

GRAYTRONICS LIMITED

Report and Financial Statements

Period ended 31 December 2008

TUESDAY



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COMPANIES HOUSE

GRAYTRONICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2008

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

GRAYTRONICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Caster (Appointed 8 May 2008)
A N Hamment (Appointed 8 May 2008)
P Dean (Appointed 16 April 2009)
F Hope (Appointed 8 May 2008, resigned 31 July 2008)
D J Jeffcoat (Appointed 8 May 2008, resigned 16 April 2009)
R Gray (Resigned 8 May 2008)

SECRETARY

D Garbett-Edwards (Appointed 16 April 2009)
D J Jeffcoat (Appointed 8 May 2008, resigned 16 April 2009)
K Gray (Resigned 8 May 2008)
R Gray (Resigned 8 May 2008)

REGISTERED OFFICE

417 Bridport Road
Greenford
Middlesex
UB6 8UA

AUDITORS

Townends Chartered Accountants
West Yorkshire

GRAYTRONICS LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements on the affairs of Graytronics Limited ("the Company") for the 8 months ended 31 December 2008. The directors have taken advantage of the small companies exemption and have not presented an enhanced business review within the Directors' report.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review up until 8 May 2008 was the manufacture of intercomms.

On 8 May 2008 the entire share capital of the company was purchased by Ultra Electronics Holdings Plc, and on 9 May 2008, the trade and assets of the company were sold to Ultra Electronics Limited for a consideration of £1,402,000. For the remaining period, 9 May 2008 to 31 December 2008, Graytronics Limited was dormant.

The directors intend to maintain the Company as dormant for the foreseeable future.

GOING CONCERN

As a consequence of the company ceasing to trade, the financial statements have been prepared on a basis other than that of a going concern which includes where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

DIVIDENDS

The directors do not recommend payment of a final dividend (year ended 30 April 2008: £nil). During the period an interim dividend of £nil (year ended 30 April 2008: £125,000) was paid.

DIRECTORS

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

AUDITORS

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 auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

A resolution to appoint Townends as the company's auditor will be proposed at the next general meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P Dean
Director
25 September 2009

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). The financial statements are required by law to 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 estimates that are reasonable and prudent; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF GRAYTRONICS LIMITED

We have audited the financial statements of Graytronics Limited for the 8 month period ended 31 December 2008 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAYTRONICS LIMITED (Continued)

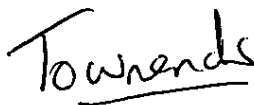
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Emphasis of matter - Going concern

Without qualifying our opinion, we draw attention to note 1 of the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern. Details of the circumstances relating to this emphasis of matter are described in note 1.



Townends
Chartered Accountants and Registered Auditors
West Yorkshire, United Kingdom
28 September 2009

GRAYTRONICS LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 31 December 2008

	Note	8 months ended 31 Dec 2008 £	Year ended 30 April 2008 £
TURNOVER	2	-	707,228
Cost of sales		(4,158)	(320,469)
GROSS (LOSS)/PROFIT		(4,158)	386,759
Administrative expenses		(1,881)	(309,338)
OPERATING (LOSS)/PROFIT		(6,039)	77,421
Interest receivable and similar income		-	21,830
Loss on impairment of intangible fixed assets	7	(164,779)	-
Gain on transfer of trade and assets	13	1,155,179	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	984,361	99,251
Tax credit/(charge) on profit on ordinary activities	5	1,253	(21,442)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES		985,614	77,809

The Company has no recognised gains and losses in either financial year other than the result above and therefore no separate statement of total recognised gains and losses has been presented.

All activities are discontinued.

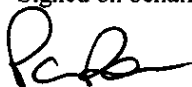
GRAYTRONICS LIMITED

BALANCE SHEET 31 December 2008

	Note	31 Dec 2008 £	30 April 2008 £
FIXED ASSETS			
Intangible assets	7	-	164,998
Tangible assets	8	-	6,650
		<u>-</u>	<u>171,648</u>
CURRENT ASSETS			
Stocks		-	47,181
Debtors	9	1,542,000	160,474
Cash at bank		-	261,725
		<u>1,542,000</u>	<u>469,380</u>
CREDITORS			
Amounts falling due within one year	10	-	(84,642)
NET CURRENT ASSETS		<u>1,542,000</u>	<u>384,738</u>
NET ASSETS		<u>1,542,000</u>	<u>556,386</u>
CAPITAL AND RESERVES			
Called up share capital	11	102	102
Share premium account	12	242,091	242,091
Profit and loss account	12	1,299,807	314,193
SHAREHOLDER'S FUNDS	12	<u>1,542,000</u>	<u>556,386</u>

These financial statements were approved by the Board of Directors and authorised for issue on 25 September 2009.

Signed on behalf of the Board of Directors



P Dean
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the 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 the requirements of FRS 1 to prepare a cashflow statement because it is a wholly owned subsidiary of Ultra Electronics Holdings plc which prepares consolidated financial statements which are publicly available.

As explained in the directors' report, the company ceased trading on 9 May 2008 when the trade and assets and were transferred via a hive across agreement to Ultra Electronics Limited. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

Amortisation

Amortisation is calculated so as to write-off the cost of an asset, less estimated residual value, over the useful life of that asset as follows:

Goodwill - 5% straightline

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write-off the cost of an asset, less estimated residual value, over the useful economic life of that asset as follows:

Leasehold property - 10% straightline
Plant & machinery - 25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

1. ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance date.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company. All turnover arose within the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	8 months ended 31 Dec 2008	Year ended 30 April 2008
	£	£
Depreciation – owned assets	31	1,624
Amortisation of intangible assets	219	10,000
Impairment of goodwill	164,779	-
Profit on disposal of trade and assets	(1,155,179)	-
Directors' remuneration	408	4,895
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In the current period the auditors' remuneration is borne by fellow group undertakings and no recharge or allocation has been made to the company.

4. DIRECTOR'S EMOLUMENTS

The director's emoluments for the year are as follows:

	8 months ended 31 Dec 2008	Year ended 30 April 2008
	£	£
Director's emoluments (including benefits in kind)	408	4,895
Director pension contributions	-	223,000
	<hr/>	<hr/>
	408	227,895
	<hr/>	<hr/>

The director was the sole employee in both periods.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	8 months ended 31 Dec 2008	Year ended 30 April 2008
	£	£
The tax (credit)/charge comprises:		
UK corporation tax – current tax	(1,216)	22,199
Origination and reversal of timing differences – deferred tax	(37)	(757)
Total tax on profits on ordinary activities	(1,253)	21,442

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:

	8 months ended 31 Dec 2008	Year ended 30 April 2008
	£	£
Profit on ordinary activities before taxation for the financial year	984,361	99,251
Tax at 28% thereon (Year ended 30 April 2008: 20.1%)	275,621	19,933
Effects of:		
Expenses not deductible for tax purposes	46,205	255
Depreciation and loss on sale of assets	9	2,011
Gain on sale of trade and assets not taxable (transfer of a going concern)	(323,450)	-
Utilisation of tax losses and other timing differences	399	-
Total current tax	(1,216)	22,199
Deferred tax		
Excess depreciation over capital allowances	(37)	(757)
Total Deferred tax	(37)	(757)
Total current tax (credit)/charge on ordinary activities	(1,253)	21,442

6. DIVIDENDS

	8 months ended 31 Dec 2008	Year ended 30 April 2008
	£	£
Interim dividend for the period ended 31 December 2008 of £nil (year ended 30 April 2008: £1,225.49p) per Ordinary A share	-	125,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

7. INTANGIBLE FIXED ASSETS - GOODWILL

	Total £
Cost	
At 1 May 2008	199,998
Goodwill impairment	(199,998)
	<hr/>
At 31 December 2008	-
	<hr/>
Amortisation	
At 1 May 2008	35,000
Charge for the period	219
Goodwill impairment	(35,219)
	<hr/>
At 31 December 2008	-
	<hr/>
Net book value	
At 31 December 2008	-
	<hr/>
At 30 April 2008	164,998
	<hr/>

As detailed in Note 13, on 9 May 2008 the trade and assets of the company was purchased and hived across to a fellow group entity, Ultra Electronics Limited.

The net book value of goodwill on this date, being £164,779, was fully written off to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

8. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant & machinery £	Total £
Cost			
At 1 May 2008	8,927	49,852	58,779
Disposals	(8,927)	(49,852)	(58,779)
At 31 December 2008	-	-	-
Depreciation			
At 1 May 2008	3,125	49,004	52,129
Charge for the period	20	11	31
Disposals	(3,145)	(49,015)	(52,160)
At 31 December 2008	-	-	-
Net book value			
At 31 December 2008	-	-	-
At 30 April 2008	5,802	848	6,650

9. DEBTORS

	31 December 2008 £	30 April 2008 £
Trade debtors	-	157,641
Other debtors	-	2,076
Deferred taxation	-	757
Amounts owed by group undertakings	1,542,000	-
	<u>1,542,000</u>	<u>160,474</u>

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

GRAYTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2008

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2008 £	30 April 2008 £
Trade creditors	-	19,396
Corporation tax	-	22,199
Other creditors	-	43,047
	<u>-</u>	<u>84,642</u>

11. CALLED UP SHARE CAPITAL

	31 December 2008 £	30 April 2008 £
Authorised:		
998 ordinary A shares of £1 each (30 April 2008: 998)	998	998
2 ordinary B shares of £1 each (30 April 2008: 2)	2	2
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
100 ordinary A shares of £1 each (30 April 2008: 100)	100	100
2 ordinary B shares of £1 each (30 April 2008: 2)	2	2
	<u>102</u>	<u>102</u>

12. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Share premium account £	Profit and loss account £	31 December 2008 £	30 April 2008 Total £
At 1 May 2008	102	242,091	314,193	556,386	603,577
Retained profit for the year	-	-	985,614	985,614	77,809
Dividends	-	-	-	-	(125,000)
At 31 December 2008	<u>102</u>	<u>242,091</u>	<u>1,299,807</u>	<u>1,542,000</u>	<u>556,386</u>

13. TRANSACTIONS WITH DIRECTORS & RELATED PARTIES

On 8 May 2008, R Gray, a director and the sole shareholder of the company, sold his entire shareholding to Ultra Electronics Holdings Plc on an arms length, open market value basis.

On 9 May 2009 the trade and assets of the business were purchased by Ultra Electronics Limited, a fellow group undertaking, at market value for a consideration of £1,542,000.

Rent of £434 (year ended 30 April 2008: £20,200) was paid to R. Gray in respect of the office building owned personally.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

13. TRANSACTIONS WITH DIRECTORS & RELATED PARTIES (CONTINUED)

With effect from 9 May 2008, the company has taken advantage of the exemption in Financial Reporting Standard Number 8 (Related Party Transactions) not to disclose transactions with other Group companies as the financial statements of the Ultimate Parent Company are available to the public.

14. ULTIMATE PARENT COMPANY

The company's immediate controlling party is Ultra Electronics Holdings Plc. The company does not have an ultimate controlling party (2007: None) Copies of these financial statements are available from 417 Bridport Road, Greenford, Middlesex, UB6 8UA.