

Company Registration No. 06930377

TELENT INVESTMENTS LIMITED

Annual report and financial statements

Year ended 31 March 2013

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TELENT INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

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TELENT INVESTMENTS LIMITED

DIRECTORS' REPORT

The Directors' present their annual report and the audited financial statements for **telent Investments Limited** ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2013

Principal activity

The Company is an investment holding company and will remain so for the foreseeable future continuing to manage the Group's pension liability (for both pensioners and deferred members), the investments which back this liability and to ensure the Group's remaining assets are realised and their liabilities settled

The Company is a wholly owned subsidiary of Co-Investment Acquisition No 7 LP Inc, a Guernsey incorporated limited partnership. The Directors regard Tusk Investments LP Inc a Guernsey incorporated limited partnership, as the ultimate parent and controlling party

Business review

The trading results for the period and the financial position of the Group at the end of the year are shown in the attached financial statements and are discussed further in the financial review below. The Directors do not recommend the payment of a dividend (2012: €nil)

During the prior year, the Group provided a range of services in the technology and infrastructure sectors through its principal investment **telent GmbH**, including systems and transmission technology, cable and wireless network infrastructure management, and the provision of project management, installation and integration services to enterprise network customers, particularly in the transportation, utility and emergency services sectors. These activities ceased when the trade and certain assets of **telent GmbH** were sold to Euromicron AG on 8 June 2011

Directors

The Directors who held office during the year are as follows

K Gozzett
R D Taylor

Financial view

The Group made an operating profit, before negative goodwill amortisation and exceptional costs, of €496,000 (2012: loss of €616,000)

The Group has a secure financial position, with significant cash and liquid investment balances which will enable the Group to meet both its short and longer-term commitments and obligations as the net liabilities reported of €93,000 includes negative goodwill of €16,712,000 which is being amortised (see note 10)

TELENT INVESTMENTS LIMITED

DIRECTORS' REPORT (Continued)

Key performance indicators

In assessing the performance of the Group, the Directors considered the following financial key performance indicators

	2013 €'000	2012 €'000
Continuing operations operating profit/(loss) ¹	496	1,041
Net assets excluding pension liability and negative goodwill	113,820	117,779
Pension liability	(97,201)	(87,124)
Cash	18,906	27,963

Principal risks and uncertainties

Operational risks

The Group is exposed to operational risk in respect of the timely and accurate payments to its pensioners. The Group has outsourced the pension payroll function and these arrangements are subject to agreements with formal service levels, operate within agreed authority limits and are subject to regular review by senior management.

Financial risk management

Liquidity risks

The Group holds a significant amount of cash and investments which has resulted in exposure to developments on financial markets, at this time of high volatility, particularly within the Eurozone. The Group has continued to follow a low risk investment strategy for these funds and to plan a future investment strategy which will ensure that all the Group's liabilities can be met from the funds available.

The German group is exposed to an ongoing tax audit, but has been indemnified by **telent** Limited (a former owner of the Group) from all tax liabilities that relate to January 2010 and prior, except those accrued in Tusk GmbH's financial statements at the date of acquisition (formerly **telent** GmbH).

Credit risk

The primary credit risk of the Group relates to exposure to liquid funds and investments which back the pension liabilities. This exposure is managed by ensuring that all deposits and investments are suitably diversified and made with creditworthy and authorised counter-parties who have appropriate credit ratings assigned by international rating agencies.

Other financial risks

The Group is not exposed to significant levels of interest rate risk, foreign exchange risk or price risk.

Payment of creditors

All creditors are paid as they fall due, however as **telent** Investments Limited is a holding company and has no revenue and no trade creditors it is not possible to provide statistics as required by the Companies Act 2006.

¹ Operating profit is stated before charging operating exceptional items and negative goodwill amortisation, which are described in notes 4 and 10 to the financial statements respectively.

TELENT INVESTMENTS LIMITED

DIRECTORS' REPORT (Continued)

Going concern

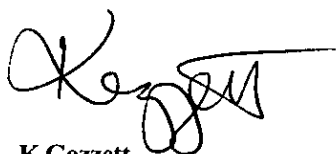
The Company continues to be an investment holding company. In assessing the appropriateness of the use of the going concern basis, the Directors have taken into account the projected performance of the Group for the period ending 31 December 2014. The Directors believe that the substantial assets retained by the Group (mainly in cash and available for sale investments) will be sufficient to meet the liabilities retained. The Directors therefore conclude that they have a reasonable expectation that the Group will continue in operational existence for the foreseeable future, being a period in excess of 12 months from the date of signing the financial statements, and have used the going concern basis to prepare the financial statements.

Auditor

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a director to make himself or herself 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.

Deloitte LLP are deemed to be re-appointed as auditors under s487(2) of the Companies Act 2006.

On behalf of the Board



K Gozzett

Director

15 November 2013

Registered office

14 Cornhill

London

EC3V 3ND

TELENT INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 period. 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELENT INVESTMENTS LIMITED

We have audited the financial statements of **telent Investments Limited** for the year ended 31 March 2013 which comprise the Consolidated profit and loss account, the Consolidated statement of total recognised gains and losses, the Consolidated and Company balance sheets, the Consolidated cash flow statement, and the related notes 1 to 27. 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 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 Directors' Responsibilities Statement, 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 Practising 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 group's and the parent company's affairs as at 31 March 2013 and of the group's 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.

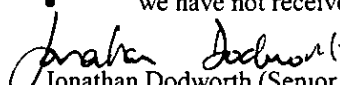
Opinion on other matters prescribed by the Companies Act 2006

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.


Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, UK
Date 15 November 2013

TELENT INVESTMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 March

	Note	2013 €'000	2012 €'000
Turnover	2	-	9,700
Continuing operations		-	-
Discontinued operations		-	9,700
Cost of sales		-	(4,183)
Gross profit		-	5,517
Other operating income/(expense)		496	(6,133)
Operating profit/(loss) before exceptional items and negative goodwill amortisation		496	(616)
Amortisation of negative goodwill	10	542	746
Profit on sale of an operation	4	-	15,405
Operating profit, being profit on ordinary activities before finance charges		1,038	15,535
Continuing operations		1,038	1,787
Discontinued operations		-	13,748
Finance charges (net)	5	(1,090)	(8,006)
(Loss)/profit on ordinary activities before taxation	3	(52)	7,529
Tax on profit on ordinary activities	8	(755)	(320)
(Loss)/profit on ordinary activities after taxation	18	(807)	7,209
Continuing operations		(807)	(6,387)
Discontinued operations		-	13,596

TELENT INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 March 2013

	Note	2013 €'000	2012 €'000
(Loss)/profit for the financial year /period		(807)	7,209
Actuarial loss on defined benefit pension liabilities	23	(12,091)	(8,307)
Net unrealised (losses)/gains on available for sale investments		(596)	7,721
Realised losses on available for sale investments transferred to profit for the year		-	(5,445)
Total recognised gains and losses relating to the period		(13,494)	1,178

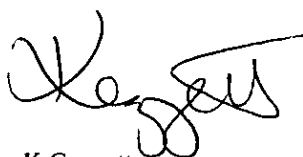
TELENT INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET At 31 March

	Note	2013 €'000	2012 €'000
Fixed assets			
Intangible asset negative goodwill	10	(16,712)	(17,254)
Tangible assets	11	17	20
Current assets			
Debtors			
– due within one year	14	24,499	12,519
– due after one year	14	-	23,000
Available for sale investments	12	74,362	62,578
Cash at bank and in hand		18,906	27,963
		<u>117,767</u>	<u>126,060</u>
Creditors: Amounts falling due within one year	15	<u>(3,549)</u>	<u>(7,537)</u>
Net current assets		<u>114,218</u>	<u>118,523</u>
Total assets less current liabilities		97,523	101,289
Creditors: Amounts falling due after more than one year	16	<u>(415)</u>	<u>(764)</u>
Net assets excluding pension liability		<u>97,108</u>	<u>100,525</u>
Pension liability	23	<u>(97,201)</u>	<u>(87,124)</u>
Net (liabilities)/assets		<u>(93)</u>	<u>13,401</u>
Called-up share capital	17	-	-
Profit and loss account	18	<u>(93)</u>	<u>13,401</u>
Shareholder's (deficit)/funds	19	<u>(93)</u>	<u>13,401</u>

The financial statements of **telent** Investments Limited (registered number 06930377) were approved by the Board of Directors and authorised for issue on 15 November 2013

Signed on behalf of the Board of Directors by



K Gozzett

Director

TELENT INVESTMENTS LIMITED

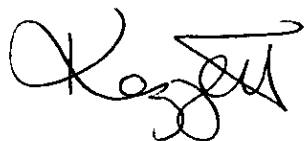
COMPANY BALANCE SHEET

At 31 March

	Note	2013 €'000	2012 €'000
Fixed assets			
Investments	13	5,000	5,000
Current liabilities			
Creditors Amounts falling due within one year	15	(355)	(2,814)
Net current liabilities		(355)	(2,814)
Net assets		4,645	2,186
Capital and reserves			
Called-up share capital	17	-	-
Profit and loss account	18	4,645	2,186
Shareholder's funds/(deficit)		4,645	2,186

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Signed on behalf of the Board of Directors by



K Gozzett

Director

TELENT INVESTMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March

	Note	2013 €'000	2012 €'000
Net cash (outflow)/inflow from operating activities	20	<u>1,180</u>	<u>(4,379)</u>
Returns on investments and servicing of finance	21	(9,712)	11,959
Taxation	21	(521)	(106)
Capital expenditure and financial investment	21	(4)	(211)
Acquisitions and disposals	21	<u>-</u>	<u>(10,466)</u>
Cash outflow before financing		<u>(9,057)</u>	<u>(3,203)</u>
Financing		<u>-</u>	<u>-</u>
Decrease in cash in the period		<u>(9,057)</u>	<u>(3,203)</u>
 Cash in hand, at bank at the start of the period		 <u>27,963</u>	 <u>31,166</u>
 Cash in hand, at bank at the end of the period		 <u>18,906</u>	 <u>27,963</u>

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

1. Accounting policies

The principal accounting policies are summarised below which have been applied consistently throughout the period

Basis of accounting

The financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments which are held at fair value as permitted by the Companies Act 2006 and in accordance with the applicable accounting standards as set out below

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Going concern

The Company continues to act as an investment holding company and the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the Directors' report. The Directors' report also describes the financial position of the Group, its cash flows, liquidity position and borrowing facilities, the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, and its exposure to credit risk and liquidity risk.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period in excess of 12 months from the date of signing the financial statements. Thus they have adopted the going concern basis of accounting in preparing the annual financial statements.

Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through use, depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life.

Plant and machinery is depreciated over periods ranging from 4 to 7 years.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

1. Accounting policies (continued)

Financial assets

Financial assets are classified as 'available for sale financial assets' and 'loans and receivables'. Classification depends on the nature and purpose of the financial assets.

Available for sale financial assets

All available for sale investments have all been classified as such by the investment manager and are stated at their fair value in accordance with FRS 26. Gains and losses arising from changes in fair value are recognised directly in equity with the exception of impairments losses, interest received and paid and foreign exchange gains and losses, which are recognised directly in the profit and loss account. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in equity is included in the profit and loss account for the year.

Impairment of financial assets

Financial assets are assessed for indications of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impaired.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of debtors, where the carrying amount is reduced through the use of a bad and doubtful debt provision.

With the exception of available for sale equity instruments, if, in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed the value that the amortised costs would have been had the impairment not been recognised.

In respect of available for sale equity instruments, impairment losses previously recognised through the income statement are reversed directly through equity.

Loans and receivables

Trade and other receivables that have a fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 March 2013**

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign 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 calculated 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 assessments 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

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Pension costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. Interest on pension scheme liabilities is presented within finance costs. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses

The Group's defined benefit scheme is unfunded. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained annually and are updated at each balance sheet date. The resulting defined benefit liability is presented separately after other net assets on the face of the balance sheet

Foreign currency

As the large majority of the Group's activity takes place in Germany, the Directors have used the Euro as the presentation currency for the Group's accounts

Transactions in non-Euro currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in non-Euro currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

1. Accounting policies (continued)

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Financial liabilities and equity

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 Group after deducting all of its liabilities.

2 Segment information

	Continuing Operations €'000		Discontinued Operations €'000	
	2013	2012	2013	2012
Operating profit/(loss)*				
Germany	510	(1,335)	-	(1,657)
Rest of Europe	(14)	2,376	-	-
	<u>496</u>	<u>1,041</u>	<u>-</u>	<u>(1,657)</u>

* Operating profit/(loss) is stated before exceptional items and negative goodwill amortisation

	Continuing Operations €'000		Discontinued Operations €'000	
	2013	2012	2013	2012
Net (liabilities)/assets				
Germany	(4,738)	11,214	-	-
Rest of Europe	4,645	2,186	-	-
	<u>(93)</u>	<u>13,400</u>	<u>-</u>	<u>-</u>

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

3. Profit on ordinary activities before taxation

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

	2013 €'000	2012 €'000
Depreciation of tangible fixed assets	7	157
Directors' services	-	45
Amortisation of negative goodwill – credit	(542)	(746)
Profit on sale of operations	-	15,405
Operating lease rentals other	477	379
Operating lease rental income	(477)	(284)
	<u> </u>	<u> </u>

The analysis of auditors' remuneration is as follows

	2013 €'000	2012 €'000
Fees payable to the Company's auditor/auditor's for the audit of the Company's annual accounts	13	36
Fees payable to the Company's auditor/auditor's and their associates for other services to the Group	-	-
The audit of the Company's subsidiaries pursuant to legislation	-	-
	<u> </u>	<u> </u>
Total audit fees	13	36
	<u> </u>	<u> </u>
Total non-audit fees	-	-
	<u> </u>	<u> </u>

The disclosures above are for the Group. The Company is not required, in its individual financial statements, to disclose separately information about fees for non-audit services provided to the Company because the consolidated financial statements are required to disclose such fees on a consolidated basis.

4. Exceptional items

The exceptional credit to the profit and loss account during the prior year totalling €15,405,000 resulted from the disposal of business to Euromicron during that year (see note 9).

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

5. Finance charges (net)

	2013 €'000	2012 €'000
Investment income	2,844	2,613
Other finance charges	(3,934)	(10,619)
	<u>(1,090)</u>	<u>(8,006)</u>

Investment income

	2013 €'000	2012 €'000
Interest receivable and similar income on available for sale investments	1,141	1,133
Interest receivable from related parties	1,645	1,377
Other interest receivable	57	184
	<u>2,843</u>	<u>2,613</u>

Other finance charges

	2013 €'000	2012 €'000
Interest on pension scheme liabilities (see note 23)	(3,600)	(4,201)
Realised losses on disposal of available for sale investments	-	(5,445)
Interest expense and administration costs of available for sale investments	(290)	(973)
Interest payable to related parties	(44)	-
	<u>(3,934)</u>	<u>(10,619)</u>

6. Staff costs

The average monthly number of employees (including executive directors) was

	2013 Number	2012 Number
Production	-	59
Sales and marketing	-	6
Administration	1	12
	<u>1</u>	<u>77</u>

Their aggregate remuneration comprised

	2013 €'000	2012 €'000
Wages and salaries	10	4,840
Social security costs	-	1,037
Other pension costs (see note 23)	-	96
	<u>10</u>	<u>5,973</u>

'Other pension (credits)/costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

7. Directors' remuneration and transactions

None of the Directors of **telent** Investments Limited received any emoluments or other benefits in respect of services to the Company, during the period ended 31 March 2013 (2012: €nil)

The Directors during the year were provided by Pension Corporation LLP, a UK limited liability partnership, which made no charge during the year for the services provided (2012: £37,500)

No directors held or exercised any share options in the period

8 Tax on profit on ordinary activities

The tax charge comprises

	2013 €'000	2012 €'000
Current tax		
UK corporation tax	-	-
Overseas corporation tax	755	320
Total tax charge on profit on ordinary activities	<u>755</u>	<u>320</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of Overseas corporation tax to the profit before tax are as follows

	2013 €'000	2012 €'000
(Loss)/profit on ordinary activities before tax	(52)	7,529
Tax (credit)/charge on profit at effective German rate of 29.55%	(15)	2,183
Effects of		
Non taxable amortisation of negative goodwill	(160)	(217)
Tax losses and other timing differences	(439)	(2,812)
Income, expenses and interest not allowable/(non taxable) for tax purposes	1,002	1,867
Net withholding taxes suffered	514	-
Adjustment in respect of prior years overseas tax	(147)	(701)
Group current tax charge for period	<u>755</u>	<u>320</u>

The Group holds unrecognised deferred tax assets relating to historical losses, however, following the disposal of the trading activity of the business on 8 June 2011 these are not anticipated to have any value to the Group

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

9. Disposal of business

During the prior year the trade and certain assets and liabilities of the Group were sold to a third party, Euromicron AG. The loss up to the date of disposal was €2,396,000

	€'000
Net Liabilities sold	2,871
Cash consideration received	14,559
Transaction costs	(2,025)
Profit on disposal	15,405

10. Intangible fixed assets – negative goodwill

	telent Investments GmbH €'000	telent GmbH €'000	Total €'000
Group			
Cost			
At 1 April 2012 and 31 March 2013	27,550	2,594	30,144
Amortisation			
At 1 April 2012	(10,296)	(2,594)	(12,890)
Credit for the period	(542)	-	(542)
At 31 March 2013	(10,838)	(2,594)	(13,432)
Net book value			
At 31 March 2013	16,712	-	16,712
At 31 March 2012	17,254	-	17,254

The Directors have considered the assets to which negative goodwill relates and are releasing it to the profit and loss account accordingly. Following the disposal of business in the prior year (see note 9), the remaining balance of negative goodwill relates entirely to pension liabilities and is being amortised over approximately 50 years (from acquisition), based on forecast pension cash flows.

The Company has no intangible fixed assets.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

11. Tangible fixed assets

Group	Plant and machinery €'000
Cost or valuation	
At 1 April 2012	23
Additions	4
	<hr/>
At 31 March 2013	27
	<hr/>
Depreciation	
At 1 April 2012	(3)
Charge for the period	(7)
	<hr/>
At 31 March 2012	(10)
	<hr/>
Net book value	
At 31 March 2013	17
	<hr/>
At 31 March 2012	20
	<hr/>

The Company has no tangible fixed assets

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

12. Available for sale investments

The Group holds a portfolio of investments which they have classified as available for sale, the fair value held on the balance sheet of these investments at the year end was €74,362,000 (2012 €62,578,000) Fair value has been determined with reference to market observable value

All investments are managed by third parties who make investment decisions on behalf of the Group within agreed parameters

13. Fixed Asset investments

Company subsidiary undertakings

	€'000
Cost and net book value	
At 1 April 2012 and 31 March 2013	<u>5,000</u>

There were no acquisitions during the period

Principal Group investments

A list of the significant investments is given below

	Country of incorporation or principal business address	Principal activity	Holding	%
telent Investment GmbH *	Germany	Information and telecommunications	Ordinary Shares	100
Tusk GmbH	Germany	Information and telecommunications	Ordinary Shares	100

* Held directly by telent Investments Limited

The carrying value of telent Investments GmbH is based on the cost at the end of the fair value period less provision for impairment

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

14. Debtors

Group	2013 €'000	2012 €'000
Amounts falling due within one year		
Loan and interest receivable from telent limited	-	10,140
Loan and interest receivable from Co-Investment Limited	23,000	362
Overseas taxation	1,499	2,017
	<u>24,499</u>	<u>12,519</u>
Amounts falling due after more than one year		
Loan receivable from Co-Investment Limited	-	23,000
	<u>-</u>	<u>23,000</u>
	<u>24,499</u>	<u>35,519</u>

The Company holds no debtors

All amounts are stated at amortised cost which the directors consider approximates their fair value and no provision for bad or doubtful debts is being held. There are no past due but not impaired receivables and no significant exposure to credit risk relating to debtors (see section 'credit risk' of the Directors' report on page 2). There have been no transfers of assets between categories during the year.

15 Creditors – amounts falling due within one year

	Group 2013 €'000	Company 2013 €'000	Group 2012 €'000	Company 2012 €'000
Trade creditors	16	-	77	-
Corporation tax plus interest	2,376	-	2,388	-
Amounts owed to Group undertakings	305	305	115	115
Other creditors	52	-	983	-
Accruals and deferred income	800	50	1,456	181
Contingent consideration due to telent Limited	-	-	2,518	2,518
	<u>3,549</u>	<u>355</u>	<u>7,537</u>	<u>2,814</u>

There are no covenants relating to these creditor balances and the Directors consider that the carrying value approximates to their fair value.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

16. Creditors – amounts falling due after more than one year

	Group	Company	Group	Company
	2013	2013	2012	2012
	€'000	€'000	€'000	€'000
Trade creditors	-	-	-	-
Other creditors	415	-	764	-
Accruals and deferred income	-	-	-	-
	<u>415</u>	<u>-</u>	<u>764</u>	<u>-</u>

There are no covenants relating to these creditor balances and the directors consider that the carrying value approximates to their fair value

17. Called-up share capital

	2013	2012
	€'000	€'000
Allotted, called-up and fully-paid		
One ordinary share of £1 (2012 £1)	<u>-</u>	<u>-</u>

18 Reserves

	Group	Company
	€'000	€'000
Profit and loss account		
At 1 April 2012	13,401	2,186
(Loss)/profit for the financial year	(807)	2,459
Actuarial losses	(12,091)	-
Net unrealised gains on available for sale investments	(596)	-
	<u>(93)</u>	<u>4,645</u>
At 31 March 2013		

The result for the financial year dealt with in the financial statements of the parent Company was a profit of €2,459,000 (2012 profit of €2,377,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the Company

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

19. Reconciliation of movements in shareholder's funds

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
(Loss)/profit for the financial year	(807)	7,209	2,459	2,377
Other recognised gains and losses relating to the year	(12,687)	(6,031)	-	-
Net (reduction)/addition to shareholder's (deficit)/funds	(13,494)	13,709	2,459	(114)
Opening shareholders' funds/(deficit)	13,401	12,223	2,186	(191)
Closing shareholders' (deficit)/funds	(93)	13,401	4,645	2,186

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

20. Reconciliation of Group operating profit to operating cash flows

	2013 €'000	2012 €'000
Operating profit/(loss)	496	(616)
Depreciation	7	157
Increase in stocks pre disposal	-	(2,780)
Decrease in debtors	10,659	8,734
(Decrease)/increase in creditors	(4,369)	625
Decrease in provisions	(5,613)	(10,499)
Net cash inflow/(outflow) from operating activities	1,180	(4,379)

21 Analysis of cash flows

	2013 €'000	2012 €'000
Returns on investments and servicing of finance		
Interest received	2,957	173
Interest paid	(290)	-
Net disposal of available for sale investments	(12,379)	11,786
Net cash (outflow)/inflow	(9,712)	11,959
Taxation		
Net foreign tax paid	(521)	(106)
Net cash outflow	(521)	(106)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4)	(211)
Net cash outflow	(4)	(211)
Acquisitions and disposals		
Disposal of business (see note 9)	-	12,534
Transfer of disposal proceeds to Group company	-	(23,000)
Net cash outflow	-	(10,466)

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

22. Financial commitments

Annual commitments under non-cancellable land and buildings operating leases are as follows

	2013 €'000	2012 €'000
Group as lessee		
Expiry date		
- within one year	-	-
- between two and five years	610	3
- after five years	-	473
	<u>610</u>	<u>476</u>
	<u><u>610</u></u>	<u><u>476</u></u>
	<u>2013</u>	<u>2012</u>
	Land and buildings €'000	Land and buildings €'000
Group as lessor		
Expiry date		
- within one year	-	-
- between two and five years	610	-
- after five years	-	473
	<u>610</u>	<u>473</u>
	<u><u>610</u></u>	<u><u>473</u></u>

The Company has no commitments under non-cancellable operating leases

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

23. Retirement benefit schemes

Defined benefit schemes

The Group operates defined benefit schemes for qualifying employees of Tusk GmbH (formerly **telent** GmbH) and **telent** Investments GmbH. The schemes are unfunded schemes which provide benefits to members based on the number of years' service of each member with a retirement age of 60. The liability for employees of Tusk GmbH was disposed of during the year in the sale to Euromicron.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31 March 2013 by Barthel and Meyer GmbH, independently qualified actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

	Valuation at 31 March 2013	Valuation at 31 March 2012
Key assumptions used		
Discount rate	3.1%	4.3%
Expected rate of salary increases	N/A	N/A
Future pension increases	2.0%	2.0%
Inflation	2.0%	2.0%

It is common practice in Germany to use standard mortality tables to undertake the valuation of liabilities. The standard table used was Richttafeln 2005 G.

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	2012 €'000	2012 €'000
Current service cost	-	(111)
Interest cost	(3,600)	(4,201)
Past service cost	-	132
Amounts transferred into the scheme	-	(117)
	<u>(3,600)</u>	<u>(4,297)</u>

For the year, €3,600,000 has been charged in finance costs. Actuarial gains and losses have been reported in the statement of total recognised gains and losses.

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses in the Group is a loss of €19,989,000.

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

23. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations were as follows

	2013 €'000	2012 €'000
At 1 April	(87,124)	(90,161)
Current service cost	-	(111)
Past service credit	-	132
Interest cost	(3,600)	(4,201)
Actuarial (losses)/gains	(12,091)	(8,307)
Benefits paid	5,614	5,743
Transfer in of obligations	-	(117)
Curtailment gain	-	10,028
Contributions by plan participants	-	(130)
At 31 March	<u>(97,201)</u>	<u>(87,124)</u>

The history of experience adjustments since the incorporation of the Company is as follows

	2013 €'000	2012 €'000	2011 €'000
Experience adjustments on scheme liabilities	<u>(302)</u>	<u>(359)</u>	<u>23</u>
Percentage of scheme liabilities (%)	<u>-</u>	<u>-</u>	<u>(0.5)</u>

24. Contingent liabilities

There are no contingent liabilities at the balance sheet date (2012: €nil)

25. Related party transactions

As part of the acquisition of **telent** Investments GmbH, on 15 January 2010, a loan agreement was negotiated, whereby the original sum of €16,000,000 would be paid to the Company by the vendor **telent** Limited, over the period ending 31 March 2014. During the year, the balance of €10,000,000 plus interest of €512,000 was repaid in full (2012 balances: capital of €10,000,000 and interest of €140,000).

Interest of €1,634,000 was paid in the year by Co-Investment Limited, the total amount due from Co-Investment Limited at 31 March 2013 was capital of €23,000,000 and interest of €nil (2012: capital of €23,000,000 and interest of €362,000).

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

26. Financial instruments

Capital Risk Management

The Group manages its capital to ensure that it can continue as a going concern and its strategy remains unchanged from 31 March 2012 (see page 2 of the Directors' report)

The Group is not subject to externally imposed capital requirements and holds no debt (2012 €nil) The capital structure of the Group is disclosed in note 17 and it holds cash of €18,906,000 (2012 €27,963,000) and so has no net gearing (2012 nil)

Foreign exchange risk

The Group's only exposure to movements in foreign exchange rates against the Euro relates to costs borne by the parent company, the effect of which is insignificant

27 Controlling party

The Directors regard Tusk Investments LP Inc a Guernsey incorporated limited partnership, as the ultimate parent and controlling party Their registered office is PO Box 406, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands, GY1 3GG

telent Investments Limited is the largest and smallest group of which the Company was a member at 31 March 2013 and for which Group financial statements are prepared