

Abtest Limited

Directors' report and financial statements

Registered number 620992

Year ended 31 December 2012



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Directors' report

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company is the provision of accelerated life, environmental measurement and life test facilities and the design and manufacture of automatic test equipment

Business review

The 2012 sales performance at £960,000 increased from the 2011 equivalent of £820,000

The loss for the year after taxation amounted to £37,000 (2011 £13,000) The directors have prepared the financial statements on the going concern basis as its ultimate parent undertaking (see note 17) has confirmed its intention to continue to support the business for at least twelve months from the date of this report

Future developments

In 2013, Abtest Ltd will be looking to develop new customer relationships and build on existing customer relationships

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks These risks include

- Evolving products and markets
- High proportion of fixed overheads and variable revenues

The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all identified risks Where possible, processes are in place to monitor and mitigate such risks

Financial instruments

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and the policies have remained unchanged from previous periods

Dividends

The Directors do not recommend the payment of a final dividend. (2011 nil)

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows

R W Moseley

G P Allen

S J Mather

A Breese (resigned 23 April 2012)

Political and charitable contributions

The Company made no political or charitable donations during either year

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

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

By order of the board



L D Boardman

Secretary

Registered office:
Tregwilym Industrial Estate
Rogerstone
Newport
South Wales
NP10 9YA
13 March 2013

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing 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)

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 judgements 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 ABTEST LIMITED

We have audited the financial statements of Abtest Limited for the year ended 31 December 2012 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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.

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 2012 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABTEST LIMITED (Continued)

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

Ian Bone

Ian Bone (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square

Canary Wharf

London

E14 5GL

13 March 2013

Profit and Loss Account

for the year ended 31 December 2012

£000	Note	2012	2011
Turnover	2	960	820
Cost of sales		(746)	(575)
		-----	-----
Gross profit		214	245
Distribution costs		(144)	(88)
Administrative expenses		(93)	(159)
		-----	-----
Operating loss	3	(23)	(2)
Interest payable and similar charges	6	(14)	(11)
		-----	-----
Loss on ordinary activities before taxation		(37)	(13)
Tax on loss on ordinary activities	7	-	-
		-----	-----
Loss on ordinary activities after taxation, being loss for the financial year	16	(37)	(13)
		-----	-----

All the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

There is no difference between the profit for the financial year and its historic cost equivalent

The notes on pages 8 to 14 form part of these financial statements

Balance Sheet

At 31 December 2012

£000	Note	2012	2011
Fixed assets			
Tangible assets	8	137	175
Current assets			
Stocks	9	19	20
Debtors	10	306	274
		325	294
Creditors, amounts falling due within one year	11	(622)	(592)
Net current liabilities		(297)	(298)
Total assets less current liabilities		(160)	(123)
Net liabilities		(160)	(123)
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		(260)	(223)
Shareholders' funds	16	(160)	(123)

The notes on pages 8 to 14 form part of these financial statements

These financial statements were approved by the board of directors on 13 March 2013 and were signed on its behalf by



R W Moseley
Director



S J Mather
Director

Notes *(forming part of the financial statements)*

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

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

The directors have prepared the financial statements on the going concern basis as its ultimate parent undertaking (see note 17) has confirmed its intention to continue to support the business for at least twelve months from the date of this report.

Cash flow statement

The company is a wholly owned subsidiary of TT electronics plc and the cash flows of the company are included in the consolidated group cash flow statement of TT electronics plc. Consequently, the company is exempt under the terms of FRS 1 'Cash Flow Statements' from publishing a cash flow statement.

Turnover

Turnover is the invoice value of goods and services supplied excluding VAT. Transactions are recorded as sales when the delivery of products or performance of services takes place in accordance with the contract terms of sale.

Fixed assets

Tangible fixed assets are stated at cost, less a provision for depreciation.

The carrying values of fixed assets are reviewed for impairment where there is an indication that the asset may be impaired.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	-	period of lease
Plant, equipment and vehicles	-	between 3 and 10 years

Work in progress

Work in progress is stated at the lower of cost, including related overheads, and net realisable value. It is valued on the basis of direct costs plus attributable overheads based on normal level of activity. A provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Notes (continued)

1 Accounting policies (continued)

Leases

Assets acquired under finance leases which confer substantially all the risks and rewards of ownership of an asset, are capitalised and outstanding instalments, net of interest, are shown in creditors

Payments on operating leases are charged to the profit and loss account on a straight line basis over the lease term

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using the rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at rates ruling at the balance sheet date. Transactions during the year are translated at rates ruling at the time of the transactions. Exchange differences which arise from normal trading are dealt with through the profit and loss account.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. 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 return on the outstanding liability. Dividends and distributions relating to equity instruments are debited direct to equity.

2 Analysis of turnover

Turnover is derived from the provision of accelerated life, environmental measurement and life test facilities and the design and manufacture of automatic test equipment. An analysis of turnover is given below.

£000	2012 Turnover	2011 Turnover
<i>By geographical market</i>		
United Kingdom	958	800
Rest of Europe	2	4
Rest of the world	-	16
	960	820

Notes (continued)

3 Operating loss

Operating loss is stated after charging

£000	2012	2011
Depreciation of owned fixed assets	38	45
Auditor's remuneration:		
Audit of the financial statements	5	5
Operating lease costs:		
Plant and equipment	-	14

4 Remuneration of directors

£000	2012	2011
Directors' emoluments	-	63
Value of company pension contributions to defined benefit schemes	-	-
	-	63

Number of Directors	2012	2011
Retirement benefits are accruing to the following number of directors under Defined benefit schemes	-	-

5 Directors and employees

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

Number of employees	2012	2011
Production	10	9
Sales and distribution	3	2
Administration	2	3
	15	14

The aggregate payroll costs of these persons were as follows

£000	2012	2011
Wages and salaries	451	421
Social security costs	47	43
Other pension costs	21	17
	519	481

6 Interest payable and similar charges

£000	2012	2011
On amounts owed to group undertakings	14	11

Notes (continued)

7 Taxation

a) Analysis of charge in period

£000	2012	2011
Current tax		
UK Corporation tax based on the results for the year	-	-
Adjustment in respect of prior periods	-	-
Total current tax charge	-	-

b) Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2011 higher) than the blended rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

£000	2012	2011
Current tax reconciliation		
Loss on ordinary activities before tax	(37)	(13)
Current tax at 24.5% (2011 26.5%)	(9)	(3)
Effects of		
Depreciation for the period in excess of capital allowances	9	11
Expenses not deductible for tax purposes	8	-
Other timing differences	1	-
Group relief claimed for nil payment	(9)	(8)
Total current tax charge	-	-

The company has the following unrecognised deferred tax assets

£000	2012	2011
Accelerated capital allowances	42	56
Short term timing differences	-	10
	42	66

Deferred tax is calculated at 23% for the period (2011 25%). The recoverability of these assets is dependent upon the future profitability of the business and the availability of current year losses that can be surrendered from other group companies

Notes (continued)

8 Tangible fixed assets

£000	Land and buildings	Plant, equipment and vehicle	Total
Cost			
At 1 January 2012	47	1,283	1,330
	-----	-----	-----
At 31 December 2012	47	1,283	1,330
Depreciation			
At 1 January 2012	(47)	(1,108)	(1,155)
Charge for year	-	(38)	(38)
	-----	-----	-----
At 31 December 2012	(47)	(1,146)	(1,193)
Net book value			
At 31 December 2012	-	137	137
	-----	-----	-----
At 31 December 2011	-	175	175
	-----	-----	-----

9 Stocks

£000	2012	2011
Work in progress	19	20

10 Debtors

£000	2012	2011
Trade debtors	107	78
Amounts owed by group undertakings	193	173
Prepayments and accrued income	6	23
	306	274

11 Creditors amounts falling due within one year

£000	2012	2011
Bank loans and overdrafts	463	416
Trade creditors	34	17
Amounts owed to group undertakings	90	55
Taxation and social security	23	27
Accruals and deferred income	12	77
	622	592

Notes (continued)

12 Called up share capital

£000	2012	2011
<i>Allotted, called up and fully paid:</i>		
100,000 Ordinary shares of £ 1 each	100	100

13 Contingent liabilities

There was a cross guarantee between certain companies in the group on all bank overdrafts with the Barclays Bank plc At 31 December 2012 the amount thus guaranteed by the company was £nil (2011 £5,431,300)

14 Related party disclosures

The company has taken advantage of the exemption available under FRS 8 and has not disclosed transactions with wholly owned companies that are part of the TT electronics Plc group of companies

15 Reserves

£000	Profit and Loss account
At 1 January 2012	(223)
Loss for the year	(37)

31 December 2012	(260)

16 Reconciliation of movements in shareholders' funds

£000	2012	2011
Loss for the financial year	(37)	(13)
	-----	-----
Net decrease in shareholders' funds	(37)	(13)
Opening deficit on shareholders' funds	(123)	(110)
	-----	-----
Closing deficit on shareholders' funds	(160)	(123)
	-----	-----

17 Ultimate parent company and parent undertaking of larger group of which the company is a member

AB Electronic Products Group Limited is the company's controlling party by virtue of its 100 per cent interest in the company

The company's ultimate controlling party and ultimate parent undertaking is TT electronics plc which is registered in England and Wales TT electronics PLC heads the only group in which the company is consolidated

Copies of the TT electronics plc financial statements can be obtained from the registered office at Clive House, 12-18 Queens Road, Weybridge, Surrey, KT13 9XB

Notes *(continued)*

18 Pension Commitments

The company operates a defined contribution pension scheme for the benefit of directors and employees. The scheme is set up under trust and its assets are therefore independent of those of the company.

The total contributions charged by the company in respect of the year ended 31 December 2012 were £21,000 (2011: £17,000). The difference between the accumulated charge and the payments made to the scheme is dealt with in debtors and creditors as appropriate.