

Registered number
04588863

Martek Power Limited
Report and Financial Statements
31 December 2015



Martek Power Limited
Report and accounts
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Martek Power Limited
Company Information

Directors

M Carter (appointed 4 August 2015)

A J Upton

E Strappazzon (resigned 4 August 2015)

Secretary

Abogado Nominees limited

Auditors

Mazars LLP

The Pinnacle

160 Midsummer Boulevard

Milton Keynes

MK9 1FF

Bankers

Deutsche Bank AG

London Branch

8 Bishopsgate

London

EC2N 4DA

Registered office

Glebe Farm Technical Campus

Knapwell

Cambridge

Cambridgeshire

CB23 4GG

Registered number

04588863

Martek Power Limited**Registered number:** 04588863**Directors' Report**

The directors present their report and financial statements for the year ended 31 December 2015.

Principal activities

The Company's principal activity during the year continued to be the manufacture of electronic components.

Directors

The following persons served as directors during the year:

M Carter (appointed 4 August 2015)

A J Upton

E Strappazzon (resigned 4 August 2015)

Political and charitable donations

The Company made no political or charitable donations in the year (2014: £nil).

Directors' responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 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;
- 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.

Statement for small companies

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by section 414(A) of the Companies Act 2006.

The Company has also taken the exemption contained in section 414(B) of the Companies Act 2006 and has not prepared a strategic report.

Martek Power Limited

Registered number:

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Directors' Report

Auditors

Mazars LLP have signified their willingness to continue in office and a resolution to reappoint them as auditors to the Company will be proposed at the forthcoming annual general meeting.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

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

This report was approved by the board on 24 March 2016 and signed on its behalf.



M Carter
Director

Martek Power Limited
Independent auditor's report
to the members of Martek Power Limited

We have audited the financial statements of Martek Power Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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. 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.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the accounts:

- 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year 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.



Stephen Brown
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
24 March 2016

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Martek Power Limited
Income Statement
for the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover	5	3,016,897	3,325,861
Cost of sales		(1,914,247)	(2,128,903)
Gross profit		<u>1,102,650</u>	<u>1,196,958</u>
Distribution costs		(44,313)	(133,166)
Administrative expenses		(569,288)	(537,663)
Operating profit	6	<u>489,049</u>	<u>526,129</u>
Gain on sale of fixed assets		83	-
Interest receivable		3,878	-
Profit on ordinary activities before taxation		<u>493,010</u>	<u>526,129</u>
Tax on profit on ordinary activities	9	(1,471)	4,455
Profit for the financial year and total comprehensive income for the year		<u>491,539</u>	<u>530,584</u>

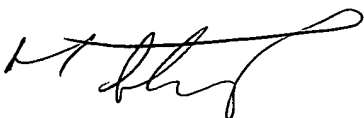
The notes on page 8 to 16 form an integral part of these financial statements

Martek Power Limited
Statement of Financial Position
as at 31 December 2015

Company number: 04588863

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	10	227,564	77,025
Current assets			
Inventories	11	382,486	337,490
Debtors	12	2,086,614	551,464
Cash at bank and in hand		-	1,190,282
		<u>2,469,100</u>	<u>2,079,236</u>
Creditors: amounts falling due within one year	13	(311,424)	(264,031)
Net current assets		<u>2,157,676</u>	<u>1,815,205</u>
Total assets less current liabilities		<u>2,385,240</u>	<u>1,892,230</u>
Provisions for liabilities			
Deferred taxation	15	(1,921)	(450)
Net assets		<u>2,383,319</u>	<u>1,891,780</u>
Capital and reserves			
Called up share capital	16	148,000	148,000
Profit and loss account		2,235,319	1,743,780
Total equity		<u>2,383,319</u>	<u>1,891,780</u>

The notes on page 8 to 16 form an integral part of these financial statements



M Carter
Director

Approved by the board and authorised for release on 24 March 2016

Martek Power Limited
Statement of Changes in Equity
for the year ended 31 December 2015

	Share capital £	Profit and loss account £	Total £
At 1 January 2014	148,000	1,213,196	1,361,196
Total comprehensive income	-	530,584	530,584
At 31 December 2014	<u>148,000</u>	<u>1,743,780</u>	<u>1,891,780</u>
At 1 January 2015	148,000	1,743,780	1,891,780
Total comprehensive income	-	491,539	491,539
At 31 December 2015	<u>148,000</u>	<u>2,235,319</u>	<u>2,383,319</u>

Reserves

Profit and loss account

The profit and loss account reserve represents cumulative profits and losses of the company.

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

1 General information

Martek Power systems Limited ("the Company") manufactures electronic components. The Company has a manufacturing plant based in Cambridgeshire.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office is Glebe Farm Technical Campus, Knapwell, Cambridge, Cambridgeshire, CB23 4GG.

2 Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) and the Companies Act 2006.

3 Summary of significant accounting policies

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all of the years presented.

The Company has adopted FRS 102 in these financial statements. There were no material accounting adjustments required in translating from the UK GAAP previously applied.

The financial statements are prepared on a going concern basis.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in note 4.

The financial statements for the year ended 31 December 2015 are the company's first financial statements that comply with FRS102; the date of transition to FRS 102 is 1 January 2014.

The Company, being a wholly owned subsidiary, has taken advantage of the exemption for publishing a statement of cash flows set out in FRS 102 paragraph 1.12b.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Sales are normally made with a credit period of up to 45 days. The element of financing is deemed immaterial and is disregarded in the measurement of turnover.

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer equipment	25% straight line
Tooling	20% straight line
Office equipment	15% straight line
Plant and machinery	15% straight line
Leasehold improvements	10% straight line

Computer equipment, tooling and office equipment are included under plant and machinery in the analysis of fixed assets in Note 10.

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. the effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method and includes taxes, duties, transport and handling costs directly attributable in bringing the inventory to its present location and condition.

The value attributed to work-in-progress includes direct materials, direct labour and related production overheads.

At the end of each accounting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its estimated selling price less costs to complete and sell. Impairment costs are recognised in profit and loss. The reversal of an impairment, up to the original impairment loss, is credited to profit and loss.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks and deposits held within the group cash pooling arrangements.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

The Company's functional and presentational currency is pounds sterling.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair-value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset (or the assets cash generating unit) is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair-value less costs to sell and value-in-use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable from the continued use of the asset.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The company has only basic financial assets comprising trade and other receivables and cash and bank balances. These are carried at amortised cost.

The Company has only basic financial liabilities comprising trade and other payables and overdrafts, when drawn. These are carried at amortised cost.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Warranties

Warranty costs are expensed to the profit and loss account as they are incurred.

4 Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates and judgements made in applying the Company's accounting policies are:

- Inventories, amounts expected to be realised are based upon estimates of future demand.
- Trade and other receivables, amounts expected to be realised are based upon estimates made in respect of the credit worthiness of customers. The credit worthiness of customers is regularly assessed.
- Tangible fixed assets, the expected useful lives and realisable values are based upon judgement as to the continued demand for the output of these assets taking into account technological obsolescence.

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

5 Analysis of turnover	2015	2014
	£	£
Sale of goods	<u>3,016,897</u>	<u>3,325,861</u>
The business has only carried out one activity during the course of the year, the manufacture of electronic components.		
By geographical market:		
UK	1,392,153	815,591
Europe	880,711	1,336,705
North America	473,666	479,154
Rest of world	<u>270,367</u>	<u>694,411</u>
	<u>3,016,897</u>	<u>3,325,861</u>
6 Operating profit	2015	2014
	£	£
This is stated after charging:		
Foreign exchange (gain)/loss	14,416	23,294
Depreciation of owned fixed assets	42,456	39,976
Operating lease rentals - plant and machinery	9,656	1,066
Operating lease rentals - land and buildings	58,665	60,500
Auditors' remuneration for audit services	6,500	6,500
Key management personnel compensation (including directors' emoluments)	210,698	156,605
Carrying amount of inventories sold	<u>1,019,628</u>	<u>1,229,328</u>
7 Directors' emoluments	2015	2014
	£	£
Emoluments	<u>25,901</u>	<u>-</u>
Highest paid director:		
Emoluments	17,962	-
Company contributions to defined contribution pension plans	<u>7,939</u>	<u>-</u>
	<u>25,901</u>	<u>-</u>
Number of directors to whom retirement benefits accrued:	2015	2014
	Number	Number
Defined contribution plans	<u>1</u>	<u>-</u>

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

8 Staff costs	2015	2014
	£	£
Wages and salaries	602,084	774,063
Social security costs	56,424	73,297
Other pension costs	75,429	83,143
	<u>733,937</u>	<u>930,503</u>

Average number of employees during the year	Number	Number
Administration	1	1
Development	7	7
Distribution	3	3
Manufacturing	9	12
Quality Control	2	3
Sales	2	2
	<u>24</u>	<u>28</u>

9 Taxation	2015	2014
	£	£
Analysis of charge in period		
Deferred tax:		
Accelerated capital allowances	1,492	(4,455)
Effect of increased tax rate on opening liability	(21)	-
	<u>1,471</u>	<u>(4,455)</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax. The differences are explained as follows:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>493,010</u>	<u>526,129</u>
Standard rate of corporation tax in the UK	20%	21%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	98,602	110,487
Effects of:		
Expenses not deductible for tax purposes	169	214
Depreciation for period in excess of capital allowance	1,471	(4,455)
Utilisation of tax losses	(98,771)	(110,701)
	<u>1,471</u>	<u>(4,455)</u>
Current tax charge for period		

No charge arises to corporation tax for the year ended 31 December 2015 or the year ended 31 December 2014 as the result of the availability of group losses.

Factors that may affect future tax charges

The future tax charge will be affected by the continuing availability of tax losses in the group.

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

10 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Total
	<i>At cost</i>	<i>At cost</i>	
	£	£	£
Cost or valuation			
At 1 January 2015	81,738	292,678	374,416
Additions	-	192,995	192,995
Disposals	-	(30,153)	(30,153)
At 31 December 2015	<u>81,738</u>	<u>455,520</u>	<u>537,258</u>
Depreciation			
At 1 January 2015	75,587	221,804	297,391
Charge for the year	6,151	36,305	42,456
On disposals	-	(30,153)	(30,153)
At 31 December 2015	<u>81,738</u>	<u>227,956</u>	<u>309,694</u>
Carrying amount			
At 31 December 2015	<u>-</u>	<u>227,564</u>	<u>227,564</u>
At 31 December 2014	<u>6,151</u>	<u>70,874</u>	<u>77,025</u>

11 Inventories

	2015	2014
	£	£
Raw materials and consumables	243,593	146,694
Work in progress	168,958	213,827
Stock provision	<u>(30,065)</u>	<u>(23,031)</u>
	<u>382,486</u>	<u>337,490</u>

There is no significant difference between the replacement cost of raw materials and consumables, work in progress and their carrying amounts. Inventories are stated after provisions for impairment of £30,065 (2014: £23,031).

12 Debtors : amounts falling due within one year

	2015	2014
	£	£
Trade debtors	431,131	328,045
Amounts owed by group undertakings	1,611,326	95,051
Other debtors	271	28,050
Corporation tax repayable	-	61,500
Prepayments and accrued income	<u>43,886</u>	<u>38,818</u>
	<u>2,086,614</u>	<u>551,464</u>

Trade debtors and amounts owed by group undertakings are payable on demand, interest free and carried at amortised cost.

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

13 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	130,960	71,575
Amounts owed to group undertakings	122,331	61,277
Other creditors	17,488	-
Accruals and deferred income	34,688	131,179
	<u>305,467</u>	<u>264,031</u>

All amounts shown are unsecured, interest free and are repayable on demand. They are carried at amortised cost.

Social security costs are borne by another group company. No separate charge is made to the Company, these costs being absorbed within a general expenses recharge from other group companies.

14 Loans & Borrowings : amounts falling due within one year	2015	2014
	£	£
Overdraft	5,958	-
	<u>5,958</u>	<u>-</u>

The overdraft is repayable on demand

The amounts owed by group undertakings include £1,581,034 of cash included in the group cash netting system.

15 Deferred taxation	2015	2014
	£	£
Accelerated capital allowances	<u>1,921</u>	<u>450</u>
	2015	2014
	£	£
At 1 January	450	4,905
Charged/(credited) to the profit and loss account	1,471	(4,455)
At 31 December	<u>1,921</u>	<u>450</u>

The Company has no unused tax losses at 31 December 2015. (2014 : £nil). The profits chargeable to tax for the year ended 31 December 2015 are offset by group tax relief. The deferred tax liability is expected to reverse in 2016. This primarily relates to accelerated capital allowances.

16 Share capital	Nominal value	2015 Number	2015	2014
			£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	148,000	<u>148,000</u>	<u>148,000</u>

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

17 Capital commitments	2015	2014
	£	£
Amounts contracted for but not provided in the accounts	<u>20,600</u>	<u>-</u>

Martek Power Limited
Notes to the Accounts
for the year ended 31 December 2015

18 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2015 £	Land and buildings 2014 £	Other 2015 £	Other 2014 £
Falling due:				
within one year	60,500	45,375	1,219	1,219
within two to five years	218,960	-	914	2,133
in over five years	-	-	-	-
	<u>279,460</u>	<u>45,375</u>	<u>2,133</u>	<u>3,352</u>

19 Pension Commitments and other post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £75,429 (2014: £83,143). Contributions totalling £nil (2014: £nil) were payable to the fund at the year end.

20 Contingent liabilities

The Company has no contingent liabilities.

21 Related party transactions

The Company has taken advantage of the exemptions in FRS102 from disclosing transactions with related parties forming part of the Eaton Corporation group of companies as it qualifies as a wholly owned subsidiary.

22 Controlling party

As at 31 December 2015 the Company was controlled by Martek Power S.A., a company incorporated in Luxembourg. Martek Power S.A. owns 100% of the Company.

23 Ultimate controlling party

Eaton Corporation PLC, a company incorporated in Ireland, is the ultimate parent undertaking and controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by Eaton Corporation PLC.

Copies of the financial statements of Eaton Corporation PLC may be obtained from this company at 70 Sir John Robertson's Quay, Dublin 2, Ireland.

24 First time adoption of FRS102

There have been no changes to either opening equity at 1 January 2014 or the results as previously reported for the year ended 31 December 2014.