

**AB Electronic Products Group Limited**

**Annual report and financial statements**

**Registered number 299275**

**31 December 2015**

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## Strategic Report

The directors present their strategic report on the company and financial statements for the year ended 31 December 2015.

### Review of the business

The principal activity is that of an intermediate holding company.

### Results and performance

The profit for the year after taxation amounted to £10,468,000 (2014: £11,538,000).

Details of dividends paid are detailed in note 10 to the financial statements.

### Principal Risks and Uncertainties

#### *Interest rate risk*

The company finances its operations through a mixture of retained profits, inter-company accounts and bank overdrafts. The company's exposure to interest rate fluctuations is managed on a group basis.

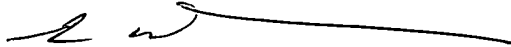
#### *Liquidity risk*

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company accounts and bank overdraft facilities.

#### *Currency risk*

The company is not exposed to currency risk.

By order of the Board



**L D Boardman**  
*Secretary*  
16 March 2016

**Registered office:**  
Clive House  
12 - 18 Queens Road  
Weybridge  
Surrey  
KT13 9XB  
United Kingdom

## Directors' Report

### Principal activities

The principal activity is that of an intermediate holding company.

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Directors

The directors who held office during the year were as follows:

T H Roberts  
L D Boardman  
M Hoad  
J Stynes (resigned 6 January 2016)  
C Jewell (appointed 7 January 2016)

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

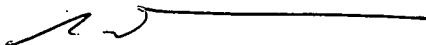
### Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**L D Boardman**  
*Secretary*  
16 March 2016

**Registered office:**  
Clive House  
12 - 18 Queens Road  
Weybridge  
Surrey  
KT13 9XB  
United Kingdom

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

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## Independent auditor's report to the members of AB Electronic Products Group Limited

We have audited the financial statements of AB Electronic Products Group Limited for the year ended 31 December 2015 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 Directors' Responsibilities Statement set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### 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 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

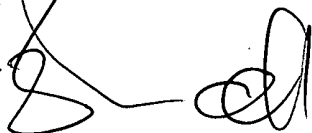
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' report 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.



**Mike Barradell (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
16 March 2016

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2015*

	<i>Note</i>	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
Other operating Income	2	-	19
Other operating charges	2	(130)	(127)
Reversal against a bad debt		-	119
Provision against fixed asset investments		-	(1,931)
<b>Operating loss</b>		<b>(130)</b>	<b>(1,920)</b>
Income from shares in group undertakings		<b>6,318</b>	11,390
Profit on return on capital		-	28
Other interest receivable and similar income	5	<b>1,780</b>	2,040
Release of contingent consideration		<b>2,500</b>	-
<b>Profit on ordinary activities before taxation</b>		<b>10,468</b>	<b>11,538</b>
<b>Profit for the financial year</b>		<b>10,468</b>	<b>11,538</b>

The company has no other income or expenses other than the results for the year as set out above.

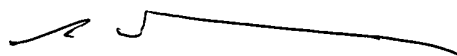
**Balance Sheet**  
*at 31 December 2015*

	<i>Note</i>	<b>2015 £000</b>	<b>£000</b>	<b>2014 £000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments	7		260,567		260,567
			<u>260,567</u>		<u>260,567</u>
<b>Current assets</b>					
Debtors (including nil (2014: nil) due after more than one year)	8	13,104		12,570	
Cash at bank and in hand		619		300	
		<u>13,723</u>		<u>12,870</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(182,048)</u>		<u>(191,663)</u>	
<b>Net current liabilities</b>		<u>(168,325)</u>		<u>(178,793)</u>	
<b>Total assets less current liabilities</b>			<u>92,242</u>		<u>81,774</u>
<b>Net assets</b>			<u>92,242</u>		<u>81,774</u>
<b>Capital and reserves</b>					
Called up share capital	10	16,179		16,179	
Share premium account		3,675		3,675	
Other reserves		523		523	
Profit and loss account		71,865		61,397	
<b>Shareholders' funds</b>		<u>92,242</u>		<u>81,774</u>	

These financial statements were approved by the Board of directors on 16 March 2016 and were signed on its behalf by:



**M Hoad**  
*Director*



**L D Boardman**  
*Director*

Company registered number: 299275



## Statement of Changes in Equity

	Called up Share capital £000	Share Premium account £000	Other Reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	16,179	3,675	523	61,191	81,568
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	11,538	11,538
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(11,332)	(11,332)
<b>Balance at 31 December 2014</b>	<b>16,179</b>	<b>3,675</b>	<b>523</b>	<b>61,397</b>	<b>81,774</b>

	Called up share capital £000	Share Premium Account £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	16,179	3,675	523	61,397	81,774
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	10,468	10,468
<b>Balance at 31 December 2015</b>	<b>16,179</b>	<b>3,675</b>	<b>523</b>	<b>71,865</b>	<b>92,242</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting Policies

AB Electronic Products Group Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position of the Company is provided in note 13.

The Company's ultimate parent undertaking, TT Electronics plc includes the Company in its consolidated financial statements. The consolidated financial statements of TT Electronics plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Clive House, 12 - 18 Queens Road, Weybridge, Surrey, KT13 9XB.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of TT Electronics plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures IFRS 2 *Share Based Payments* in respect of group settled share based payments:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; or
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives; or
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company.

## Notes (continued)

### 1 Accounting Policies (continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 13.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £168,325,000, which the Directors believe to be appropriate for the following reasons:

- the company is dependent upon its parent company and fellow subsidiaries for continuing financial support; and
- TT Electronics plc (the immediate parent company) has provided the company with an undertaking that it will continue to make available such funds as are needed by the company until the presentation of financial statements for the year ended 31 December 2016. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

## Notes (continued)

### 1 Accounting Policies (continued)

#### 1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

#### 1.5 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### 1.6 Impairment

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

## Notes (continued)

### 1 Accounting Policies (continued)

#### 1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### 1.8 Expenses

*Interest receivable and Interest payable* - Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### 1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

## Notes (continued)

### 2 Other operating income and charges

	2015 £000	2014 £000
Other operating charges	(130)	(127)
Other operating income	-	19
	<u>(130)</u>	<u>(108)</u>

#### Auditor's remuneration:

The auditor's remuneration for the audit of these financial statements was borne by the ultimate parent company in the current period. Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, TT Electronics plc.

### 3 Directors' remuneration

The directors received no emoluments in respect of their services to the company in either period.

### 4 Staff numbers and costs

The company had no employees in either period.

### 5 Other interest receivable and similar income

	2015 £000	2014 £000
Interest income on unimpaired financial assets	1,780	2,040
Total interest receivable and similar income	<u>1,780</u>	<u>2,040</u>

Interest receivable and similar income includes income from group undertakings of £1,774,000 (2014: £2,031,000).

### 6 Taxation

#### Reconciliation of effective tax rate

	2015 £000	2014 £000
Profit for the year	10,468	11,538
Total tax expense	-	-
Profit excluding taxation	<u>10,468</u>	<u>11,538</u>
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%)	2,120	2,481
Non-deductible expenses	-	816
Group relief	(334)	(416)
Tax exempt revenues	<u>(1,786)</u>	<u>(2,881)</u>
Total tax expense	<u>-</u>	<u>-</u>

## Notes (continued)

### 7 Fixed asset investments

	Shares in group undertakings £000
<b>Cost</b>	
At beginning of year	273,997
At end of year	<u>273,997</u>
<b>Provisions</b>	
At beginning of year	13,430
At end of year	<u>13,430</u>
<b>Net book value</b>	
At 31 December 2015	<u>260,567</u>
At 31 December 2014	<u>260,567</u>

### 8 Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	12,999	12,570
Other debtors	105	-
	<u>13,104</u>	<u>12,570</u>

### 9 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	181,123	188,267
Other non-operating payables	-	2,396
Warranty provision	925	1,000
	<u>182,048</u>	<u>191,663</u>

## Notes (continued)

### 10 Capital and reserves

#### Share capital

In thousands of shares	Ordinary shares 2015	2014
On issue at 1 January	64,715	64,715
On issue at 31 December – fully paid	64,715	64,715
	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £0.25 each	16,179	16,179
	<b>16,179</b>	<b>16,179</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### Dividends

The following dividends were recognised during the period:

	2015 £000	2014 £000
Nil (2014: £17.51) per qualifying ordinary share	-	11,332
	<b>-</b>	<b>11,332</b>

### 11 Contingencies

There was a cross guarantee between certain companies in the group on all bank overdrafts with Barclays Bank plc. At 31 December 2015 the total borrowings which the company is a cross-guarantor to amounted to £480,900 (2014: £450,500).

The Company has given an indemnity for any warranty costs arising from the disposal of the Group's Ottomotores businesses which were disposed of in December 2012.

The Company is a cross-guarantor together with certain other companies within the TT Electronics plc Group on the Group's main debt facilities. At 31 December 2015, the total facilities which the company is a cross-guarantor to amounted to £95.4 million (2014: £49.6 million).



## Notes (continued)

### 12 Ultimate parent company and related undertakings

The Company is a subsidiary undertaking of TT Electronics plc which is the ultimate parent company. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Clive House, 12 - 18 Queens Road, Weybridge, Surrey, KT13 9XB.

The directly held subsidiaries of the Company are:

	Country of registration (or Incorporation) and operation	Holding	Proportion held by Company	Proportion held by group
AB Mikroelektronik GmbH	Austria	Ordinary Shares	0%	100%
AB Electronics (Suzhou) Co., Ltd	China	Ordinary Shares	100%	100%
AB Electronics Sensors (Suzhou) Co., Ltd	China	Ordinary Shares	0%	100%
TT Electronics Integrated Manufacturing Services (Suzhou) Co., Ltd	China	Ordinary Shares	0%	100%
TT Electronics SAS	France	Ordinary Shares	0%	100%
AB Elektronik GmbH	Germany	Ordinary Shares	0%	100%
AB Elektronik Sachsen GmbH	Germany	Ordinary Shares	0%	100%
Midland Electronics Deutschland GmbH	Germany	Ordinary Shares	0%	100%
TT Electronics GmbH	Germany	Ordinary Shares	0%	100%
TT Electronics Holdings GmbH	Germany	Ordinary Shares	100%	100%
TT Electronics Sensing And Control India Private Limited	India	Ordinary Shares	0%	100%
TT Electronics Srl	Italy	Ordinary Shares	0%	100%
TT Electronics Japan Limited (In Liquidation)	Japan	Ordinary Shares	0%	100%
BI Technologies Corporation Sdn Bhd	Malaysia	Ordinary and Preference Shares	0%	100%
AB Electronic Manufacturing Mexico S.A. DE C.V.	Mexico	Ordinary Shares	0%	99.998%
BI Technologies S.A. DE C.V.	Mexico	Ordinary Shares	100%	100%
Optron De Mexico S.A. DE C.V.	Mexico	Ordinary Shares	0%	100%
TT Electronics Integrated Manufacturing Services Srl	Romania	Ordinary Shares	0%	100%
TT Electronics Sensing And Control Srl	Romania	Ordinary Shares	0%	100%
TT Electronics Asia Pte Ltd	Singapore	Ordinary Shares	0%	100%
AB Elektronik Ukraine	Ukraine	Ordinary Shares	0%	100%
AB Automotive Electronics Limited	United Kingdom	Ordinary Shares	100%	100%
AB Connectors Limited	United Kingdom	Ordinary Shares	100%	100%
AB Electronic Components Limited	United Kingdom	Ordinary Shares	99.992%	99.992%
AB Electronics Limited (In Liquidation)	United Kingdom	Ordinary Shares	100%	100%
AB Elektronik Holdco Limited	United Kingdom	Ordinary Shares	0%	100%
Abtest Limited	United Kingdom	Ordinary Shares	99.999%	99.999%
BI Technologies Limited	United Kingdom	Ordinary Shares	99.900%	99.900%
Commendshaw Limited	United Kingdom	Ordinary Shares	99.998%	99.998%
Controls Direct Limited	United Kingdom	Ordinary Shares	100%	100%
Crystalate Electronics Limited	United Kingdom	Ordinary Shares	100%	100%
Deltight Washers Limited	United Kingdom	Ordinary Shares	100%	100%
E.M.M.E. Limited (In Liquidation)	United Kingdom	Ordinary Shares	0%	100%
Magnetic Materials Holdings Limited (In Liquidation)	United Kingdom	Ordinary Shares	100%	100%
Midland Electronics Limited	United Kingdom	Ordinary Shares	99.987%	99.987%
New Chapel Electronics Limited	United Kingdom	Ordinary Shares	100%	100%
Nulectrohs Limited	United Kingdom	Ordinary Shares	0%	100%

**Notes (continued)**

Race Electronics Limited (in liquidation)	United Kingdom	Ordinary Shares	100%	100%
Roxspur Measurement & Control Limited	United Kingdom	Ordinary Shares	0%	100%
Semelab Limited	United Kingdom	Ordinary Shares	100%	100%
Sensit Limited	United Kingdom	Ordinary Shares	0%	100%
The Brearley Group Limited	United Kingdom	Ordinary Shares	0%	100%
TT Asia Holdings Limited	United Kingdom	Ordinary Shares	100%	100%
TT Electronics Integrated Manufacturing Services Limited	United Kingdom	Ordinary Shares	100%	100%
TT Electronics Technology Limited	United Kingdom	Ordinary Shares	100%	100%
Welwyn Components Limited	United Kingdom	Ordinary Shares	100%	100%
Welwyn Electronics Limited	United Kingdom	Ordinary Shares	100%	100%
Wolsey Comcare Limited	United States	Ordinary Shares	0%	100%
AB Elektronik, Inc.	United States	Ordinary Shares	0%	100%
AB Interconnect, Inc.	United States	Ordinary Shares	0%	100%
Apso Holdings, Inc.	United States	Ordinary Shares	0%	100%
BI Technologies Corporation	United States	Ordinary Shares	0%	100%
International Resistive Company Inc	United States	Ordinary Shares	0%	100%
International Resistive Company Of Texas, LLC	United States	Ordinary Shares	0%	100%
Opiek Technology Inc	United States	Ordinary Shares	0%	100%
Shallcross Inc	United States	Ordinary Shares	0%	100%
TT Electronics Integrated Manufacturing Services, Inc	United States	Ordinary Shares	0%	100%
TT Group Industries, Inc.	United States	Ordinary Shares	0%	100%
TT Electronics Limited	Barbados	Ordinary Shares	0%	100%

**13 Explanation of transition to FRS 101**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

## Notes (continued)

### 13 Explanation of transition to FRS 101 from old UK GAAP (continued)

#### Reconciliation of equity

			1 January 2014 Effect of transition to			31 December 2014 Effect of transition to	
	Note	UK GAAP £000	FRS 101 £000	FRS 101 £000	UK GAAP £000	FRS 101 £000	FRS 101 £000
<b>Fixed assets</b>							
Investments	7	250,300	-	250,300	260,567	-	260,567
		<u>250,300</u>	<u>-</u>	<u>250,300</u>	<u>260,567</u>	<u>-</u>	<u>260,567</u>
<b>Current assets</b>							
Other debtors	8	18,439	-	18,439	12,570	-	12,570
Cash at bank and in hand		397	-	397	300	-	300
		<u>18,836</u>	<u>-</u>	<u>18,836</u>	<u>12,870</u>	<u>-</u>	<u>12,870</u>
<b>Creditors: amounts due within one year</b>	9	(181,091)	(6,477)	(187,568)	(190,986)	(677)	(191,663)
<b>Net current assets</b>		<u>(162,255)</u>	<u>(6,477)</u>	<u>(168,732)</u>	<u>(178,116)</u>	<u>(677)</u>	<u>(178,793)</u>
<b>Total assets less current liabilities</b>		<u>88,045</u>	<u>(6,477)</u>	<u>81,568</u>	<u>82,451</u>	<u>(677)</u>	<u>81,774</u>
<b>Creditors: amounts falling due after more than one year</b>							
Amounts owed to group undertakings		(6,477)	6,477	-	(677)	677	-
		<u>(6,477)</u>	<u>6,477</u>	<u>-</u>	<u>(677)</u>	<u>677</u>	<u>-</u>
<b>Net assets</b>		<u>81,568</u>	<u>-</u>	<u>81,568</u>	<u>81,774</u>	<u>-</u>	<u>81,774</u>
<b>Capital and reserves</b>							
Called up share capital	10	16,179	-	16,179	16,179	-	16,179
Share premium account		3,675	-	3,675	3,675	-	3,675
Other reserves		523	-	523	523	-	523
Profit and loss account		61,191	-	61,191	61,397	-	61,397
		<u>81,568</u>	<u>-</u>	<u>81,568</u>	<u>81,774</u>	<u>-</u>	<u>81,774</u>
<b>Shareholders' equity</b>		<u>81,568</u>	<u>-</u>	<u>81,568</u>	<u>81,774</u>	<u>-</u>	<u>81,774</u>

#### Notes to the reconciliation of equity

Long term loans reclassified as short term loans.