
PG INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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PG INTERNATIONAL LIMITED

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PG INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The Company's principal activity is as an investment company holding investments in companies. The directors do not expect any change in the principal business activity in the foreseeable future.

BUSINESS REVIEW

The Company has reported a profit for the financial year of £72,000 (2009 £NIL). The profit is as a result of the dissolution of some subsidiary companies. The Company participates in the centralised treasury arrangements of its parent company Spirent Communications plc. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £72,000 (2009 - £NIL).

The directors do not recommend the payment of a final dividend for 2010 (2009 £NIL).

DIRECTORS

The directors who served during the year were

E G Hutchinson
R E Whiting

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are of the opinion that the risks and uncertainties of the business are limited due to the nature of the activities of the Company.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The ultimate parent company of PG International Limited has purchased and maintained throughout the year directors' and officers' liability insurance in respect of the Company and its directors.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

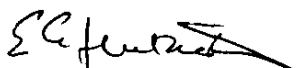
PG INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

AUDITORS

The auditors, Ernst and Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



E G Hutchinson
Director

Date 7 July 2011

Northwood Park
Gatwick Road
Crawley
West Sussex
RH10 9XN

PG INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2010

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- 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.

PG INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PG INTERNATIONAL LIMITED

We have audited the financial statements of PG International Limited for the year ended 31 December 2010, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 11. 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 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

As explained more fully in the Statement of directors' responsibilities, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2010 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

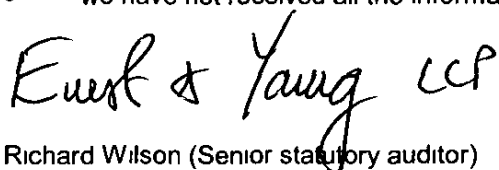
PG INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PG INTERNATIONAL LIMITED

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



Richard Wilson (Senior statutory auditor)

for and on behalf of
Ernst and Young LLP

Statutory Auditor

London

7 July 2011

PG INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £000	2009 £000
Profit on disposal of investments		<u>72</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		72	-
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	8	<u>72</u>	<u>-</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

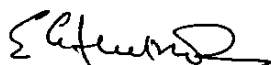
The notes on pages 8 to 11 form part of these financial statements

PG INTERNATIONAL LIMITED
REGISTERED NUMBER: 688533

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£000	2010 £000	£000	2009 £000
FIXED ASSETS					
Investments	4		10		129
CURRENT ASSETS					
Debtors	5	3,562		3,562	
CREDITORS: amounts falling due within one year	6	(10)		(201)	
NET CURRENT ASSETS			3,552		3,361
TOTAL ASSETS LESS CURRENT LIABILITIES			3,562		3,490
CAPITAL AND RESERVES					
Called up share capital	7		2,387		2,387
Share premium account	8		1,103		1,103
Profit and loss account	8		72		-
SHAREHOLDERS' FUNDS	9		3,562		3,490

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 July 2011



E G Hutchinson
Director

The notes on pages 8 to 11 form part of these financial statements

PG INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Investments

Investments held as fixed assets are shown at cost less provision for impairment

2. OPERATING PROFIT

During the year, no director received any emoluments (2009 - £NIL)

Directors' emoluments are not reported in these accounts because their services are primarily in respect of other Spirent group companies and their emoluments are dealt with in those companies as necessary. There are no charges for auditors' remuneration in these accounts as those expenses are borne by the company's parent company Spirent Communications plc

3. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%). The differences are explained below

	2010 £000	2009 £000
Profit on ordinary activities before tax	72	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	20	-
Effects of:		
Non-taxable income	(20)	-
Current tax charge for the year (see note above)	-	-

PG INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

4. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2010	2,082
Disposals	(1,469)
At 31 December 2010	<u>613</u>
Impairment	
At 1 January 2010	1,953
Impairment on disposals	(1,350)
At 31 December 2010	<u>603</u>
Net book value	
At 31 December 2010	<u>10</u>
At 31 December 2009	<u>129</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
PG Drives Technology Limited	Ordinary	100 %
TFDC Limited	A Ordinary	100 %

Name	Business	Registered office
PG Drives Technology Limited	Electronic control systems	England
TFDC Limited	Investment company	England

Group accounts have not been prepared since at 31 December 2010 the Company was itself a wholly owned subsidiary of Spirent Communications plc for which Group accounts are prepared. These financial statements present information about the Company as an individual undertaking and not about its group.

5. DEBTORS

	2010 £000	2009 £000
Amounts owed by group undertakings	<u>3,562</u>	<u>3,562</u>

PG INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

6 CREDITORS:
Amounts falling due within one year

	2010	2009
	£000	£000
Amounts owed to group undertakings	10	201

7. SHARE CAPITAL

	2010	2009
	£000	£000
Allotted, called up and fully paid		
9,549,761 Ordinary shares of £0 25 each	2,387	2,387

8. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 January 2010	1,103	
Profit for the year		72
At 31 December 2010	1,103	72

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010	2009
	£000	£000
Opening shareholders' funds	3,490	3,490
Profit for the year	72	-
Closing shareholders' funds	3,562	3,490

10. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary undertaking of Spirent Communications plc, a company registered in England and Wales, which prepares consolidated accounts the Company has taken advantage of the exemption provided under the scope of FRS 8 not to include details of transactions with other companies which are subsidiaries of Spirent Communications plc. There are no other related party transactions.

PG INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent company of the group of undertakings for which group accounts are drawn up, and of which the Company is a member, is Spirent Communications plc registered in England and Wales. Copies of its accounts can be obtained by writing to Spirent Communications plc, Northwood Park, Gatwick Road, Crawley, West Sussex RH10 9XN.