

Company Registration No. 06930377

TELENT INVESTMENTS LIMITED
Annual report and financial statements
Year ended 31 March 2014

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TELENT INVESTMENTS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS YEAR ENDED
31 MARCH 2014**

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TELENT INVESTMENTS LIMITED

DIRECTOR'S REPORT

The Director presents the annual report and the audited financial statements for **telent** Investments Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2014.

The Director was entitled to take advantage of the small companies' exemption from preparing a strategic report.

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 Director regards 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 Director does not recommend the payment of a dividend (2013: €nil).

Directors

The Directors who held office during the year and to the date of this report are as follows:

K Gozzett
R D Taylor (resigned 20 November 2013)

Financial view

The Group made an operating loss, before negative goodwill amortisation of €1,080,000 (2013: profit of €496,000).

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 assets reported of €1,217,000 includes negative goodwill of €16,170,000 which is being amortised (see note 8 to the financial statements).

Key performance indicators

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

	2014 €'000	2013 €'000
Continuing operations: operating (loss)/profit ¹	(1,080)	496
Net assets excluding pension liability and negative goodwill	111,747	113,820
Pension liability	(94,360)	(97,201)
Cash	11,519	18,906

¹ Operating (loss)/profit is stated before charging negative goodwill amortisation, which is described in note 8 to the financial statements.

TELENT INVESTMENTS LIMITED

DIRECTOR'S REPORT (Continued)

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.

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.

Going concern

The Company continues to be an investment holding company. In assessing the appropriateness of the use of the going concern basis, the Director has taken into account the projected performance of the Group for the 12 months from the date of signing the financial statements. The Director believes 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 Director therefore concludes that there is 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 Director confirms that, so far as she is each aware, there is no relevant audit information of which the company's auditor is unaware; and the Director has taken all the steps that she ought to have taken as a director to make 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 auditor under s487(2) of the Companies Act 2006.

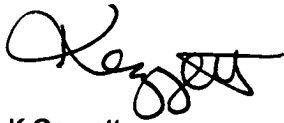
TELENT INVESTMENTS LIMITED

DIRECTOR'S REPORT (Continued)

Post Balance Sheet Event

The German group (telent Investments GmbH and its subsidiary) is exposed to an ongoing tax audit. It had been indemnified by telent Limited (a former owner of the Group) from all tax liabilities that relate to January 2010 and prior, except those which were accrued in Tusk GmbH's financial statements at the date of acquisition by telent Investments Limited. This indemnity was cancelled on 3 September 2014 by the Directors of telent Investment GmbH triggering a liability to telent Limited of €8,175,000. The cancellation of the indemnity allows telent Investment GmbH to pursue potential tax refunds which would otherwise largely not have accrued to the Group.

On behalf of the Board



K Gozzett

Director

26 January 2015

Registered office:

Point 3

Haywood Road

Warwick

CV34 5AH

TELENT INVESTMENTS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial period. Under that law the Director has 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 Director 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 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 Director is 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 2014 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 26. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the 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 Group's and the parent company's affairs as at 31 March 2014 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

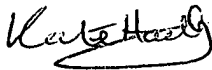
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report



Kate Hadley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, UK

Date: 30 January 2015

TELENT INVESTMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2014

	Note	2014 €'000	2013 €'000
Other operating (expense)/income		<u>(1,080)</u>	<u>496</u>
Operating (loss)/profit before negative goodwill amortisation		(1,080)	496
Amortisation of negative goodwill	8	<u>542</u>	<u>542</u>
Operating (loss)/profit, being (loss)/profit on ordinary activities before finance charges		(538)	1,038
Finance charges (net)	4	<u>(1,335)</u>	<u>(1,090)</u>
Loss on ordinary activities before taxation	3	(1,873)	(52)
Tax on loss on ordinary activities	7	<u>723</u>	<u>(755)</u>
Loss on ordinary activities after taxation	16	<u>(1,150)</u>	<u>(807)</u>

The notes on pages 11 to 28 form an integral part of these financial statements.

All results relate to continuing operations.

TELENT INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 March 2014

	Note	2014 €'000	2013 €'000
Loss for the year		(1,150)	(807)
Actuarial gains/(losses) on defined benefit pension liabilities	21	220	(12,091)
Net unrealised gains/(losses) on available for sale investments	16	2,240	(596)
Total recognised gains and losses relating to the year		<u>1,310</u>	<u>(13,494)</u>

TELENT INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET As at 31 March 2014

	Note	2014 €'000	2013 €'000
Fixed assets			
Intangible asset: negative goodwill	8	(16,170)	(16,712)
Tangible assets	9	11	17
Current assets			
Debtors			
– due within one year	12	25,065	24,499
– due after one year	12	-	-
Available for sale investments	10	79,412	74,362
Cash at bank and in hand		11,519	18,906
		<u>115,996</u>	<u>117,767</u>
Creditors: Amounts falling due within one year	13	<u>(3,994)</u>	<u>(3,549)</u>
Net current assets		<u>112,002</u>	<u>114,218</u>
Total assets less current liabilities		95,843	97,523
Creditors: Amounts falling due after more than one year	14	<u>(266)</u>	<u>(415)</u>
Net assets excluding pension liability		<u>95,577</u>	<u>97,108</u>
Pension liability	21	<u>(94,360)</u>	<u>(97,201)</u>
Net assets/(liabilities)		<u>1,217</u>	<u>(93)</u>
Called-up share capital	15	-	-
Profit and loss account	16	<u>1,217</u>	<u>(93)</u>
Shareholder's funds/(deficit)	17	<u>1,217</u>	<u>(93)</u>

The financial statements of **telent** Investments Limited (registered number 06930377) were approved by the Director and authorised for issue on 26 January 2015.

Signed on behalf of the Board of Directors by:



K Gozzett
Director

TELENT INVESTMENTS LIMITED

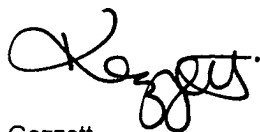
COMPANY BALANCE SHEET

As at 31 March 2014

	Note	2014 €'000	2013 €'000
Fixed assets			
Investments	11	5,000	5,000
Current liabilities			
Creditors : Amounts falling due within one year	13	(485)	(355)
Net current liabilities		(485)	(355)
Net assets		4,515	4,645
Capital and reserves			
Called-up share capital	15	-	-
Profit and loss account	16	4,515	4,645
Shareholder's funds		4,515	4,645

The financial statements of **telent** Investments Limited (registered number 06930377) were approved by the Board of Directors and authorised for issue on 26 January 2015.

Signed on behalf of the Board of Directors by:



K Gozzett

Director

TELENT INVESTMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March 2014

	Note	2014 €'000	2013 €'000
Net cash (outflow)/inflow from operating activities	18	<u>(6,374)</u>	<u>1,180</u>
Losses on investments and servicing of finance	19	(1,607)	(9,712)
Taxation	19	596	(521)
Capital expenditure and financial investment	19	(2)	(4)
Acquisitions and disposals	19	-	-
Cash outflow before financing		<u>(7,387)</u>	<u>(9,057)</u>
Financing		-	-
Decrease in cash in the year		<u>(7,387)</u>	<u>(9,057)</u>
 Cash in hand, at bank at the start of the year		 <u>18,906</u>	 <u>27,963</u>
 Cash in hand, at bank at the end of the year		 <u>11,519</u>	 <u>18,906</u>

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 March 2014**

1. Accounting policies

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

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 Director's report. The Director's 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 Director has 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 and thus has 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 up to FY58 to match the long term pension liabilities.

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 (continued) Year ended 31 March 2014

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 (continued)

Year ended 31 March 2014

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 Director has used the Euro as the presentation currency for the Group's financial statements.

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 (continued) Year ended 31 March 2014

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

	2014 €000	2013 €000
Operating (loss)/profit*		
Germany	(967)	510
Rest of Europe	(113)	(14)
	<u>(1,080)</u>	<u>496</u>

* Operating (loss)/profit is stated before negative goodwill amortisation.

	2014 €000	2013 €000
Net assets/(liabilities)		
Germany	(3,298)	(4,738)
Rest of Europe	4,515	4,645
	<u>1,217</u>	<u>(93)</u>

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2014

3. Loss on ordinary activities before taxation

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

	2014 €'000	2013 €'000
Depreciation of tangible fixed assets	8	7
Director's services	96	-
Amortisation of negative goodwill – credit	(542)	(542)
Operating lease rentals other	602	477
Operating lease rental income	(602)	(477)

The analysis of auditor's remuneration is as follows:

	2014 €'000	2013 €'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	18	13
Total audit fees	18	13
Total non-audit fees	-	-

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.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2014

4. Finance charges (net)

	2014 €'000	2013 €'000
Investment income	1,876	2,844
Other finance charges	(3,211)	(3,934)
	<u>(1,335)</u>	<u>(1,090)</u>

Investment income

	2014 €'000	2013 €'000
Interest receivable and similar income on available for sale investments	589	1,141
Interest receivable from related parties	1,230	1,645
Other interest receivable	57	57
	<u>1,876</u>	<u>2,843</u>

Other finance charges

	2014 €'000	2013 €'000
Interest on pension scheme liabilities (see note 21)	(2,918)	(3,600)
Interest expense and administration costs of available for sale investments	(277)	(290)
Interest payable to related parties	(16)	(44)
	<u>(3,211)</u>	<u>(3,934)</u>

5. Staff costs

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

	2014 Number	2013 Number
Administration	1	1
	<u>1</u>	<u>1</u>

Their aggregate remuneration comprised:

	2014 €'000	2013 €'000
Wages and salaries	8	10
	<u>8</u>	<u>10</u>

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2014

6. 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 year ended 31 March 2014 (2013: €nil).

The Directors services in the period were provided by Pension Corporation LLP, a UK limited liability partnership, which made a charge of £81,000 during the current year for the services provided during the last 2 years (2013: £nil).

No directors held or exercised any share options in the year.

7. Tax on loss on ordinary activities

The tax charge comprises:

	2014 €'000	2013 €'000
Current tax		
UK corporation tax	-	-
Overseas corporation tax	(723)	755
Total tax (refund)/charge on (loss)/profit on ordinary activities	<u>(723)</u>	<u>755</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:

	2014 €'000	2013 €'000
Loss on ordinary activities before tax	(1,873)	(52)
Tax credit on loss at effective German rate of 29.58%	(554)	(15)
Effects of:		
Non taxable amortisation of negative goodwill	(160)	(160)
Tax losses and other timing differences not recognised in deferred tax	1,044	(439)
Income, expenses and interest not allowable/(non taxable) for tax purposes	(183)	1,002
Net withholding taxes (recoverable)/suffered	(147)	514
Adjustment in respect of prior years overseas tax	(723)	(147)
Group current tax (refund)/charge for year	<u>(723)</u>	<u>755</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 (continued) Year ended 31 March 2014

8. Intangible fixed assets – negative goodwill

Group	telent Investments GmbH €'000	telent GmbH €'000	Total €'000
Cost			
At 1 April 2013 and 31 March 2014	27,550	2,594	30,144
Amortisation			
At 1 April 2013	(10,838)	(2,594)	(13,432)
Credit for the year	(542)	-	(542)
At 31 March 2014	(11,380)	(2,594)	(13,974)
Net book value			
At 31 March 2014	16,170	-	16,170
At 31 March 2013	16,712	-	16,712

The Director has considered the assets to which negative goodwill relates and are releasing it to the profit and loss account accordingly. The 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.

9. Tangible fixed assets

Group	Plant and machinery €'000
Cost or valuation	
At 1 April 2013	27
Additions	2
At 31 March 2014	29
Depreciation	
At 1 April 2013	(10)
Charge for the year	(8)
At 31 March 2014	(18)
Net book value	
At 31 March 2014	11
At 31 March 2013	17

The Company has no tangible fixed assets.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2014

10. 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 €79,412,000 (2013: €74,362,000). 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.

11. Fixed Asset investments

Company subsidiary undertakings

	€'000
Cost and net book value	
At 1 April 2013 and 31 March 2014	<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 Investment GmbH is based on cost.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2014

12. Debtors

	2014 €'000	2013 €'000
Group		
Amounts falling due within one year:		
Loan receivable from Co-Investment Limited	23,000	23,000
Overseas taxation	1,815	1,499
Derivatives	187	-
Other debtors	63	-
	<u>25,065</u>	<u>24,499</u>

The Company holds no trade debtors.

Derivative financial instruments are held at Fair value under FRS 26. All other amounts are stated at amortised cost which the Director considers 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 Director's report on page 2). There have been no transfers of assets between categories during the year.

13. Creditors – amounts falling due within one year

	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	2014	2014	2013	2013
	€'000	€'000	€'000	€'000
Trade creditors	5	-	16	-
Corporation tax plus interest	2,416	-	2,376	-
Amounts owed to Group undertakings	467	467	305	305
Other creditors	55	-	52	-
Accruals and deferred income	1,051	18	800	50
	<u>3,994</u>	<u>485</u>	<u>3,549</u>	<u>355</u>

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

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2014

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

	Group	Company	Group	Company
	2014	2014	2013	2013
	€'000	€'000	€'000	€'000
Other creditors	266	-	415	-

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

15. Called-up share capital

	2014	2013
	€'000	€'000
Allotted, called-up and fully-paid One ordinary share of £1 (2013: £1)	-	-

16. Reserves

	Group	Company
	€'000	€'000
Profit and loss account		
At 1 April 2013	(93)	4,645
Loss for the financial year	(1,150)	(130)
Actuarial gains	220	-
Net unrealised gains on available for sale investments	2,240	-
At 31 March 2014	1,217	4,515

The result for the financial year dealt with in the financial statements of the parent Company was a loss of €130,000 (2013: profit of €2,459,000). 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 (continued) Year ended 31 March 2014

17. Reconciliation of movements in shareholder's funds/(deficit)

	Group		Company	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
(Loss)/profit for the financial year	(1,150)	(807)	(130)	2,459
Other recognised gains and losses relating to the year	2,460	(12,687)	-	-
Net addition/(reduction) to shareholder's (deficit)/funds	<u>1,310</u>	<u>(13,494)</u>	<u>(130)</u>	<u>2,459</u>
Opening shareholders' (deficit)/funds	(93)	13,401	4,645	2,186
Closing shareholders' funds/(deficit)	<u>1,217</u>	<u>(93)</u>	<u>4,515</u>	<u>4,645</u>

18. Reconciliation of Group operating (loss)/profit to operating cash flows

	2014	2013
	€'000	€'000
Operating (loss)/profit before negative goodwill amortisation	(1,080)	496
Depreciation	8	7
(Increase)/decrease in debtors	(1)	10,659
Increase/(decrease) in creditors	239	(4,369)
Decrease in pension scheme liabilities	(5,540)	(5,613)
Net cash (outflow)/inflow from operating activities	<u>(6,374)</u>	<u>1,180</u>

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2014

19. Analysis of cash flows

	2014 €'000	2013 €'000
Returns on investments and servicing of finance		
Interest received	2,372	2,957
Interest paid and other finance costs	(87)	(290)
Net purchase of available for sale investments	(3,892)	(12,379)
Net cash outflow	<u>(1,607)</u>	<u>(9,712)</u>
Taxation		
Net foreign tax received/(paid)	596	(521)
Net cash inflow/(outflow)	<u>596</u>	<u>(521)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2)	(4)
Net cash outflow	<u>(2)</u>	<u>(4)</u>

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2014

20. Financial commitments

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

	2014 €'000	2013 €'000
Group as lessee		
Expiry date		
- within one year	-	-
- between two and five years	616	610
- after five years	-	-
	<u>616</u>	<u>610</u>

	2014 Land and buildings €'000	2013 Land and buildings €'000
Group as lessor		
Expiry date		
- within one year	-	-
- between two and five years	616	610
- after five years	-	-
	<u>616</u>	<u>610</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 (continued) Year ended 31 March 2014

21. 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 most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31 March 2014 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 2014	Valuation at 31 March 2013
Key assumptions used:		
Discount rate	3.0%	3.1%
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:

	2014 €'000	2013 €'000
Current service cost	-	-
Interest cost	(2,918)	(3,600)
Past service cost	-	-
Amounts transferred into the scheme	-	-
	<u>(2,918)</u>	<u>(3,600)</u>

For the year, €2,918,000 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 €19,769,000 (2013: €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 (continued) Year ended 31 March 2014

21. Retirement benefit schemes (continued)

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

	2014 €'000	2013 €'000
At 1 April	(97,201)	(87,124)
Interest cost	(2,918)	(3,600)
Actuarial gains/(losses)	220	(12,091)
Benefits paid	5,539	5,614
At 31 March	<u>(94,360)</u>	<u>(97,201)</u>

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

	2014 €'000	2013 €'000	2012 €'000	2011 €'000	2010 €'000
Experience adjustments on scheme liabilities	(1,315)	(302)	(359)	23	(509)
Percentage of scheme liabilities (%)	<u>1%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.5%)</u>

22. Contingent liabilities

There were no contingent liabilities at the balance sheet date (2013: €nil).

23. Related party transactions

Interest of €1,230,000 was paid in the year by Co-Investment Limited, the total amount due from Co-Investment Limited at 31 March 2014 was capital of €23,000,000 and interest of €nil (2013: capital of €23,000,000 and interest of €nil).

Interest and foreign exchange of €16,709 on a loan due to Co-Investment Limited was also accrued during the year.

24. 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 2013 (see page 2 of the Director's report).

The Group is not subject to externally imposed capital requirements and holds no debt (2013: €nil). The capital structure of the Group is disclosed in note 15 and it holds cash of €11,519,000 (2013: €18,906,000) and so has no net gearing (2013: 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.

TELENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 March 2014

25. 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 2014 and for which Group financial statements are prepared.

26. Post Balance Sheet Event

The German group is exposed to an ongoing tax audit. It had been indemnified by **telent** Limited (a former owner of the Group) from all tax liabilities that relate to January 2010 and prior, except those which were accrued in Tusk GmbH's financial statements at the date of acquisition by **telent** Investments Limited. This indemnity was cancelled on 3 September 2014 by the Directors of **telent** Investment GmbH triggering a liability to **telent** Limited of €8,175,000. The cancellation of the indemnity allows **telent** Investment GmbH to pursue potential tax refunds which would otherwise largely not have accrued to the Group.