staff who were recruited into ACSL from parent companies were given the option to remain in their existing pension schemes, in which circumstances ACSL provide the employers' contributions required to fund those schemes. The main schemes are funded defined benefit schemes operated by British Aerospace plc and ITT Industries Ltd, with the assets of these schemes held in separate trustee administered funds. Details of these schemes are to be found in the financial statements of the respective parent companies.

In addition, the ACSL Pension Scheme was established from 1 January 1999 as a defined contribution scheme. The cost of two pension schemes for the year was as follows:

	2009 £'000	2008 £'000
ACSL pension scheme	-	-
Other non-ACSL pension schemes	-	-
	-	-

The ACSL pension scheme is administered separately with assets held independently from those of the company. Pensions contributions are charged to the profit and loss account in the year in which they are payable.

10 Share capital

	2009 £	2008 £
Authorised		
400 class A ordinary shares of £1 each	**400**	400
300 class B ordinary shares of £1 each	**300**	300
300 class C ordinary shares of £1 each	**300**	300
	1,000	1,000
Allotted, called up and fully paid		
400 class A ordinary shares of £1 each	**400**	400
300 class B ordinary shares of £1 each	**300**	300
300 class C ordinary shares of £1 each	**300**	300
	1,000	1,000

All shares have equal rights to dividends, voting and priority on a winding up.

11 Profit and loss account

	£'000
At 1 April 2008	**108**
Profit for the financial year	**68**
Dividends paid and proposed	-
At 31 March 2009	**176**

12 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Profit / (loss) for the financial year	**68**	-
Dividend paid	-	-
Net addition(diminution) to shareholders' funds	**68.**	-
Shareholders' funds at 1 April 2008	**109**	**109**
Shareholders' funds at 31 March 2009	**177**	**109**

13 Analysis of changes in financing

	At 1 April 2008 £'000	Cash flows £'000	**At 31 March 2009 £'000**
Cash at bank and in hand	219	(2)	**217**
Net cash	219	(2)	**217**

14 Capital commitments

	2009 £'000	2008 £'000
Capital expenditure contracted for, but not provided for in the financial statements	**-**	-

15 Financial commitments

At 31 March 2009 the company had no annual commitments under non-cancellable operating leases.

16 Related party transactions

The company is a joint venture in which there are three participating groups, each of which provides goods and services to the company.

The company had no transactions with related parties during the year.

17 Controlling party

The company is a joint venture between ITT Defence Limited, BAE SYSTEMS (Defence Systems) Limited and Racal Radio Limited. The directors therefore consider that there is no controlling party.