

# Sierra Atlantic UK Limited

## Report and Financial Statements

31 March 2014

MONDAY



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COMPANIES HOUSE

**Directors**

P R Parr  
B D Honea  
S Tsutsui

**Secretary**

S S Goodman

**Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**Bankers**

Barclays Bank plc  
1 Churchill Place  
London E14 5HP

**Solicitors**

Baker & McKenzie LLP  
100 New Bridge Street  
London EC4 6JA

**Registered Office**

2 More London Riverside  
London SE1 2AP

Registered No. 03665241

## Directors' report

The directors of Sierra Atlantic UK Limited ("the company") present their report and financial statements for the year ended 31 March 2014.

### Results and dividends

The profit for the year after taxation amounted to £65,683 (2013 – profit of £139,856). The directors do not recommend a final dividend (2013 – £nil).

### Principal activity and review of the business

The principal activity of the company in the period under review is that of IT consultancy. Following the acquisition by Hitachi Consulting Corporation, it is the policy of the directors to progressively move the business into Hitachi Consulting UK Limited and make Sierra Atlantic Limited dormant.

### Key performance indicators

The company's key financial indicators during the year were as follows:

	2014	2013	Change %
Revenue	£0.0m	£2.5m	(100%)
Gross profit	£0.0m	£0.6m	(100%)
Profit before tax	£0.1m	£0.2m	(54%)

As at 31 March 2013, the company had transferred all its business to Hitachi Consulting UK Ltd resulting nil activity in the current year aside from release of accruals no longer required.

### Going concern

The financial statements of the company have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. Hitachi Consulting Corporation, a fellow group undertaking, has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as and when they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

### Directors

The directors who served the company during the year and subsequently were as follows:

P R Parr  
B D Honea  
S Tsutsui

### Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

## Directors' report (continued)

### **Auditor**

In accordance with S485 Companies Act 2006, a resolution will be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

### **Small company exemptions**

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Directors have also taken advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

On behalf of the Board



BD Hønea  
Director

Date      12 DEC 2014

## Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report**

### **to the members of Sierra Atlantic UK Limited**

We have audited the financial statements of Sierra Atlantic UK Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements 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 the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## Independent auditor's report (continued)

to the members of Sierra Atlantic UK 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption from the requirement to prepare a Strategic Report and take advantage of the small companies exemption in preparing the directors' report.



Mohan Pandian (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
Date

15 DEC 2014

## Profit and loss account

for the year ended 31 March 2014

	Notes	2014 £	2013 £
<b>Turnover</b>		–	2,511,328
Cost of sales		–	(1,848,786)
<b>Gross profit</b>		–	662,542
Administrative expenses		85,283	(469,976)
<b>Operating profit</b>	2	85,283	192,566
Interest payable and similar charges	3	–	(9,159)
<b>Profit on ordinary activities before taxation</b>		85,283	183,407
Tax	4	(19,600)	(43,551)
<b>Profit for the financial year</b>	8	65,683	139,856

All amounts relate to continuing activities.

## Statement of total recognised gains and losses

for the year ended 31 March 2014

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £65,683 in the year ended 31 March 2014 (2013 – profit of £139,856).



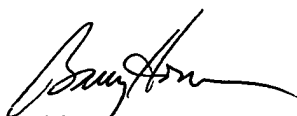
## Balance sheet

at 31 March 2014

	Notes	2014 £	2013 £
<b>Current assets</b>			
Debtors	5	3,456,298	5,386,843
Cash at bank and in hand		–	671,714
		<u>3,456,298</u>	<u>6,058,557</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(63,151)</u>	<u>(2,731,093)</u>
<b>Net current assets</b>		<u>3,393,147</u>	<u>3,327,464</u>
<b>Total assets less current liabilities</b>		<u>3,393,147</u>	<u>3,327,464</u>
<b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account	8	3,393,145	3,327,462
<b>Shareholders' funds</b>	8	<u>3,393,147</u>	<u>3,327,464</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were authorised for issue by the board and signed on its behalf by:



BD Honea

Director

Date **12 DEC 2014**

## Notes to the financial statements

at 31 March 2014

### 1. Accounting policies

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### *Going concern*

The financial statements of the company have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. Hitachi Consulting Corporation, a fellow group undertaking, has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as and when they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

#### *Statement of cash flows*

Exemption has been taken from preparing a statement of cash flows on the grounds that the company qualifies as a small company.

#### *Turnover*

Turnover comprises the total value of fees due from external customers after deducting all credits and allowances and excluding value added tax. It includes expenses recharged to customers. Contract work turnover is determined by reference to the value of work carried out to date. Income is accrued to the extent that work is carried out but not invoiced. Provision is made for the full amount of foreseeable losses on contracts.

Revenue is recognised on the basis of services performed either by monthly subscription, hours utilised or call incidents. Any invoices issued where revenue has not been recognised have been deferred.

#### *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### *Operating leases*

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

## Notes to the financial statements

at 31 March 2014

### 2. Operating profit

This is stated after charging/(crediting):

	2014 £	2013 £
Release of accruals	(85,008)	–
Auditor's remuneration	–	17,000
The audit costs were borne by another group undertaking in 2014.		

Foreign exchange gain – net	2,140	50,201
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### 3. Interest payable and similar charges

	2014 £	2013 £
Interest payable to group companies	–	9,159

### 4. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £	2013 £
<b>Current tax:</b>		
UK corporation tax on the profit for the year	19,600	43,551
Tax charge on profit on ordinary activities	19,600	43,551

### 5. Debtors

	2014 £	2013 £
<b>Amounts falling due within one year</b>		
Trade debtors	–	388,322
Amounts owed by group undertaking	3,456,298	4,998,521
	3,456,298	5,386,843

## Notes to the financial statements

at 31 March 2014

### 6. Creditors: amounts falling due within one year

	2014	2013
	£	£
Amounts owed to group undertakings	–	2,583,071
Corporation tax	63,151	128,560
Accruals and deferred income	–	19,462
	<u>63,151</u>	<u>2,731,093</u>

### 7. Issued share capital

	No.	2014 £	No.	2013 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	2	<u>2</u>	2	<u>2</u>

### 8. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
At 1 April 2012	2	3,187,606	3,187,608
Profit for the year	–	139,856	139,856
At 1 April 2013	2	3,327,462	3,327,464
Profit for the year	–	65,683	65,683
At 31 March 2014	<u>2</u>	<u>3,393,145</u>	<u>3,393,147</u>

### 9. Related party transactions

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that group financial statements are prepared by the ultimate parent undertaking.

### 10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Sierra Atlantic Inc.

The company's ultimate parent undertaking and controlling party is Hitachi Limited, a company incorporated in Japan. Copies of its group financial statements, which include the company, are available from 6-6, Marunouchi 1-chome Chiyoda-ku, Tokyo, 100-8280 Japan.