

# **Alstec Power Systems Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**Registered Number: 3141789**

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# **Alstec Power Systems Limited**

## **Annual Report and Financial Statements**

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# **Alstec Power Systems Limited**

## **Directors and Advisors**

### **Directors**

A N Dungate  
K R Thomas  
M D Austick  
A Moore  
S McGowan  
F Martinelli  
S A R Billiald

### **Company secretary**

S A R Billiald

### **Registered office**

33 Wigmore Street  
London  
W1U 1QX

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Donington Court  
Pegasus Business Park  
Castle Donington  
East Midlands  
DE74 2UZ

# **Alstec Power Systems Limited**

## **Directors' report for the year ended 31 March 2009**

The directors present their annual report on the affairs of the company, together with the audited financial statements, for the year ended 31 March 2009.

### **1. Business Review**

#### *Principal activities*

The company provides products and specialist servicing and support to Uninterruptible Power Supply (UPS) systems and standby Power Plant.

#### *Results and dividends*

Turnover for the year was £1,263,000 (2008 - £1,496,000) on which a loss for the financial year of £23,000 (2008 – profit of £132,000) was made.

No dividends were declared or paid in the current year (2008- £Nil).

### **2. Directors**

The directors who served during the year were as follows:

A N Dungate	
K R Thomas	
M D Austick	
A A Bethel	Resigned 30 April 2009
I S Urquhart	Resigned 30 April 2009
A Moore	Appointed 30 April 2009
S McGowan	Appointed 30 April 2009
F Martinelli	
S A R Billiald	

### **3. Statement of directors' responsibilities in respect of the annual report and the financial statements**

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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

# **Alstec Power Systems Limited**

## **Directors' report for the year ended 31 March 2009 (continued)**

### **3. Statement of directors' responsibilities in respect of the annual report and the financial statements (continued)**

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### **4. Statement of disclosure of information to auditors**

In the case of the persons who are directors at the time when the report is approved under section 234ZA the following applies:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they 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 auditors are aware of that information.

### **5. Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

On behalf of the Board



M D Austick  
Director

12 June 2009

33 Wigmore Street  
London W1U 1QX

# **Independent auditors' report to the members of Alstec Power Systems Limited**

We have audited the financial statements of Alstec Power Systems Limited for the year ended 31 March 2009, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

## **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement,

## **Independent auditors' report to the members of Alstec Power Systems Limited**

whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
East Midlands

12 June 2009

# Alstec Power Systems Limited

## Profit and Loss Account

For the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
<b>Turnover</b>	2	<b>1,263</b>	1,496
Cost of sales		<b>(1,045)</b>	(1,195)
		<u>218</u>	<u>301</u>
<b>Gross profit</b>			
Selling and marketing costs		<b>(172)</b>	(144)
Administrative expenses		<b>(67)</b>	(22)
		<u>(21)</u>	<u>135</u>
<b>Operating (loss)/ profit</b>			
<b>(Loss)/ profit on ordinary activities before taxation</b>	4	<b>(21)</b>	135
Tax on (loss)/ profit on ordinary activities	5	<b>(2)</b>	(3)
		<u>(23)</u>	<u>132</u>
<b>Retained (loss)/ profit for the financial year</b>	12	<b>(23)</b>	132

All activities derive from continuing operations.

There are no recognised gains and losses other than the loss for the year. Accordingly, no statement of total recognised gains and losses is given.

There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

# Alstec Power Systems Limited

## Balance Sheet

As at 31 March 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	6	<u>1</u>	<u>2</u>
<b>Current assets</b>			
Stocks	7	101	103
Debtors	8	<u>1,530</u>	<u>1,459</u>
		1,631	1,562
<b>Creditors – amounts due within one year</b>	9	<u>(94)</u>	<u>(3)</u>
<b>Net current assets</b>		1,537	1,559
<b>Total assets less current liabilities</b>		<u>1,538</u>	<u>1,561</u>
<b>Creditors – amounts due after more than one year</b>		-	-
Provisions for liabilities and charges	10	<u>(11)</u>	<u>(11)</u>
<b>Net assets</b>		<u>1,527</u>	<u>1,550</u>
<b>Capital and reserves</b>			
Called-up share capital	11	2,900	2,900
Profit and loss account	12	<u>(1,373)</u>	<u>(1,350)</u>
<b>Total equity shareholders' funds</b>	13	<u>1,527</u>	<u>1,550</u>

The financial statements on pages 6 to 17 were approved by the Board of Directors on 12 June 2009 and signed on its behalf by



M D Austick  
Director

12 June 2009

# **Alstec Power Systems Limited**

## **Notes to the financial statements for the year ended 31 March 2009**

### **1 Accounting policies**

The financial statements are prepared in accordance with applicable UK accounting standards. The following accounting policies have been consistently applied to matters that are considered material to the financial statements.

#### *a) Basis of accounting*

The Financial Statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable UK accounting Standard and the Companies Act 1985.

#### *b) Cash flow statement*

The company has taken advantage of the provision of FRS 1 (revised 1996) not to prepare a cash flow statement on the basis that consolidated accounts, in which the results of Alstec Power Systems Limited are included, are publicly available. Copies of these accounts are available from the Company Secretary at Babcock International Group PLC, 33 Wigmore Street, London W1U 1QX.

#### *c) Related party transactions*

In respect of the year ended 31 March 2009, the company was ultimately a wholly owned subsidiary and, accordingly, has taken advantage of the exemptions of FRS 8 which exempts the company from disclosure of all intra group transactions, as the consolidated accounts of its ultimate parent company are publicly available.

#### *d) Tangible fixed assets*

Tangible fixed assets are shown at cost, net of depreciation and provision for permanent diminution in value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its estimated useful economic life as follows:

Plant and machinery	10% per annum
Fixtures and fittings	20% per annum
Motor vehicles	25% per annum

#### *e) Stocks*

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads

#### *f) Long-term contracts*

The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

# **Alstec Power Systems Limited**

## **Notes to the financial statements for the year ended 31 March 2009 (continued)**

### **1 Accounting policies (continued)**

#### *f) Long-term contracts (continued)*

Contract work in progress is stated at cost incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

#### *g) Turnover*

Turnover, other than that relating to long-term contracts, comprises the value of amounts invoiced (excluding trade discounts, VAT and similar taxes) for goods and services provided in the normal course of business.

#### *h) Taxation*

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The taxation liabilities of certain group companies may be reduced, wholly or in part, by the surrender of losses by fellow group companies. The decision to charge group relief is made on a case by case basis.

Deferred taxation, which arises from differences in the timing of the recognition of items in the accounts and by the tax authorities, has been calculated using the liability method. Overall the company has a deferred tax asset.

#### *i) Pensions costs and other post retirement benefits*

##### *Defined contribution pension schemes*

The Alstec group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

##### *Defined benefit pension scheme*

The group also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group, being invested with insurance companies. Contributions payable to the scheme are charged to the profit and loss account (see Note 16).

#### *j) Foreign currency*

Transactions denominated in foreign currencies are recorded in local currency at actual exchange rates as of the date of the transaction (or, where appropriate, at the rate of exchange in a related forward exchange contract). Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange

# Alstec Power Systems Limited

## Notes to the financial statements for the year ended 31 March 2009 (continued)

### 1 Accounting policies (continued)

#### j) Foreign currency (continued)

prevailing at the period end (or, where appropriate, at the rate of exchange in a related forward exchange contract).

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### k) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### l) Research and Development

Expenditure on research and development is written off in the period in which it is incurred.

### 2 Turnover

Geographical analysis of turnover by destination is as follows:

	2009 £'000	2008 £'000
United Kingdom	1,257	1,486
Europe	6	6
Rest of World	-	4
	<u>1,263</u>	<u>1,496</u>

### 3 Information regarding Directors and Employees

There were no Directors' emoluments for the year ended 31 March 2009 or 31 March 2008.

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

	2009 Number	2008 Number
Production and engineering	4	5
Sales and commercial	3	3
Administration	-	-
	<u>7</u>	<u>8</u>

# **Alstec Power Systems Limited**

## **Notes to the financial statements for the year ended 31 March 2009 (continued)**

### **3 Information regarding Directors and Employees (continued)**

Staff costs during the year:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>294</b>	311
Social security costs	<b>31</b>	33
Pension costs	<b>21</b>	25
	<b>346</b>	<b>369</b>

### **4 (Loss)/ Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation	<b>1</b>	1
Operating lease rentals		
- Land and buildings	<b>25</b>	25
- Plant and machinery	<b>1</b>	-

Auditor's remuneration has been paid by BNS Nuclear Services Limited.

### **5 Tax charge on (loss)/ profit on ordinary activities**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Current tax	<b>-</b>	-
Deferred tax- current year charge	<b>2</b>	3
	<b>2</b>	<b>3</b>

# Alstec Power Systems Limited

## Notes to the financial statements for the year ended 31 March 2009 (continued)

### 5 Tax charge on (loss)/ profit on ordinary activities (continued)

The difference between the total current year tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/ profit before tax is as follows:

	2009 £'000	2008 £'000
<b>(Loss)/ Profit on ordinary activities before taxation</b>	<b>(21)</b>	<b>135</b>
Tax on (loss)/ profit on ordinary activities at standard UK corporation tax rate of 28% (2008: 30%)	<b>(6)</b>	<b>41</b>
Effects of:		
Capital allowances for the year less than depreciation	<b>(2)</b>	<b>(3)</b>
Group relief for nil consideration	<b>8</b>	<b>(38)</b>
	<b>-</b>	<b>-</b>

The movement on the deferred tax asset is as follows:

	2009 £'000	2008 £'000
At beginning of the year	<b>8</b>	<b>11</b>
Charge for the year in the profit and loss account	<b>(2)</b>	<b>(3)</b>
	<b>6</b>	<b>8</b>

Deferred taxation provided in the financial statements in the current and previous years is as follows:

	2009 Provided £'000	2008 Provided £'000	2009 Not Provided £'000	2008 Not Provided £'000
Capital allowances in excess of depreciation	<b>6</b>	<b>8</b>	<b>-</b>	<b>-</b>

# Alstec Power Systems Limited

## Notes to the financial statements for the year ended 31 March 2009 (continued)

### 6 Tangible fixed assets

	Plant & Machinery £'000	Motor Vehicles £'000	Fixtures & Fittings £'000	Total £'000
<b>Cost</b>				
At 1 April 2008	4	13	15	32
Disposals	-	(13)	-	(13)
<b>At 31 March 2009</b>	<b>4</b>	<b>-</b>	<b>15</b>	<b>19</b>
<b>Accumulated depreciation</b>				
At 1 April 2008	2	13	15	30
Charge for the year	1	-	-	1
Disposals	-	(13)	-	(13)
<b>At 31 March 2009</b>	<b>3</b>	<b>-</b>	<b>15</b>	<b>18</b>
<b>Net book value</b>				
<b>At 31 March 2009</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
At 31 March 2008	2	-	-	2

### 7 Stocks

	2009 £'000	2008 £'000
Long term contract balances	<b>101</b>	<b>103</b>

# Alstec Power Systems Limited

## Notes to the financial statements for the year ended 31 March 2009 (continued)

### 8 Debtors

	2009 £'000	2008 £'000
Trade debtors	136	202
Amounts owed by group undertakings	1,388	1,249
Deferred tax (note 5)	6	8
	<u>1,530</u>	<u>1,459</u>

Amounts owed by group undertakings are non-interest bearing.

### 9 Creditors - amounts due within one year

	2009 £'000	2008 £'000
Trade creditors	59	3
Accruals and deferred income	35	-
	<u>94</u>	<u>3</u>

### 10 Provisions for liabilities and charges

	Warranties £'000
At 1 April 2008	11
Created in the year	11
Utilised during the year	<u>(11)</u>
<b>At 31 March 2009</b>	<b><u>11</u></b>

The warranty provision covers future expected expenditure committed at the time of the sale of the contract for the warranty periods of the long-term contracts.

# Alstec Power Systems Limited

## Notes to the financial statements for the year ended 31 March 2009 (continued)

### 11 Called-up share capital

	2009 £'000	2008 £'000
Authorised 2,900,000 ordinary shares of £1 each	<u>2,900</u>	<u>2,900</u>
Called up, allotted and fully paid 2,900,000 ordinary shares of £1 each	<u>2,900</u>	<u>2,900</u>

### 12 Profit and loss account

	2009 £'000
At 1 April 2008	(1,350)
Retained loss for the year	(23)
At 31 March 2009	<u>(1,373)</u>

### 13 Reconciliation of movements in total shareholders' funds

	2009 £'000	2008 £'000
(Loss)/ Profit for the financial year	(23)	132
Opening equity shareholders' funds	<u>1,550</u>	<u>1,418</u>
Closing equity shareholders funds	<u>1,527</u>	<u>1,550</u>

# Alstec Power Systems Limited

## Notes to the financial statements for the year ended 31 March 2009 (continued)

### 14 Guarantees and financial commitments

#### a) Capital commitments

There were no capital commitments at 31 March 2009 or 31 March 2008.

#### b) Contingent liabilities

The company at the year-end had guaranteed or had joint and several liability for drawn Babcock International Group PLC bank facilities of £355m provided to certain group companies.

#### c) Operating lease commitments

	<b>2009</b>	<b>2008</b>
	<b>Land and buildings £'000</b>	<b>Land and buildings £'000</b>
Leases which expire:		
- within one year	<b>25</b>	<b>4</b>
- between two and five years	-	-
- after five years	-	-
	<b>25</b>	<b>4</b>

### 15 Related party disclosures

The company, as a wholly owned subsidiary, has taken advantage of the exemption, granted under Financial Reporting Standard 8, Related Party Disclosures, from disclosing details of sales and purchases with other members of the group headed up by Babcock International Group PLC.

### 16 Pension arrangements

The company participates in the ALSTEC Pension Scheme, a defined benefit pension scheme for all eligible employees of the Alstec Group which commenced on 1 April 2001 and, from October 2001, introduced a money purchase section for new joiners, the assets of which are held in separate, trustee administered funds.

An independent actuary prepares valuations of the Scheme at least every three years and, in accordance with his recommendations, the Group makes contributions to the Scheme. The cost of the defined benefit section, including the amortisation of any experience surplus or deficit, is charged to the profit and loss account on a systematic basis over the expected remaining working lives of the employees. The amounts charged to the profit and loss account in respect of the money purchase section represent contributions payable in respect of the accounting period.

# **Alstec Power Systems Limited**

## **Notes to the financial statements for the year ended 31 March 2009 (continued)**

### **16 Pension arrangements (continued)**

The Group paid contributions of 12.0% of Pensionable Salaries to the final salary section and 6.0% of Pensionable salaries to the money purchase section.

The pension cost for the Scheme was £21,000 (2008: £25,000). At the year-end contributions amounting to £Nil (2008: £Nil) were payable to the Scheme.

The company is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", will account for the Scheme under this accounting standard as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account under FRS 17 will represent the contributions payable to the scheme in respect of the accounting period.

### **17 Immediate and ultimate parent undertakings and controlling parties**

The company's immediate parent company is Alstec Group Limited, a company registered in England and Wales. The company's ultimate parent company is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC Financial Statements are available from the following address:

The Company Secretary  
Babcock International Group PLC  
33 Wigmore Street  
London W1U 1QX