

**Company Registration No. NI 51794**

**FLEX1RONICS (UK) DESIGN SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 March 2009**

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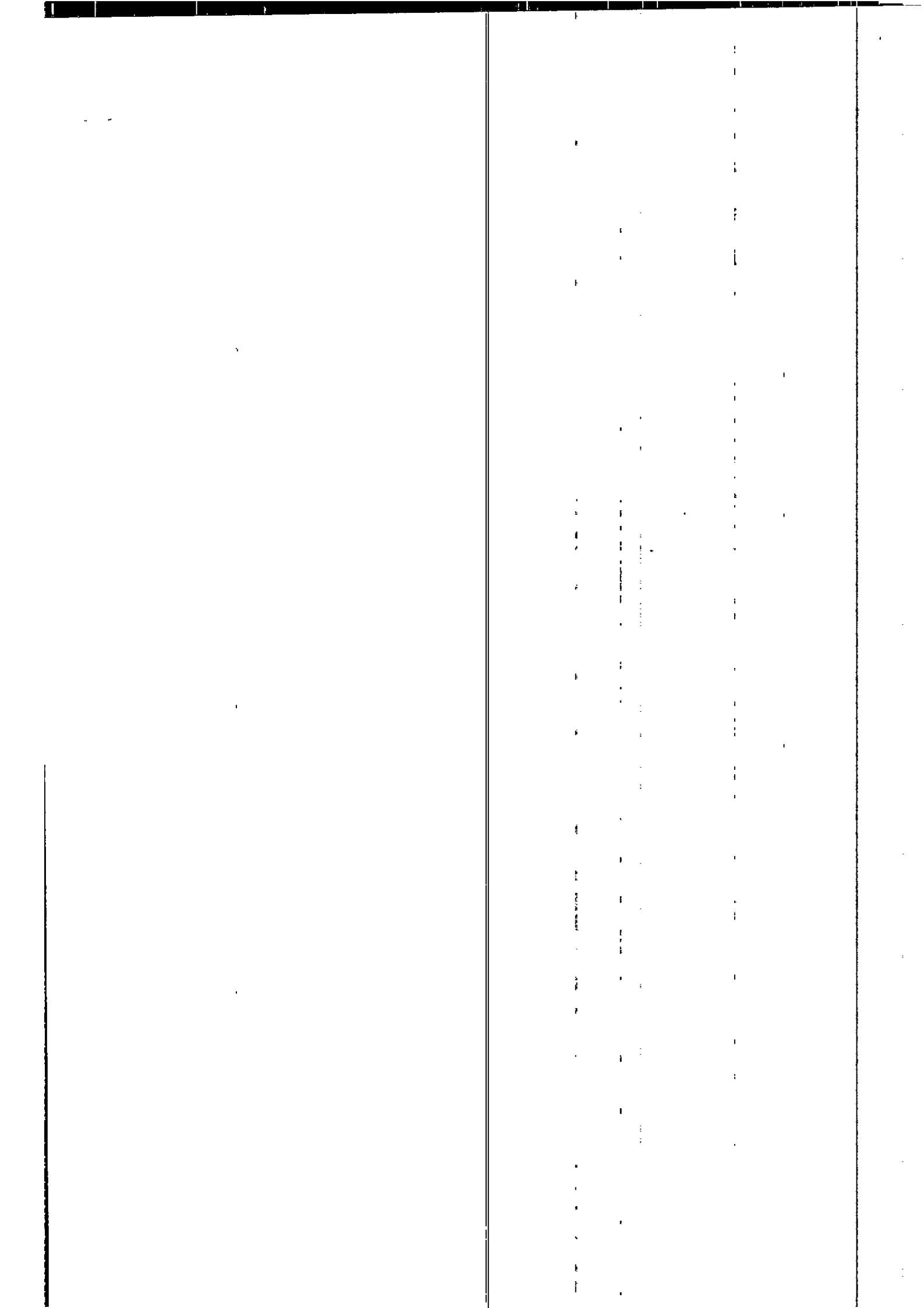
COMPANIES HOUSE



# **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

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## **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

R Foskin  
E Johnston  
F McKay

#### **SECRETARY**

Beach Secretaries Limited

#### **REGISTERED OFFICE**

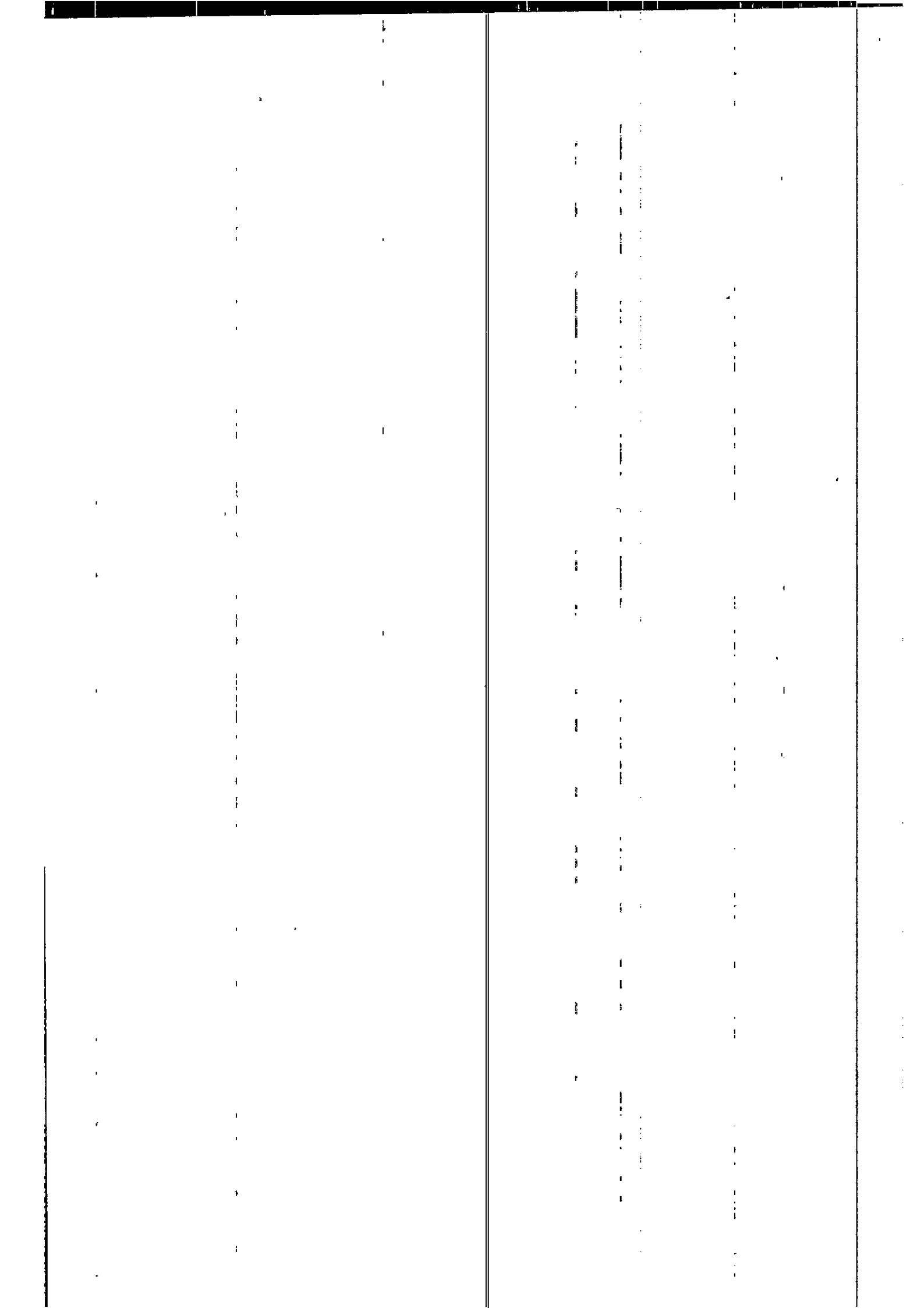
Arthur Boyd & Company  
Franklin House  
12 Brunswick Street  
Belfast  
BT2 7GE

#### **INDEPENDENT AUDITORS**

Arthur Boyd & Company  
Franklin House  
12 Brunswick Street  
Belfast  
BT2 7GE

#### **BANKERS**

Citigroup  
Citibank House  
336 The Strand  
London  
WCR 1HB



## **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2009

#### **PRINCIPAL ACTIVITY**

The company was incorporated on 22 September 2004 as Sarcon (No 169) Limited. On 15 November 2004 the company name was changed to Flextronics (UK) Design Services Limited. The principal activity of the company was the provision of Design Services to the Telecoms Infrastructure Industry, but all activities ceased in November 2007, and there has been no trading activity in the 12 month period to 31 March 2009.

#### **BUSINESS REVIEW AND FUTURE PROSPECTS**

As previously reported, operations within Flextronics (UK) Design Services Ltd ceased in November 2007, and the only activity within the company since that time has been in dealing with the outstanding liabilities, the majority of which have now been settled.

Any remaining issues will be dealt with prior to the end of the next reporting period, with a view to having the company closed shortly thereafter.

Due to the nature of the closure and the costs associated with it, Flextronics International Ltd, the parent company of the group, will continue to support the company financially until all outstanding matters have been completed.

#### **RESULTS AND DIVIDENDS**

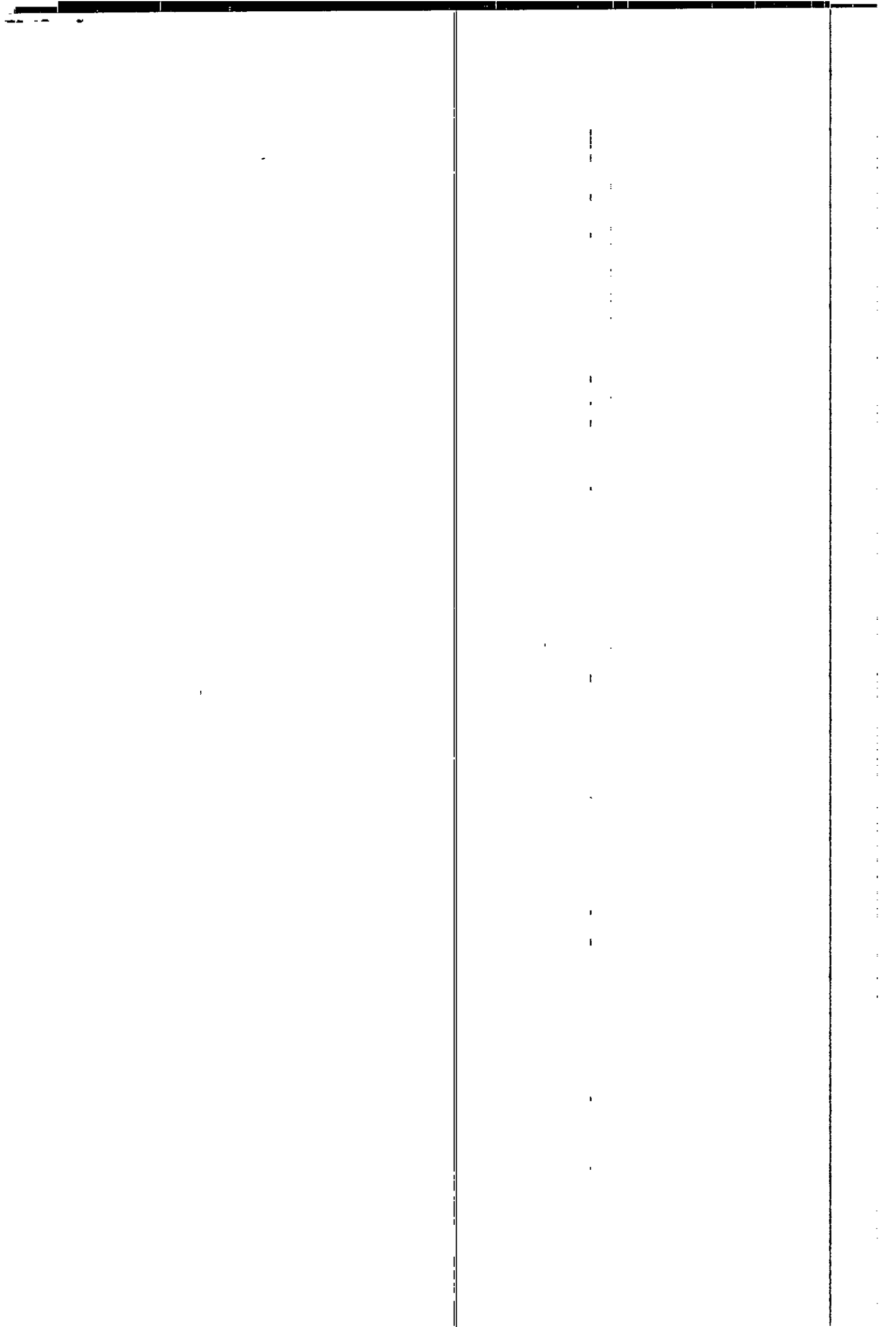
There was no turnover in the current year (2008: £2,337,798 as restated (previously £2,363,150)).

The loss for the year attributable to shareholders amounts to £88,172 (2008 loss: £2,189,539, as restated (previously £2,931,963)). The directors do not recommend payment of a dividend for the year.

#### **DIRECTORS AND THEIR INTERESTS**

The directors of the company during the period and at the end of the year are shown on page 1.

None of the directors held any interest in the share capital of the company or of the parent company.





## **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

### **DIRECTORS' REPORT CONTINUED**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year 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 accounting standards have been followed, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements are prepared in compliance with the Companies (Northern Ireland) Order 1986. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

Arthur Boyd & Company were appointed as auditors by the board on 26 September 2008, and a resolution to retain their services in this capacity was approved by the Board.

By order of the Board



Director – F. McKay

Date 11 February 2010



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

We have audited the financial statements of Flextronics (UK) Design Services Limited for the year ended 31 March 2009 which comprise the profit and loss account, balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 243 of the Companies (Northern Ireland) Order 1986. 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 auditors' 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 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 Accounting (UK and Ireland).

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 (Northern Ireland) Order 1986. We also report to you whether in our opinion the information and explanations we require for our audit is adequate, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the report of the directors for the above period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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, 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.

### **Financial statements prepared other than on a going concern basis and prior period adjustments**

We draw attention to note 1 to the accounts, which states that the financial statements have been prepared on the basis that the company is no longer a going concern and describes the reason why.

We also draw attention to Note 16 to the accounts regarding prior period adjustments and to the fact that we were unable to form an opinion on the financial statements for the years ended 31 March 2007 and 31 March 2008.

Our audit opinion for the current year is not qualified in respect of either of the above.



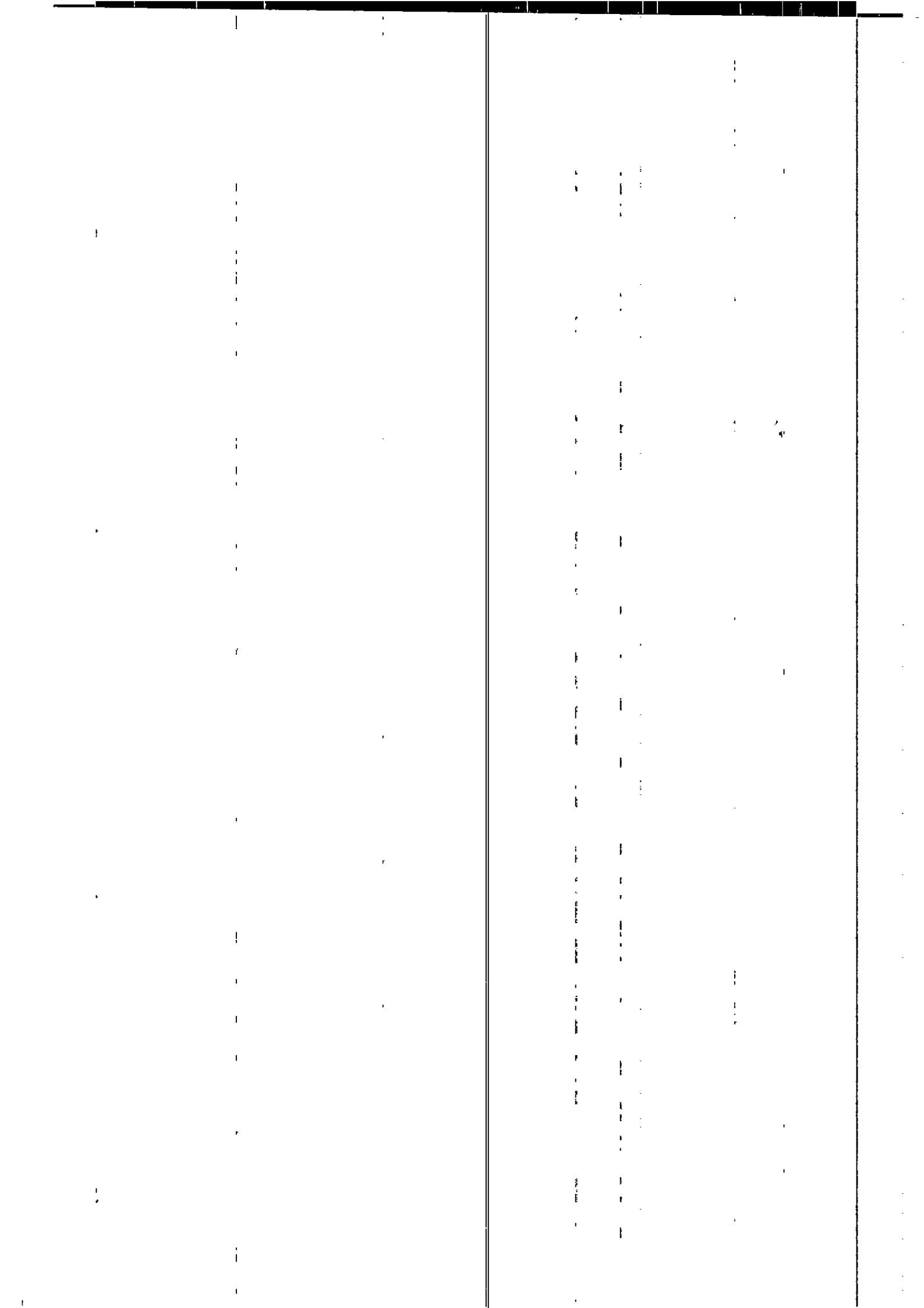
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXTRONICS  
(UK) DESIGN SERVICES LIMITED**

**Opinion**

In our opinion the financial statements give a true & fair view of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986

  
ARTHUR BOYD & COMPANY  
Chartered Accountants and Registered Auditors  
Belfast United Kingdom

Date 11 February 2010

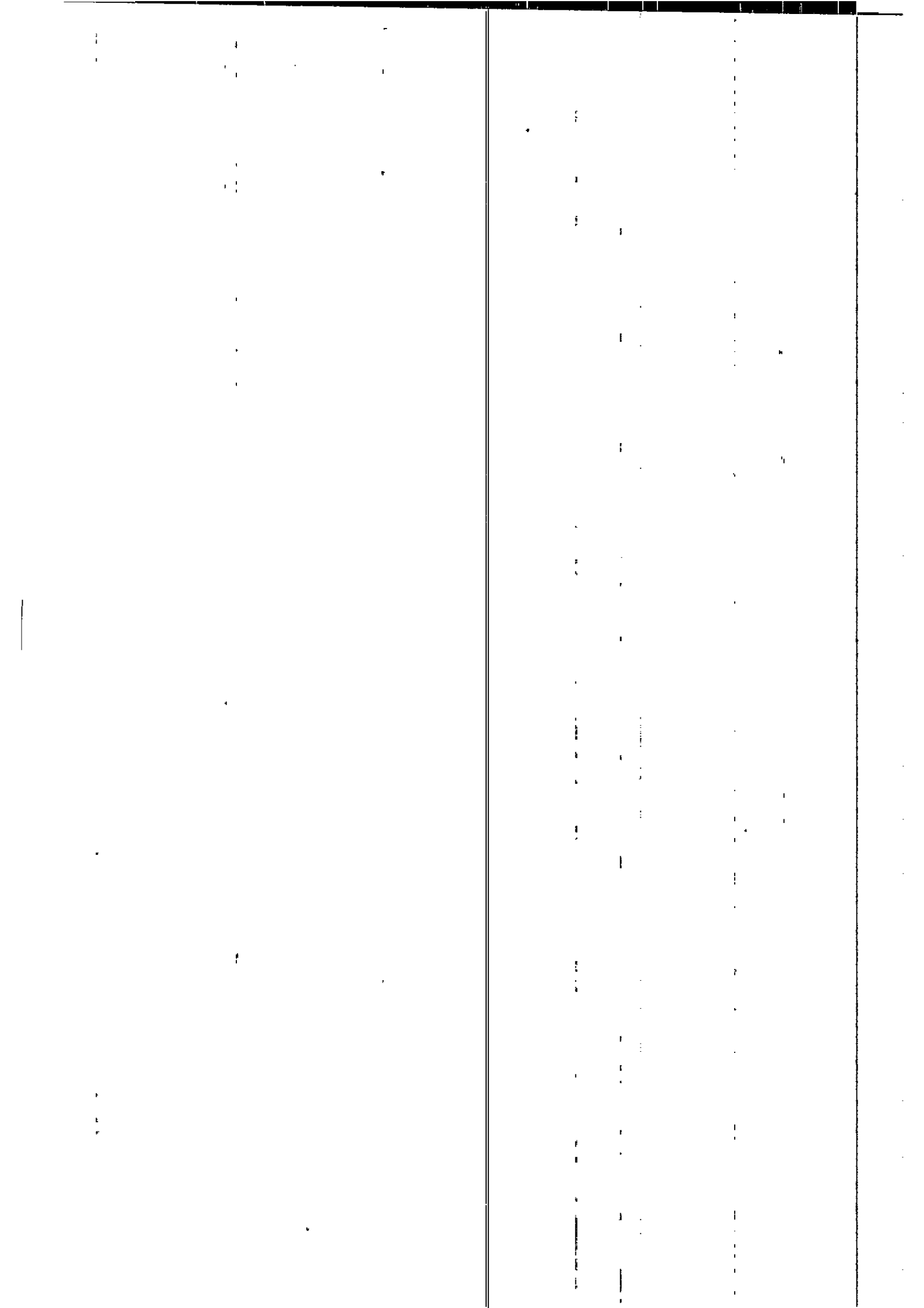


# **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**Year ended 31 March 2009**

	<b>Note</b>	<b>2009 £</b>	<b>2008 £</b>
<b>TURNOVER</b>	2	-	2,337,798
Cost of sales		-	(2,005,142)
		<u>-</u>	<u>(2,005,142)</u>
<b>GROSS PROFIT</b>		-	332,656
Administrative expenses		(5,861)	(2,404,982)
		<u>(5,861)</u>	<u>(2,404,982)</u>
<b>OPERATING ( LOSS)</b>	3	(5,861)	(2,072,326)
Interest receivable and similar income		-	64,691
Interest payable and similar charges	6	(82,311)	(181,904)
		<u>(82,311)</u>	<u>(181,904)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION AND RETAINED LOSS FOR THE YEAR</b>		<u>(88,172)</u>	<u>(2,189,539)</u>
<b>STATEMENT OF TOTAL RECOGNISED GAINS &amp; LOSSES</b>			
Retained loss as previously reported		(88,172)	(2,931,963)
Prior period adjustment	16	-	742,424
		<u>-</u>	<u>742,424</u>
Retained loss as restated		(88,172)	(2,189,539)
		<u>(88,172)</u>	<u>(2,189,539)</u>





# **FLETRONICS (UK) DESIGN SERVICES LIMITED**

## **BALANCE SHEET**

**At 31 March 2009**

	<b>Note</b>	<b>2009 £</b>	<b>2008 £</b>
<b>CURRENT ASSETS</b>			
Debtors	8	15,173	1,135,210
Cash at bank and in hand		101,622	-
		<u>116,795</u>	<u>1,135,210</u>
<b>CREDITORS amounts falling due within one year</b>	9	<u>(1,899,607)</u>	<u>(2,829,850)</u>
<b>NET CURRENT ASSETS</b>		<u>(1,782,812)</u>	<u>(1,694,640)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,782,812)</u>	<u>(1,694,640)</u>
<b>NET ASSETS</b>		<u>(1,782,812)</u>	<u>(1,694,640)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Share premium account	11	237,406	237,406
Capital contribution	11	120,000	120,000
Profit and loss account	11	<u>(2,140,220)</u>	<u>(2,052,048)</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>(1,782,812)</u>	<u>(1,694,640)</u>

11 February 2010

These financial statements were approved by the Board of Directors on \_\_\_\_\_

Signed on behalf of the Board of Directors



Director – P. McKay

4/1/80

# **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2009**

### **1 ACCOUNTING POLICIES**

The principle accounting policies are summarised below. They have been applied consistently throughout the year and preceding year.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### **Going concern**

The company ceased to trade in November 2007 and the financial statements have been prepared on a basis other than that of going concern. The company's assets have been written down to Net Realisable Value and provision has been made for all known liabilities at the balance sheet date. Future costs of terminating the business are not included in these financial statements except to the extent that such were present at the balance sheet date.

#### **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 substantively enacted by the balance sheet date.

Deferred tax is recognised 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 company'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 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.

#### **Pensions**

The company participated in a defined contribution pension scheme. Contributions were charged to the profit and loss account as they became payable in accordance with the rules of the scheme. There are no remaining employees and consequently no pension charges in the current year.

#### **Foreign Currencies**

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. All assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting gain or loss is dealt with in the profit and loss account.

#### **Cash Flow**

The company is a wholly owned subsidiary undertaking of Flextronics International Limited whose consolidated financial statements, within which Flextronics (UK) Design Services Limited is included, are publicly available. Consequently the company has taken advantage of the exemption in FRS1 from preparing a cash flow statement.



# **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2009**

### **2 TURNOVER**

Turnover is the amount derived from the provision of services falling within the company's ordinary activities after deduction of value added tax

The whole of the company's turnover in 2008, and loss on ordinary activities before taxation arose from its provision of Design Services within the United Kingdom

No analysis of turnover and results for 2008 is presented as the directors consider such disclosure to be seriously prejudicial to the company's interests

### **3 OPERATING PROFIT**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation - own assets	-	129,294
Auditors' remuneration – audit fees	3,000	18,500
Exchange gain/(loss)	-	137,515
	<u>          </u>	<u>          </u>

### **4 DIRECTORS' REMUNERATION**

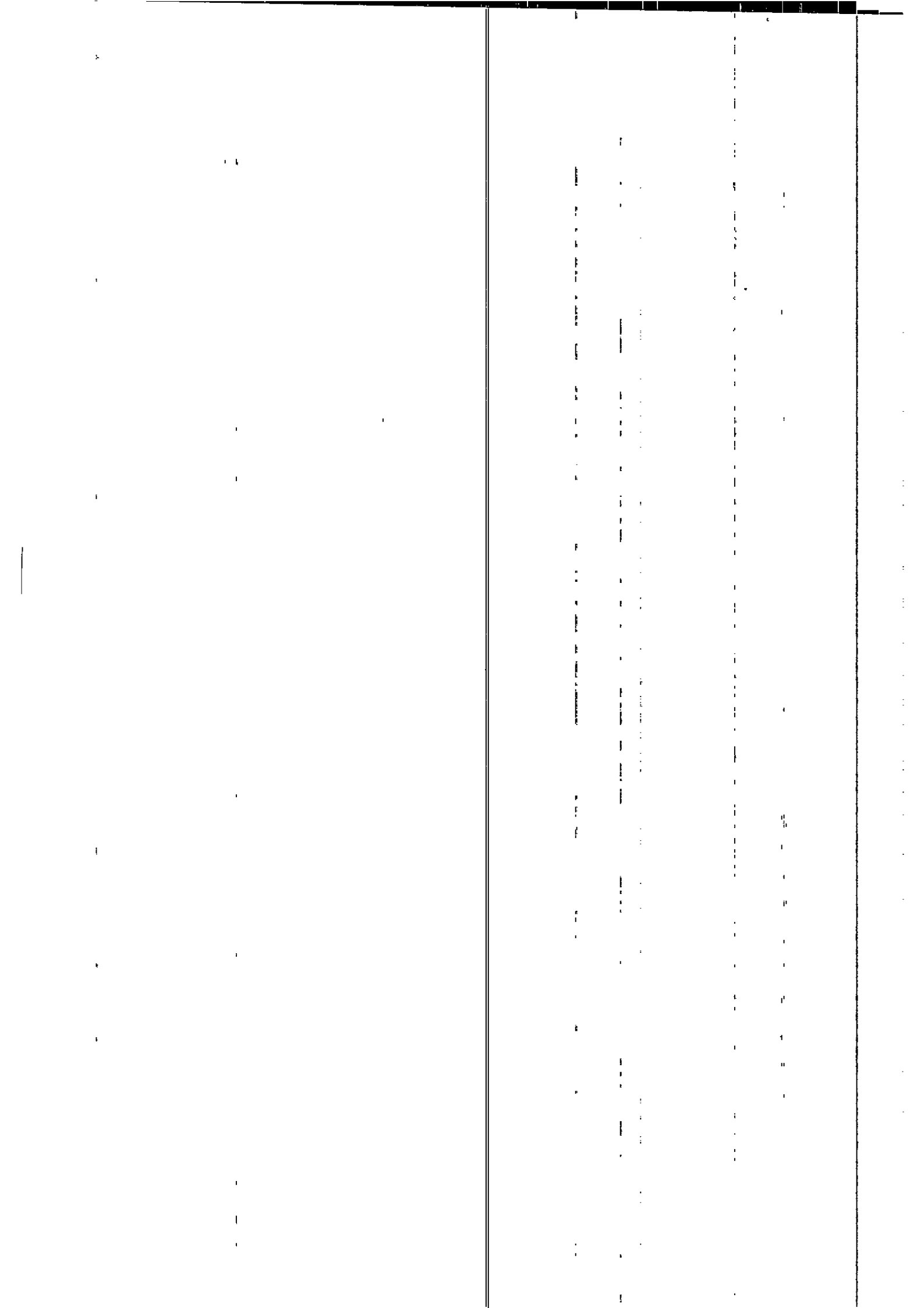
None of the directors received any emoluments during the year

### **5 INFORMATION REGARDING EMPLOYEES**

	<b>2009</b>	<b>2008</b>
	<b>No.</b>	<b>No</b>
Average number of persons employed by the company (including directors)		
Consultancy / Design Services	-	34
Administration	-	3
	<u>          </u>	<u>          </u>
	-	37
	<u>          </u>	<u>          </u>
	<b>£</b>	<b>£</b>
Staff costs incurred during the period		
Wages and salaries	-	1,211,019
Social security costs	-	148,005
Pension costs (note 13)	-	124,341
	<u>          </u>	<u>          </u>
	-	1,483,365
	<u>          </u>	<u>          </u>

### **6 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Interest payable on loans from group companies	79,076	178,095
Interest payable on current accounts	3,235	3,809
	<u>          </u>	<u>          </u>
	82,311	181,904
	<u>          </u>	<u>          </u>



# **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2009**

### **7 TAXATION**

There is no actual tax charge for the current or prior period due to the incidence of trading losses in the current and preceding period

### **8 DEBTORS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amount recoverable in less than one year		
Other debtors	15,173	30,565
Prepayments and accrued income	-	12,916
Amount owed by group companies	-	1,091,729
	<u>15,173</u>	<u>1,135,210</u>

### **9 CREDITORS amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank overdraft	-	3,300
Other taxes and social security costs	-	82,689
Other creditors	23,000	3,670
Accruals and deferred income	-	50,765
Amounts owed to group companies	1,876,607	2,689,426
	<u>1,899,607</u>	<u>2,829,850</u>

Interest is charged on the amounts owed to group companies at LIBOR plus margin

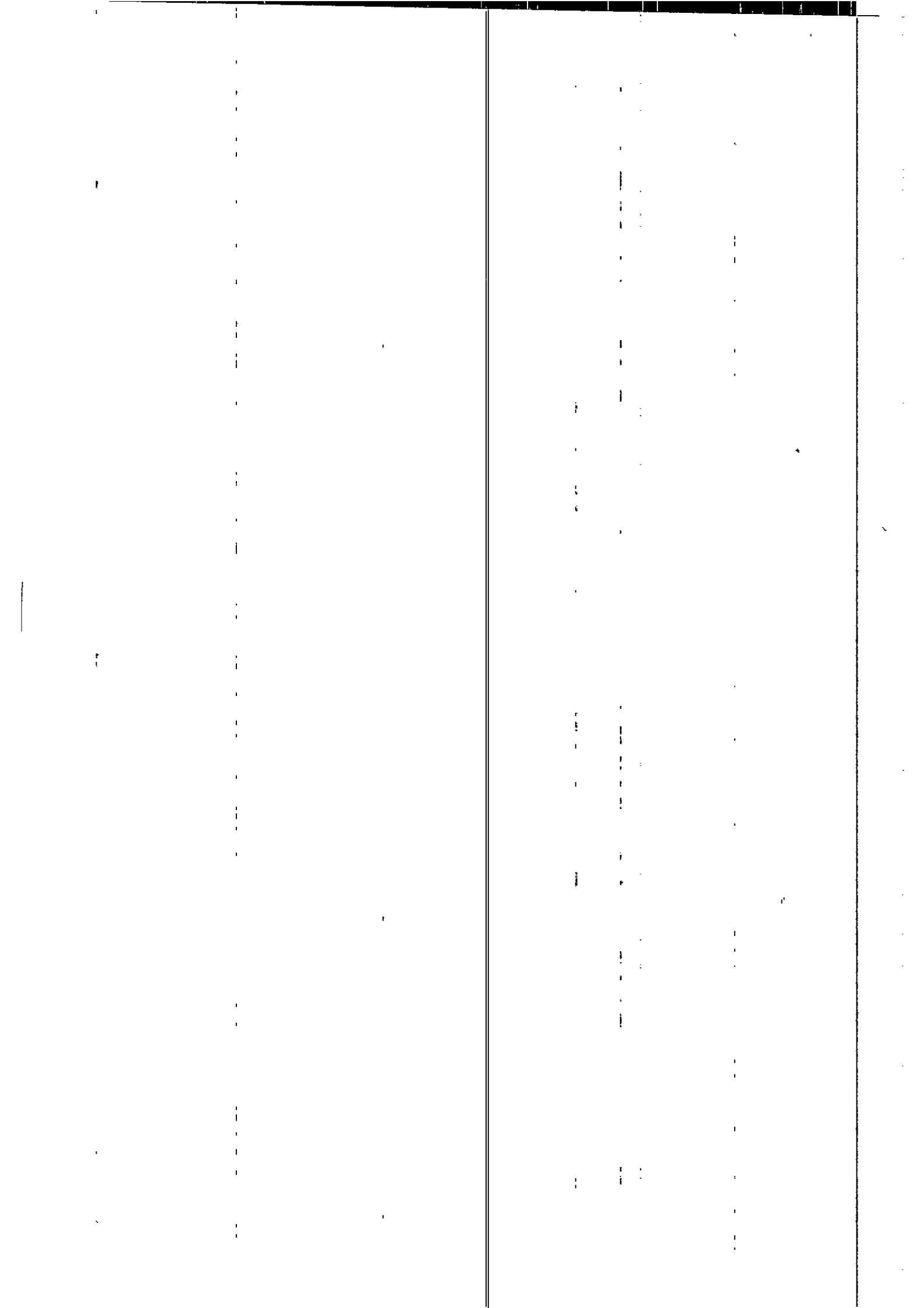
### **10 CALLED UP SHARE CAPITAL**

#### **Authorised**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### **Allotted, called up and fully paid**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>





## **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

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

**For the year ended 31 March 2009**

#### **11 STATEMENT OF MOVEMENT ON RESERVES**

	Share premium account £	Capital contribution £	Profit and loss account £	Total £
At 1 April 2008 – as previously stated	237,406	120,000	(2,794,472)	(2,437,066)
Prior period adjustment	-	-	742,424	742,424
At 1 April 2008 as restated	237,406	120,000	(2,052,048)	(1,694,462)
Loss for the financial year	-	-	(88,172)	(88,172)
At 31 March 2009	237,406	120,000	(2,140,220)	(1,782,814)

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

	2009 £	2008 £
Loss for the period (and net reduction in shareholders funds)	(88,172)	(2,189,539)
Opening shareholders funds	(1,694,640)	494,899
Closing shareholders funds	(1,782,812)	(1,694,640)

#### **13 PENSIONS**

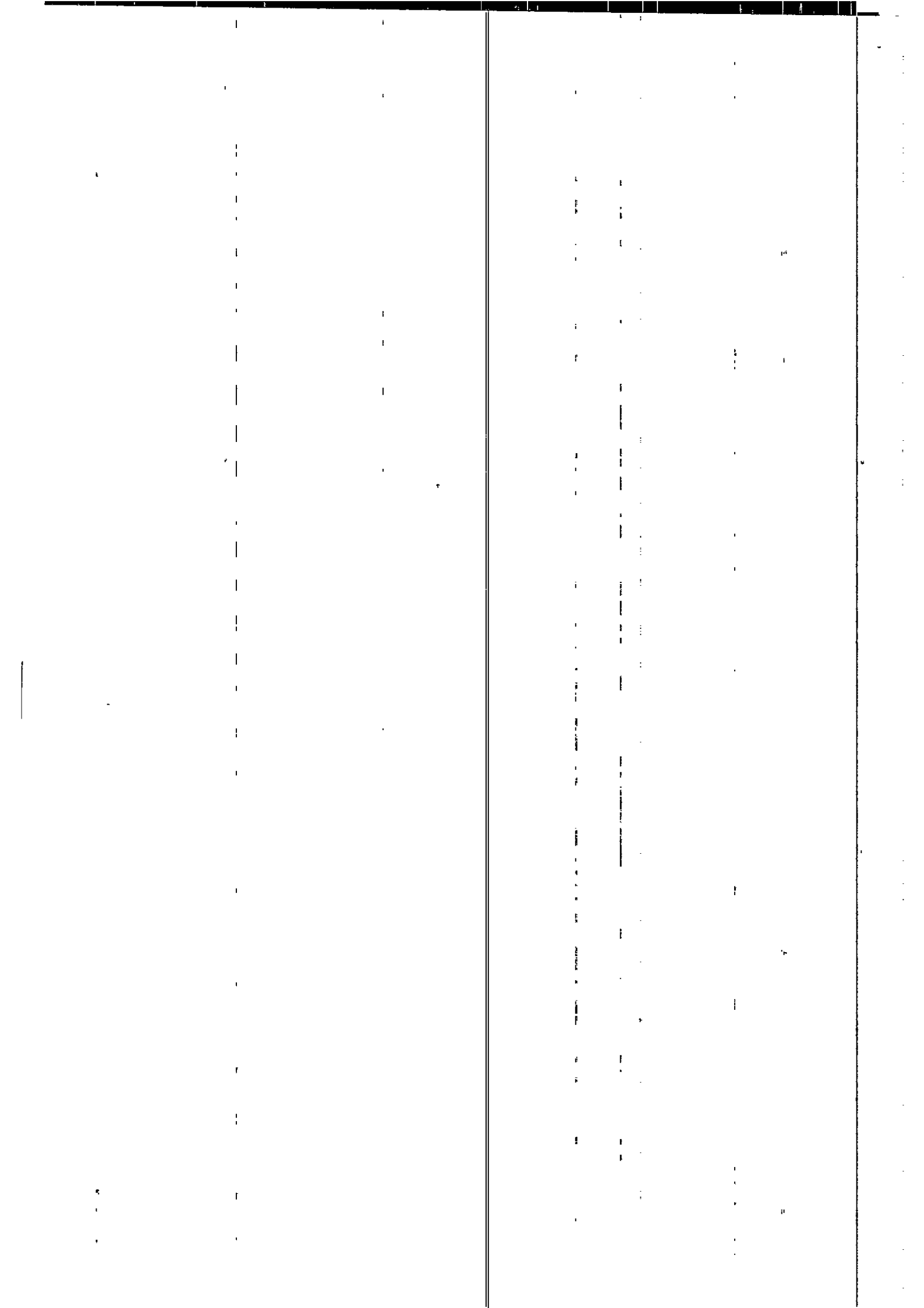
The company participated in a group defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Payments to the scheme during the year amounted to £Nil (2008: £124,341).

#### **14 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions contained in Financial Reporting Standard Number 8 – 'Related Party Disclosures' not to disclose transactions with its parent undertakings or fellow subsidiary undertakings on the grounds that it is a 100% owned subsidiary.

#### **15 ULTIMATE CONTROLLING PARTY**

The company is a subsidiary of Flextronics International Ltd. The ultimate controlling party is Flextronics International Ltd. Copies of the Group accounts of Flextronics International Limited may be obtained from the Investor Relations Department, 2090 Fortune Drive, San Jose, California, 95131.



## **FLEXTRONICS (UK) DESIGN SERVICES LIMITED**

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

**For the year ended 31 March 2009**

#### **16 PRIOR PERIOD ADJUSTMENT**

A number of adjustments were found to be necessary to the previous period accounts, after completion of the audit for that year. These were found to be material in relation to the results previously reported, and consequently the figures have been restated as follows

	<b>2008</b>
	<b>£</b>
Turnover	25,352
Cost of sales	80,711
Administration expenses	(836,765)
	<hr/>
	(730,702)
	<hr/>

There is no tax consequence arising from the above adjustments. These adjustments arose as a consequence of the cessation of operations and subsequent removal of the company records from the premises, a change in key financial personnel and subsequent redundancy of the replacement individuals.

The audit report on the accounts for the previous period was qualified as a result of the limitation in scope.

