

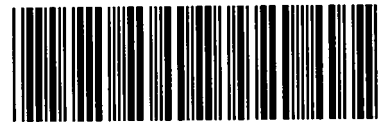
Company Registration No. 06599432

RF2M LIMITED

Annual report and financial statements

30 November 2013

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RF2M LIMITED
Report and Financial Statements
30 November 2013

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RF2M LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

B W Lazar
M T Richards
C W Bradley
R J Farrington

SECRETARY

C W Bradley

AUDITORS

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

BANKERS

Royal Bank of Scotland
1 Broadland Business Park
Peachman Way
Norwich
NR7 0WF

REGISTERED OFFICE

Fenner Road
South Denes
Great Yarmouth
Norfolk
NR30 3PX

RF2M LIMITED

Strategic Report

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company is a holding company whose subsidiaries are engaged in the design, manufacture and sale of electronic microcircuits. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

There was a loss after tax for the year of £458k. (15 month period ended 30 November 2012: loss £569k)

The balance sheet on page 7 of the financial statements shows the company's net liabilities at the end of the year/period were £(1,016)k. (2012 net liabilities: £(558)k)

GOING CONCERN

RF2M Limited is a holding company and as such reliant on the trading performance of its subsidiaries. In determining that the company's financial statements should be prepared on a going concern basis, the directors considered all the factors likely to affect the future development, performance and financial position of its subsidiaries, including funding and the risks and uncertainties applicable to its business activities.

Having regard to the above and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

On behalf of the Board



C W Bradley
Director
27 August 2014

RF2M LIMITED

Co Registration No: 06599432

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 30 November 2013.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit & loss account on page 6.

The directors do not propose a dividend in the current period.

DIRECTORS

The directors who have served during the year ended 30 November 2013 and to the date of this report are:

K Oddey (resigned 7 January 2013)

B W Lazar

C W Bradley

M T Richards (appointed on 7 January 2013)

R J Farrington (appointed on 14 February 2014)

DISCLOSURE OF INFORMATION TO THE AUDITORS

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

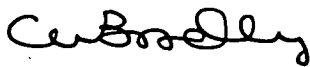
- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the 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.

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



C W Bradley

Director

27 August 2014

RF2M 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 adequate accounting records that are sufficient to show and explain the companies 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 RF2M LIMITED

We have audited the financial statements of RF2M Limited for the year ended 30 November 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 director and auditor

As explained more fully in the statement of the Director's Responsibilities, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect, or materially inconsistent with, the knowledge acquired by us in the course of performing our 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 30 November 2013 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 Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Ernst & Young LLP

Jane Barwell (senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol, United Kingdom

27 August 2014.

RF2M LIMITED
Profit and Loss Account
30 November 2013

		Year ended 30 Nov 2013 £'000	27 Aug 2011 to 30 Nov 2012 £'000
Administrative expenses		627	500
OPERATING LOSS	3	(627)	(500)
Interest receivable and similar income	4	78	-
Interest payable and similar charges	5	(86)	(69)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(635)	(569)
Tax credit on loss on ordinary activities	6	177	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	12,13	(458)	(569)

All amounts derive from continuing operations.

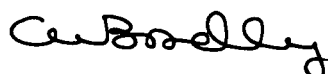
There are no recognised gains or losses for the current year and prior period other than as stated above, accordingly, no statement of recognised gains or losses is presented.

RF2M LIMITED
Balance Sheet
30 November 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible Assets	8	100	134
Investments	7	2,746	2,746
		<hr/>	<hr/>
Current Assets		2,846	2,880
Debtors	9	2,075	1,123
Cash at bank and in hand		7	251
		<hr/>	<hr/>
		2,082	1,374
Creditors: Amounts falling due within one year	10	(5,944)	(4,812)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(3,862)	(3,438)
		<hr/>	<hr/>
NET LIABILITIES		(1,016)	(558)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Share premium account	12	10	10
Profit and loss account	12	(1,027)	(569)
		<hr/>	<hr/>
SHAREHOLDERS' DEFICIT	13	(1,016)	(558)
		<hr/>	<hr/>

The financial statements of RF2M Limited, registered number 06599432, were approved by the Director and authorised for issue on 27 August 2014.

On behalf of the Board



C W Bradley
Director

RF2M LIMITED

Notes to the Accounts 30 November 2013

1. Accounting Policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted have been applied consistently throughout the current and preceding years and are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

RF2M Limited is a holding company and as such reliant on the trading performance of its subsidiaries. In determining that the company's financial statements should be prepared on a going concern basis, the directors considered all the factors likely to affect the future development, performance and financial position of its subsidiaries, including funding and the risks and uncertainties applicable to its business activities.

Having regard to the above and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value by equal annual instalments over their expected useful lives. The periods generally applicable are

Computer licences – 5 years

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Consolidation

In accordance with Companies Act 2006 section 401 group accounts are not prepared because the company is a wholly-owned subsidiary of a company incorporated in Delaware, in the United States which prepares group accounts in accordance with the European Union 7th directive. Consequently, the company's financial statements present information about it as an individual undertaking and not about its group.

Cash Flow Statement

The directors have taken advantage of the exemption in FRS 1 (revised 1996) from including a statement of cash flows in the financial statements on the grounds that the company is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group, and group financial statements in which the company is included are publicly available.

Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The translation differences are dealt with in the profit and loss account.

Taxation

Current 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.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessment in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, 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

RF2M LIMITED

Notes to the Accounts 30 November 2013

1. Accounting Policies (continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees in the current or previous periods and, accordingly, no staff costs were incurred. The directors of the company received no remuneration in relation to their services to the company from this entity in the current or previous periods.

3. OPERATING LOSS

This is stated after charging:

	2013	15 months ended 2012
	£'000	£'000
Depreciation	34	34
Auditor's remuneration – fees payable to the company's auditor for the audit of the company's annual accounts	8	8

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	15 months ended 2012
	£'000	£'000
Interest receivable from group undertakings	78	-

RF2M LIMITED

Notes to the Accounts 30 November 2013

5. INTEREST PAYABLE AND SIMILAR INCOME

	2013	15 months ended 2012
	£'000	£'000
Interest payable to group undertakings	86	69

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2013	15 months ended 2012
	£'000	£'000
Current tax		
UK corporation tax on the loss for period	(145)	-
Adjustments in respect of previous periods	(31)	-
	<u>(176)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(2)	-
Adjustment in respect of previous periods	1	-
	<u>(177)</u>	<u>-</u>
Tax on loss on ordinary activities	<u>(177)</u>	<u>-</u>

Factors affecting the current tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 23.33% (2012 – 24.55%).

The differences are explained below

Loss on ordinary activities before tax	<u>(635)</u>	<u>(569)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.33% (2012 – 24.93%)	(148)	(142)
Effects of:		
Capital allowances for period in excess of depreciation	2	8
Adjustments to tax charge in respect of previous periods	(31)	-
Expenses not deductible for tax purposes	-	86
Tax losses not utilised		48
Current tax for the year/period	<u>(177)</u>	<u>-</u>

RF2M LIMITED

Notes to the Accounts 30 November 2013

6. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Deferred tax

The movement in the deferred tax account during the period was as follows

	£'000
Deferred tax charge in the P&L for the period	(2)
Adjustment in respect of prior years	1
At 30 November 2013	<u>(1)</u>

Factors that may affect future tax charges

Change in tax rates

In Finance Act 2012 the rate of corporation tax was reduced to 23% from 1 April 2013. Further rate changes in the main rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015 were enacted in Finance Act 2013 (July 2013) and deferred tax has been provided at the 20% future rate substantively enacted at the Balance Sheet date.

7. INVESTMENTS

	Shares in subsidiaries £'000
Cost	
At 30 November 2012 and 2013	2,746
Net Book Value- At 30 November 2012 and 2013	<u>2,746</u>

Subsidiaries	Country of incorporation	Class of capital	Proportion of shares and voting rights
RF2M Microelectronics Limited	United Kingdom	Ordinary shares of £1 each	100%
RF2M Microwave Limited	United Kingdom	Ordinary shares of £1 each	100%

RF2M LIMITED

Notes to the Accounts 30 November 2013

8. TANGIBLE FIXED ASSETS

	Computer Licences £'000
COST	
At 30 November 2012 and 30 November 2013	168
DEPRECIATION	
At 30 November 2012	34
Charge for the year	34
At 30 November 2013	68
NET BOOK VALUE	
At 30 November 2013	100
At 30 November 2012	134

9. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Amounts owed by group undertakings	2,074	1,123
Deferred tax asset	1	-
	<u>2,075</u>	<u>1,123</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Accruals	43	80
Amounts owed to parent undertakings	2,900	531
Amounts owed to Lockman Electronic Holdings Limited	-	1,200
Preference shares held by parent undertaking	3,001	3,001
	<u>5,944</u>	<u>4,812</u>

Amounts owed to Lockman Electronic Holdings Limited are secured against a debenture, attracts interest at a rate of 5% above LIBOR and has a repayment date of 16 December 2016. This loan was repaid in February 2013.

The company issued 3,000,000 £1 redeemable preference shares on 6 January 2002, in addition to the 1,000 £1 preference shares already in issue at that date. These shares are redeemable upon the sale, listing or winding up of the company and therefore have been recognised as a liability in line with Financial Reporting Standard 25 Financial Instruments.

RF2M LIMITED

Notes to the Accounts 30 November 2013

11. CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
Called up allotted and fully paid		
10,315,790 ordinary shares of £0.0001 each	1	1
	<u>1</u>	<u>1</u>

12. RESERVES

	Profit and Loss £'000	Share premium account £'000
At 30 November 2012	(569)	10
Loss for the year	(458)	-
At 30 November 2013	<u>(1,027)</u>	<u>10</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2013 £'000	2012 £'000
Loss for the financial year	(458)	(569)
Opening shareholders' (deficit)/funds	(558)	11
Closing shareholders' deficit	<u>(1,016)</u>	<u>(558)</u>

14. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is considered to be API Technologies (UK) Ltd., by virtue of its ownership of the entire share capital of the company.

The ultimate parent company and controlling party is API Technologies Corp., which is incorporated in Delaware, in the United States of America. This is the largest and smallest group into which the results of API Technologies (UK) Limited (formerly De Facto 1941 Limited) are consolidated. The address from which financial statements of the ultimate parent company can be obtained is API Technologies Corp., 4705 S Apopka Vineland Road, Suite 210, Orlando, FL32819, USA.

15. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No.8 'Related Party Disclosure', transactions with other group undertakings within, and investee related parties of, the API Technologies Corp.. Group have not been disclosed in these financial statements.