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**APPLIED SATELLITE  
TECHNOLOGY SYSTEMS  
LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 APRIL 2013**

Company no 03667051

# **APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED**

## **FINANCIAL STATEMENTS**

**For the year ended 30 April 2013**

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Company no	03667051
Registered office	Satellite House Bessemer Way Harfrey's Industrial Estate Great Yarmouth Norfolk NR31 0LX
Directors	G S Darling P A Truckle
Secretary	J H Turner
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Kingfisher House 1 Gilders Way St James Place Norwich NR3 1UB

# **APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED**

## **FINANCIAL STATEMENTS**

**For the year ended 30 April 2013**

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# **APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED**

## **REPORT OF THE DIRECTORS**

For the year ended 30 April 2013

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The directors submit their report and the financial statements for the year ended 30 April 2013

### **Principal activity**

The principal activity of the company during the year was that of the sale and hire of satellite communications systems, support and airtime

### **Business review**

The profit and loss account for the year is as shown on page 6 of the financial statements. The directors are satisfied with the performance of the company and with the company's prospects for the future.

### **Dividend**

The directors have declared a dividend of £100,000 (note 12). The directors do not recommend the payment of a further dividend.

### **Directors**

The directors who served during the year were as follows:

G S Darling  
R N Harris (resigned 25 June 2012)  
P A Truckle

### **Statement of directors' responsibilities**

The directors are responsible for preparing the report of the directors 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 laws). 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 and 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 judgements 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
- 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all 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 auditor is aware of that information.

**APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED**

**REPORT OF THE DIRECTORS**

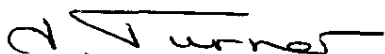
For the year ended 30 April 2013

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**Small company exemption**

In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'J H Turner', with a stylized flourish at the end.

J H Turner  
Secretary  
28 November 2013

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED**

We have audited the financial statements of Applied Satellite Technology Systems Limited for the year ended 30 April 2013 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

As explained more fully in the statement of directors' responsibilities set out on page 1, 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 (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the report of the directors' for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors' were not entitled to prepare the financial statements and the report of the directors' in accordance with the small companies regime.

  
Anders Rasmussen

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Norwich

23/11/2013

# **APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

For the year ended 30 April 2013

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention

The company and group of which it is a member has considerable financial resources and continues to trade profitably in the current financial year. As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

The principal accounting policies of the company have remained unchanged from the previous year and are as set out below.

### **CASH FLOW STATEMENT**

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

### **TURNOVER**

Turnover comprises the value of goods and services supplied by the company, net of value added tax and trade discounts. Turnover from the sale of physical goods is recognised at the point that goods are despatched to the customer.

Turnover from the administration and billing of airtime and subscriptions is recognised in the accounting period in which the airtime and subscription was rendered.

### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	-	25% straight line per annum
Office furniture	-	25% straight line per annum
Motor vehicles	-	25% straight line per annum

### **STOCK**

Stock is stated at the lower of cost and net realisable value. Cost is determined on a standard cost basis, and includes all direct costs incurred and attributable overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

### **FINANCIAL INSTRUMENTS**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

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

Where none of the contractual terms of share capital meet the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## **APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

For the year ended 30 April 2013

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#### **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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **TAXATION**

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19, provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised when it becomes more likely than not that the deferred tax asset will be recovered. Deferred tax is measured using rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

#### **PENSIONS**

Eligible employees are members of the Gardline group pension scheme which is a defined contribution pension scheme. The pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.



# APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 30 April 2013

	Note	2013 £	2012 £
<b>Turnover</b>	1	<b>2,491,828</b>	2,212,597
Cost of sales		(1,620,082)	(1,387,939)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>871,746</b>	824,658
Administrative expenses		(585,274)	(582,886)
Other operating income		6,506	-
		<hr/>	<hr/>
<b>Operating profit</b>	2	<b>292,978</b>	241,772
Interest receivable and similar income		124	288
Interest payable		(69)	-
		<hr/>	<hr/>
<b>Profit on ordinary activity before taxation</b>		<b>293,033</b>	242,060
Tax on profit on ordinary activity	4	(73,058)	(65,457)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	11	<b>219,975</b>	176,603
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing

There are no recognised gains or losses other than those passing through the profit and loss account

The accompanying accounting policies and notes form an integral part of these financial statements

## BALANCE SHEET AT 30 APRIL 2013

	Note	2013	2012
		£	£
<b>Fixed assets</b>			
Tangible assets	5	60,112	71,092
<b>Current assets</b>			
Stocks	6	176,774	60,661
Debtors	7	276,448	313,538
Cash at bank and in hand		898,425	517,979
		<u>1,351,647</u>	<u>892,178</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(714,879)</u>	<u>(386,365)</u>
<b>Net current assets</b>		<u>636,768</u>	<u>505,813</u>
<b>Net assets</b>		<u>696,880</u>	<u>576,905</u>
<b>Capital and reserves</b>			
Called up share capital	10	1,000	1,000
Share premium account	11	252	252
Profit and loss account	11	695,628	575,653
<b>Equity shareholders' funds</b>	12	<u>696,880</u>	<u>576,905</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006

The financial statements were approved by the board of directors, signed and authorised for issue on 28 November 2013



G S Darling Director

The accompanying accounting policies and notes form an integral part of these financial statements

# APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2013

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### 1 TURNOVER

8% of turnover (2012 9%) is attributable to geographical markets outside the United Kingdom

### 2 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2013 £	2012 £
Depreciation of owned tangible fixed assets	32,288	32,686
(Profit)/loss on disposal of fixed assets	(1,004)	908
Auditors remuneration	3,186	3,672
Exchange (gains)/losses	(15,143)	2,569
	<hr/>	<hr/>

### 3 DIRECTORS' EMOLUMENTS

	2013 £	2012 £
Emoluments (including benefits in kind)	87,317	129,009
Contributions to money purchase pension schemes	2,358	3,675
	<hr/>	<hr/>
	89,675	132,684
	<hr/>	<hr/>

The number of directors accruing benefits under pension schemes were

	2013 Number	2012 Number
Money purchase schemes	1	2
	<hr/>	<hr/>

# APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2013

### 4 TAX ON PROFIT ON ORDINARY ACTIVITY

#### (a) Analysis of the tax charge for the year

The taxation charge on the profit on ordinary activity comprises

	2013 £	2012 £
<b>Current tax</b>		
UK corporation tax on profits for the year	69,895	67,549
Adjustments in respect of previous years	3,148	1,305
	<hr/>	<hr/>
Total current tax (note 4(b))	73,043	68,854
<b>Deferred tax</b>		
Origination or reversal of timing differences (note 9)	(1,852)	(3,397)
Adjustment in relation to the prior year (note 9)	1,867	-
	<hr/>	<hr/>
<b>Tax on profit on ordinary activity</b>	<u>73,058</u>	<u>65,457</u>

#### (b) Factors affecting the taxation charge for the year

The taxation assessed for the year is higher (2012 higher) than the standard rate of corporation tax in the UK (24% (2012 26%)). The differences are explained below

	2013 £	2012 £
Profit on ordinary activity before tax	293,033	242,060
	<hr/>	<hr/>
Profit on ordinary activity multiplied by standard rate of corporation tax in the UK of 24% (2012 26%) - expected charge	70,328	62,936
Effects of		
Expenses not allowable for corporation tax purposes	1,756	1,645
Depreciation in excess of capital allowances	1,296	3,397
Tax payable at lower rates	(241)	(429)
Other timing differences	(3,244)	-
Adjustments to tax charge in respect of previous years	3,148	1,305
	<hr/>	<hr/>
Current taxation charge for year (note 4(a))	<u>73,043</u>	<u>68,854</u>

#### (c) Change in tax rates

Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012 and has since become substantively enacted. Further reductions to the main rate are proposed to reduce the rate by a further 3% to 20% by 1 April 2015. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. Deferred tax has been provided for at 23% as this is the rate enacted at the balance sheet date.

# APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2013

### 5 TANGIBLE FIXED ASSETS

	Equipment £	Office furniture and motor vehicles £	Total £
Cost			
At 1 May 2012	35,579	135,759	171,338
Additions	4,102	26,388	30,490
Disposals	(6,788)	(23,126)	(29,914)
At 30 April 2013	32,893	139,021	171,914
Depreciation			
At 1 May 2012	24,793	75,453	100,246
Charged for the year	7,022	25,266	32,288
On disposals	(6,789)	(13,943)	(20,732)
At 30 April 2013	25,026	86,776	111,802
Net book value at 30 April 2013	7,867	52,245	60,112
Net book value at 30 April 2012	10,786	60,306	71,092

### 6 STOCKS

	2013 £	2012 £
Stocks for resale	176,774	60,661

### 7 DEBTORS

	2013 £	2012 £
Trade debtors	122,776	176,518
Amounts due from group undertakings (note 15)	105,219	114,457
Other debtors	-	180
Deferred tax asset (note 9)	5,614	5,629
Prepayments and accrued income	42,839	16,754
	276,448	313,538

# APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2013

### 8 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	93,356	80,514
Amounts owed to group undertakings (note 15)	164,330	88,773
Corporation tax	45,946	46,570
Other taxation and social security	144,049	98,847
Accruals and deferred income	266,263	68,554
Other creditors	935	3,107
	<u>714,879</u>	<u>386,365</u>

### 9 DEFERRED TAXATION

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

	2013 £	2012 £
Asset at beginning of year	5,629	2,232
Profit and loss account movement arising during the year (note 4(a))	1,852	3,397
Amounts in relation to prior years (note 4(a))	(1,867)	-
	<u>5,614</u>	<u>5,629</u>
Asset at end of year (note 7)	<u>5,614</u>	<u>5,629</u>

The amounts provided for deferred taxation are set out below

	2013 £	2012 £
Depreciation in excess of capital allowances	<u>5,614</u>	<u>5,629</u>

### 10 SHARE CAPITAL

	2013 £	2012 £
<b>Authorised</b>		
100,000 ordinary equity shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
1,000 ordinary equity shares of £1 each	<u>1,000</u>	<u>1,000</u>

# APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2013

### 11 RESERVES

	Profit and loss account £	Share premium account £
At 1 May 2012	575,653	252
Profit for the financial year	219,975	-
Dividends paid	(100,000)	-
	<hr/>	<hr/>
At 30 April 2013	695,628	252
	<hr/>	<hr/>

### 12 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	219,975	176,603
Dividends paid	(100,000)	-
	<hr/>	<hr/>
Net addition to equity shareholders' funds	119,975	176,603
Opening equity shareholders' funds at 1 May	576,905	400,302
	<hr/>	<hr/>
Closing equity shareholders' funds at 30 April	696,880	576,905
	<hr/>	<hr/>

### 13 CONTINGENT LIABILITIES

A cross guarantee exists between all group companies in relation to the group overdraft facility. The overdraft facility is set at £7,000,000 (2012 £7,000,000). The Gardline Shipping Group has entered into various loan agreements. An unlimited multilateral bank guarantee has been provided in respect of these loans. At the year end £17,338,416 (2012 £21,089,425) was owed in respect of these bank loans.

There is a joint and several liability under a group VAT registration. The total liability at 30 April 2013 was £Nil as there was a refund due to the Group as at this date (2012 liability of £46,647).

### 14 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company's immediate parent undertaking is Applied Satellite Technology Limited and its ultimate parent undertaking is Gardline Shipping Limited.

The parent undertaking of the smallest group for which consolidated accounts are prepared is Applied Satellite Technology Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

The parent undertaking of the largest group for which consolidated accounts are prepared is Gardline Shipping Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

The company's ultimate controlling party is the Darling family by virtue of their ownership of the majority of the ordinary share capital of Gardline Shipping Limited.

## **APPLIED SATELLITE TECHNOLOGY SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 April 2013

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#### **15 TRANSACTIONS WITH RELATED PARTIES**

At the year end, Applied Satellite Technology Limited owned 100% of the ordinary share capital of Applied Satellite Technology Systems Limited (2012 95%) The final 5% was purchased during the year on 29 May 2012 Accordingly, there is a requirement to disclose transactions with other companies within the Applied Satellite Technology group

During the year ended 30 April 2013 the company made sales totalling £392,458 (2012 £373,042) to other companies within the Applied Satellite Technology group Other transactions included purchases of £1,350,711 (2012 £1,217,980) and administration costs recharged of £54,977 (2012 £25,339)

At the year end the company was owed £102,507 (2012 £113,441) and owed £162,174 (2012 £87,384) in respect of these transactions

Gardline Shipping Limited owns 80% of the ordinary share capital of Applied Satellite Technology Limited Accordingly, there is a requirement to disclose transactions with other companies within the Gardline Shipping group

During the year ended 30 April 2013 the company made sales totalling £1,415 (2012 £Nil) incurred recharges of administrative expenses of £4,191 (2012 £4,823) and finance charges of £997 (2012 £Nil) from other companies within the Gardline Shipping group

At the year end the company was owed £2,712 (2012 £1,016) and owed £2,156 (2012 £1,389) in respect of these transactions

During the year the company sold a tangible fixed asset to Mr R Harris, who was at the time a director, for £10,188 In respect of this sale there was a profit on disposal of £1,027