

COMPANIES HOUSE COPY

CEMGRAFT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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CEMGRAFT LIMITED

COMPANY INFORMATION

Directors	P Deehan A S Keane
Company secretary	A S Keane
Registered number	03679312
Registered office	Unit 2 Offerton Barns Business Centre Offerton Lane Hindlip Worcester WR3 8SX
Independent auditors	BDO LLP 125 Colmore Row Birmingham B3 3SD

CEMGRAFT LIMITED

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CEMGRAFT LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

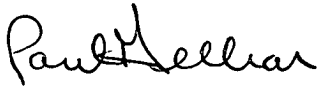
Business review

The result for the year and financial position of the company are shown in the annexed financial statements.

During the year the company relocated its business to other AWS Electronics Group premises with much of the work load being transferred to other AWS Electronics Group companies at that time. On 30 June 2014 the trade and net assets of the company were hived up and the company ceased to trade. All assets and liabilities were transferred at book value.

The company is expected to remain dormant.

This report was approved by the board on 30 March 2015 and signed on its behalf.



.....
P Deehan
Director

CEMGRAFT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

Principal activities

The principal activity of the company for the period under review was that of the manufacture of electronic equipment.

Results and dividends

The loss for the year, after taxation, amounted to £827,246 (2013 - profit £147,187).

A dividend of £4,000,000 (2013: £710,000) was paid during the year. No final dividend is proposed (2013: £Nil).

Directors

The directors who served during the year were:

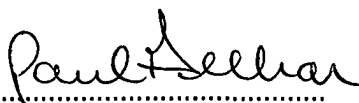
P Deehan
A S Keane

Provision of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is 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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the board on 30 March 2015 and signed on its behalf.



.....
P Deehan
Director

CEMGRAFT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, directors' 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 judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions, to 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 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.

CEMGRAFT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEMGRAFT LIMITED

We have audited the financial statements of Cemgraft Limited for the year ended 30 June 2014 which comprise the profit and loss account, the balance sheet and the related notes. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 30 June 2014 and of its loss 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 opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CEMGRAFT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEMGRAFT LIMITED

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.



Tobias Stephenson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

30 March 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CEMGRAFT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	3,280,656	13,533,124
Cost of sales		(2,949,645)	(11,144,178)
Exceptional cost of sales		(230,659)	-
Total cost of sales		(3,180,304)	(11,144,178)
GROSS PROFIT		100,352	2,388,946
Administrative expenses		(560,379)	(1,673,706)
Exceptional administrative expenses		(468,577)	(188,002)
Total administrative expenses		(1,028,956)	(1,861,708)
OPERATING (LOSS)/PROFIT	3	(928,604)	527,238
EXCEPTIONAL ITEMS			
Fundamental restructuring costs	6	-	(338,919)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(928,604)	188,319
Interest payable and similar charges	5	(18,613)	(44,620)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(947,217)	143,699
Tax on (loss)/profit on ordinary activities	7	119,971	3,488
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	15	(827,246)	147,187

All amounts relate operations discontinued on 30 June 2014.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

CEMGRAFT LIMITED
REGISTERED NUMBER: 03679312

BALANCE SHEET
AS AT 30 JUNE 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	8		-	162,490
CURRENT ASSETS				
Stocks	9	-	1,449,320	
Debtors	10	116,007	5,974,835	
Cash at bank and in hand		-	1,625	
		116,007	7,425,780	
CREDITORS:	11	-	(2,616,009)	
NET CURRENT ASSETS			116,007	4,809,771
TOTAL ASSETS LESS CURRENT LIABILITIES			116,007	4,972,261
CREDITORS: amounts falling due after more than one year	12		-	(29,008)
NET ASSETS			116,007	4,943,253
CAPITAL AND RESERVES				
Called up share capital	14		90	90
Share premium account	15		55,391	55,391
Profit and loss account	15		60,526	4,887,772
SHAREHOLDERS' FUNDS	16		116,007	4,943,253

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 March 2015.



P Deehan
 Director

The notes on pages 8 to 15 form part of these financial statements.

CEMGRAFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Income is recognised on despatch of goods or provision of services.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property improvements-	over term of lease
Plant & machinery	- 15% straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value on a weighted average basis after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

CEMGRAFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Research and development

Research and development costs are expensed to the profit and loss account as incurred.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2014 £	2013 £
United Kingdom	3,098,929	13,462,149
Rest of world	181,727	70,975
	<u>3,280,656</u>	<u>13,533,124</u>

3. OPERATING (LOSS)/PROFIT

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	37,921	48,970
- held under finance leases	21,631	18,054
Auditors' remuneration	4,000	15,500
Operating lease rentals:		
- other operating leases	150,037	150,600
	<u>150,037</u>	<u>150,600</u>

During the year, no director received any emoluments (2013 - £NIL). The directors' remuneration is paid by the company's immediate parent company, AWS Electronics Group Limited and is disclosed in the financial statements of that company. The company is not able to accurately split the directors' remuneration between the companies benefitting from their services.

CEMGRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

4. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	412,174	2,484,172
Social security costs	56,673	172,020
	<u>468,847</u>	<u>2,656,192</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Direct operatives	12	57
Indirect operatives	9	34
	<u>21</u>	<u>91</u>

5. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	16,009	42,119
On finance leases and hire purchase contracts	2,604	2,501
	<u>18,613</u>	<u>44,620</u>

6. EXCEPTIONAL ITEMS

	2014 £	2013 £
Restructuring costs	270,921	-
Stock provision	230,659	-
Bad debts	-	188,002
Fundamental restructuring costs	-	338,919
Onerous lease provision	197,656	-
	<u>699,236</u>	<u>526,921</u>

During the year the business was relocated to other premises within the AWS Electronics Group. The restructuring costs represent the staff redundancy costs and ancillary costs associated with the relocation of the business.

On 30 June 2014 the trade, business and net assets of the company were transferred to a fellow subsidiary.

The exceptional provision for stock and work in progress arose on the transfer of business and consequent lack of future requirement.

CEMGRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

7. TAXATION

	2014 £	2013 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	8,571
Adjustments in respect of prior periods	(119,971)	(394)
Total current tax	<u>(119,971)</u>	<u>8,177</u>
Deferred tax		
Origination and reversal of timing differences	-	(12,174)
Effect of increased tax rate on opening liability	-	509
Total deferred tax (see note 13)	<u>-</u>	<u>(11,665)</u>
Tax on (loss)/profit on ordinary activities	<u>(119,971)</u>	<u>(3,488)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 22.5% (2013 - 23%). The differences are explained below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	<u>(947,217)</u>	<u>143,699</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2013 - 23%)	<u>(213,124)</u>	<u>33,051</u>
Effects of:		
Expenses not deductible for tax purposes	34	227
Depreciation for the year in excess of capital allowances	6,961	1,711
Group relief for which no payment has been made	206,129	(59,600)
Adjustments to tax charge in respect of prior periods	(119,971)	(394)
Other timing differences leading to an increase in taxation	-	34,468
Change in tax rates	-	(1,286)
Current tax (credit)/charge for the year (see note above)	<u>(119,971)</u>	<u>8,177</u>

Factors that may affect future tax charges

CEMGRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

8. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 July 2013	163,568	1,574,798	140,827	1,879,193
Additions	-	3,612	-	3,612
Intra group transfers	-	(314,545)	(40,984)	(355,529)
Disposals	-	(1,263,865)	(99,843)	(1,363,708)
At 30 June 2014	<u>163,568</u>	<u>-</u>	<u>-</u>	<u>163,568</u>
Depreciation				
At 1 July 2013	160,238	1,461,154	95,311	1,716,703
Charge for the year	3,330	48,265	10,327	61,922
Intra group transfers	-	(255,585)	(13,135)	(268,720)
On disposals	-	(1,253,834)	(92,503)	(1,346,337)
At 30 June 2014	<u>163,568</u>	<u>-</u>	<u>-</u>	<u>163,568</u>
Net book value				
At 30 June 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2013	<u>3,330</u>	<u>113,644</u>	<u>45,516</u>	<u>162,490</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
Plant and machinery	<u>-</u>	<u>54,718</u>

9. STOCKS

	2014 £	2013 £
Raw materials	-	573,576
Work in progress	-	875,744
	<u>-</u>	<u>1,449,320</u>

10. DEBTORS

	2014 £	2013 £
Trade debtors	-	1,064,898
Amounts owed by group undertakings	116,007	4,818,458
Prepayments and accrued income	-	67,614
Deferred tax asset (see note 13)	-	23,865
	<u>116,007</u>	<u>5,974,835</u>

CEMGRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

**11. CREDITORS:
Amounts falling due within one year**

	2014	2013
	£	£
Bank loans and overdrafts	-	16,772
Net obligations under finance leases and hire purchase contracts	-	11,148
Trade creditors	-	1,399,375
Corporation tax	-	8,572
Other taxation and social security	-	397,672
Accruals and deferred income	-	782,470
	<u>-</u>	<u>2,616,009</u>

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

**12. CREDITORS:
Amounts falling due after more than one year**

	2014	2013
	£	£
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>29,008</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014	2013
	£	£
Between one and five years	<u>-</u>	<u>29,008</u>

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

13. DEFERRED TAXATION

	2014	2013
	£	£
At beginning of year	23,865	12,200
Transfer to a fellow subsidiary	(23,865)	11,665
	<u>-</u>	<u>23,865</u>

The deferred taxation balance is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	-	13,400
Tax losses carried forward	-	10,465
	<u>-</u>	<u>23,865</u>

CEMGRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

14. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
90 Ordinary Shares shares of £1 each	<u>90</u>	<u>90</u>

15. RESERVES

	Share premium account £	Profit and loss account £
At 1 July 2013	55,391	4,887,772
Loss for the financial year		(827,246)
Dividends: Equity capital		(4,000,000)
At 30 June 2014	<u>55,391</u>	<u>60,526</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	4,943,253	5,506,066
(Loss)/profit for the financial year	(827,246)	147,187
Dividends (Note 17)	(4,000,000)	(710,000)
Closing shareholders' funds	<u>116,007</u>	<u>4,943,253</u>

17. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>4,000,000</u>	<u>710,000</u>

18. CONTINGENT LIABILITIES

The company has guaranteed bank borrowings of other group companies within the DEKE Holdings Limited group at 30 June 2014 secured by a debenture over the assets of the company. Potential liabilities under the arrangement as at 30 June 2014 amounted to £5,254,547 (2013 - £5,519,237).

CEMGRAFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

19. OPERATING LEASE COMMITMENTS

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Between 1 and 2 years	120,000	-
Between 2 and 5 years	-	120,000
	<hr/>	<hr/>

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions not to disclose transactions with companies within the group headed by DEKE Holdings Limited on the grounds that publicly available consolidated financial statements are prepared by the parent company.

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 30 June 2014 the company's immediate parent undertaking was AWS Electronics Group Limited, a company registered in England and Wales. The company's ultimate parent undertaking was DEKE Holdings Limited, a company registered in England and Wales. Consolidated financial statements have been prepared for AWS Electronics Group Limited and DEKE Holdings Limited and copies of their financial statements can be obtained from the registered office, Unit 2, Offerton Barns Business Centre, Offerton Farm, Offerton Lane, Hindlip, Worcestershire, WR3 8SX.

The company's ultimate controlling party was Mr P Deehan, a director.