

Company Registration No NI 51794

**FLEXTRONICS (UK) DESIGN SERVICES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**5 AUGUST 2010**

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# **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 period ended 5 August 2010

#### **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 period to 5 August 2010 being the date the company was placed into Members Voluntary Liquidation.

#### **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, all of which have now been settled.

Under a group guarantee the inter company debt was dealt with by the parent company and all liabilities were cleared by the balance sheet date.

The company was placed into liquidation on 5 August 2010.

#### **RESULTS AND DIVIDENDS**

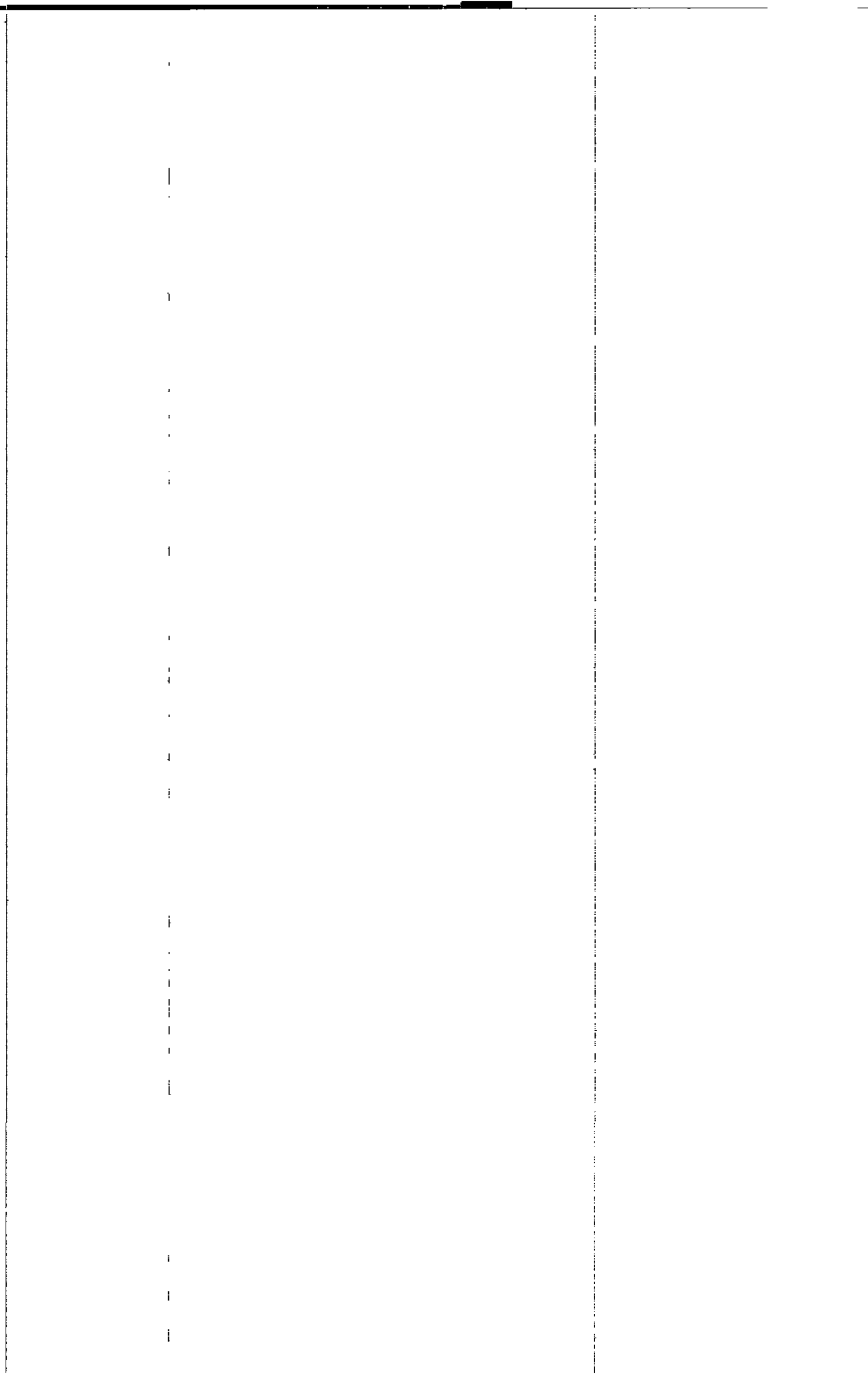
There was no turnover in the current period or previous year.

The profit for the year attributable to shareholders amounts to £1,854,062 (2010 loss: £58,006). The directors do not recommend payment of a dividend for the period.

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

The directors of the company during the period and at the end of the period 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 Act 2006. 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**

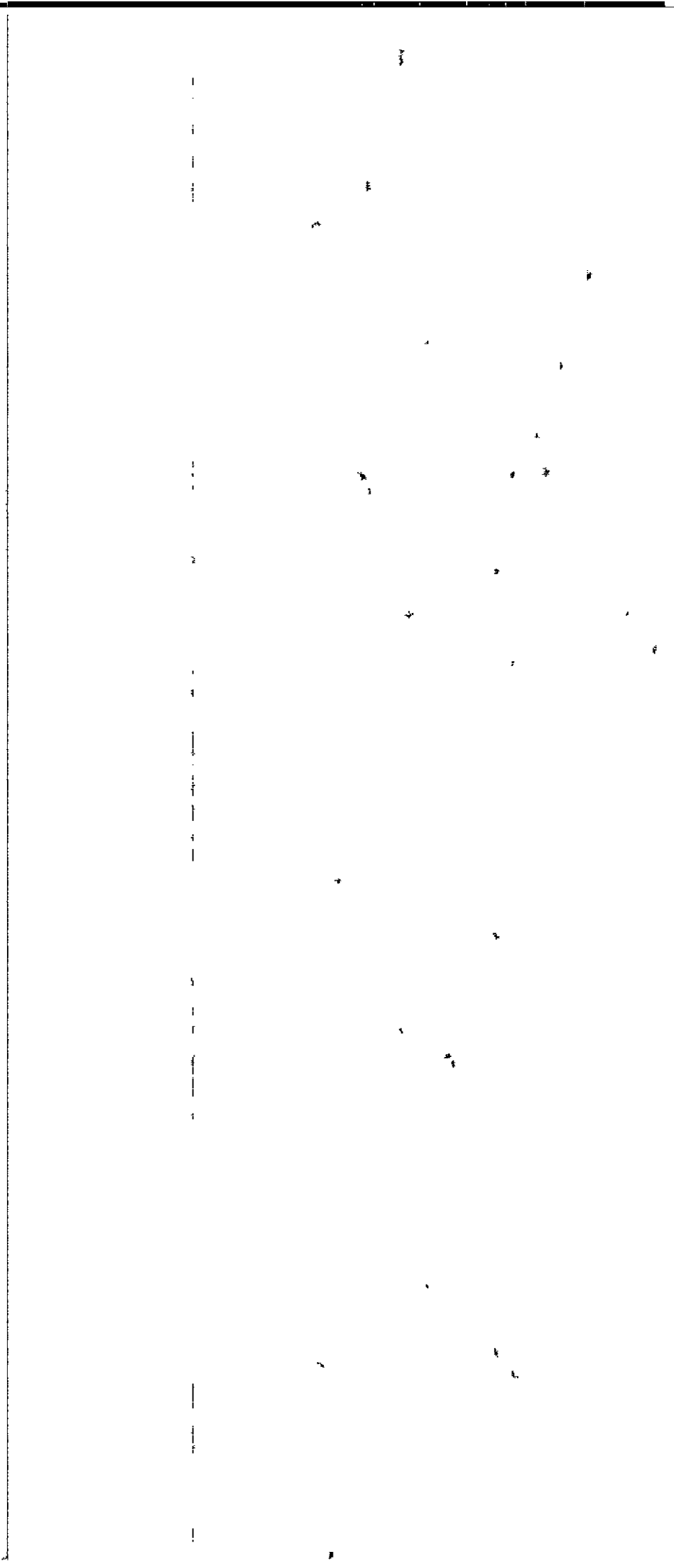
Arthur Boyd & Company were appointed as auditors by the board on 26 September 2008 and a resolution to retain their services in this capacity was approved by the Board.

By order of the Board



Director – F McKay

Date 17 January 2011



## **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 period ended 5 August 2010 which comprise the profit and loss account, balance sheet and the related notes 1 to 15. 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 Sections 495 and 496 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 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 Act 2006. 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.

Our audit opinion for the current period is not qualified in respect 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 5 August 2010 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 2010



Paula Watson (Senior Statutory Auditor)  
For and on behalf of ARTHUR BOYD & COMPANY  
Chartered Accountants and Registered Auditors  
Franklin House 12 Brunswick Street  
Belfast BT2 7GE United Kingdom

Date 17 January 2011

10/10/10

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

## **PROFIT AND LOSS ACCOUNT**

**Period ended 5 August 2010**

	<b>Note</b>	<b>Period Ended 5 8 10 £</b>	<b>Year Ended 2010 £</b>
<b>TURNOVER</b>	<b>2</b>		
Cost of sales		<u>                    </u>	<u>                    </u>
<b>GROSS PROFIT</b>			
Administrative expenses		<u>1 500</u>	<u>(7 861)</u>
<b>OPERATING PROFIT/( LOSS)</b>	<b>3</b>	<b>1 500</b>	<b>(7 861)</b>
Interest receivable and similar income			
Interest payable and similar charges	<b>6</b>	<u>(8 181)</u>	<u>(50 145)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION AND RETAINED LOSS FOR THE YEAR</b>		<u><b>(6 681)</b></u>	<u><b>(58 006)</b></u>
<b>STATEMENT OF TOTAL RECOGNISED GAINS &amp; LOSSES</b>			
Retained loss as previously reported		(6 681)	(58 006)
Inter-company loan written off		<u>1 860 743</u>	<u>                    </u>
Retained profit/(loss) as restated		<u><b>1 854 062</b></u>	<u><b>(58 006)</b></u>





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


## **BALANCE SHEET AT 5 AUGUST 2010**

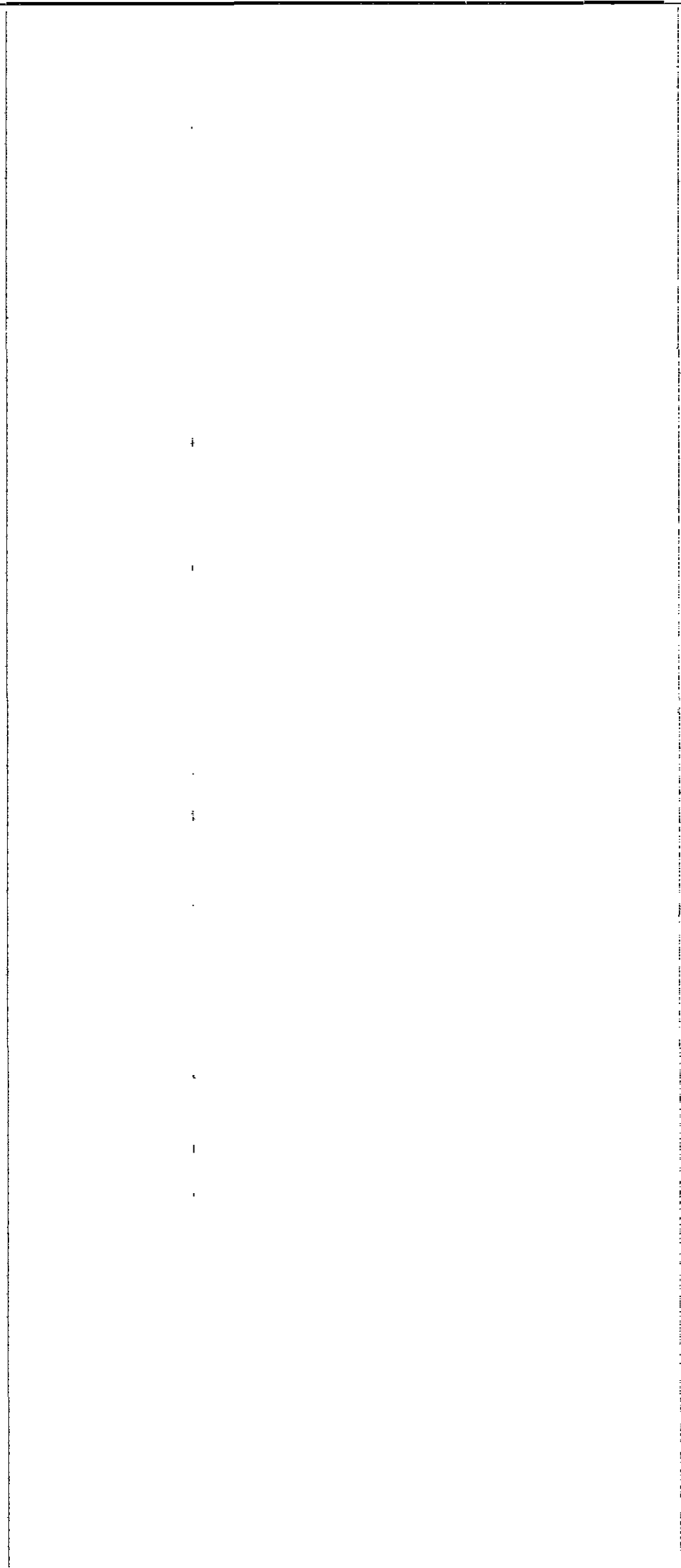
	<b>Note</b>	<b>05 08 10 £</b>	<b>31 03 10 £</b>
<b>CURRENT ASSETS</b>			
Debtors	8		
Cash at bank and in hand		13 245	20 760
			20 760
<b>CREDITORS amounts falling due within one year</b>	9		(1 861 578)
<b>NET CURRENT ASSETS</b>		13 245	(1 840 818)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(1 840 818)
<b>NET ASSETS</b>		13 245	(1 840 818)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	3	2
Share premium account	11	237 406	237 406
Capital contribution	11	120 000	120 000
Profit and loss account	11	(344 164)	(2 198 226)
<b>SHAREHOLDERS FUNDS</b>	12	13 245	(1 840 818)

17 January 2011

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

Signed on behalf of the Board of Directors

  
\_\_\_\_\_  
Director – P McKay



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

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the period ended 5 August 2010**

### **1 ACCOUNTING POLICIES**

The principle accounting policies are summarised below. They have been applied consistently throughout the period 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.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the period ended 5 August 2010**

### **2 TURNOVER**

There was no turnover during the period

### **3 OPERATING PROFIT**

	05 08 10	31 03 10
	£	£
Operating profit is stated after charging		
Depreciation on own assets		
Auditors' remuneration – audit fees		1 500
Exchange gain/(loss)		
	<u>          </u>	<u>          </u>

### **4 DIRECTORS' REMUNERATION**

None of the directors received any emoluments during the year

### **5 INFORMATION REGARDING EMPLOYEES**

	05 08 10	31 03 10
	No	No
Average number of persons employed by the company (including directors)		
Consultancy / Design Services		
Administration		
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
	£	£
Staff costs incurred during the period		
Wages and salaries		
Social security costs		
Pension costs (note 13)		
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

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

	05 08 10	31 03 10
	£	£
Interest payable on loans from group companies	8 027	50 031
Interest payable on current accounts	154	114
	<u>8 181</u>	<u>50 145</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the period ended 5 August 2010**

### **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**

	05 08 10 £	31 03 10 £
Amount recoverable in less than one year		
Other debtors		
Prepayments and accrued income		
Amount owed by group companies		

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

	05 08 10 £	31 03 10 £
Bank overdraft		
Other taxes and social security costs		
Other creditors		4 940
Accruals and deferred income		
Amounts owed to group companies		1 856 578
		1 861 578

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

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

#### **Authorised**

	05 08 10 £	31 03 10 £
100 ordinary shares of £1 each	100	100

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

	05 08 10 £	31 03 10 £
3 ordinary shares of £1 each	3	2





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

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the period ended 5 August 2010**

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

	Share premium account £	Capital contribution £	Profit and loss account £	Total £
At 1 April 2010 – as previously stated	237 406	120 000	(2 198 226)	(1 840 820)
Profit for the financial year			1 854 062	1 854 062
At 5 August 2010	237 406	120 000	(344 164)	13 242

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

	05 08 10 £	31 03 10 £
Profit/(Loss) for the period (and net reduction in shareholders funds)	1 854 062	(58 006)
Opening shareholders funds	(1 840 818)	(1 782 812)
Issued share capital	1	
Closing shareholders funds	13 245	(1 840 818)

### **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 period amounted to £Nil (2010: £Nil).

### **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.

