

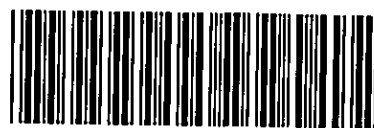
HUBER + SUHNER (UK) LIMITED

Company Number: 902205

Annual Report and Financial Statements

for the year ended 31 December 2008

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COMPANIES HOUSE

Registered No. 902205

OFFICERS & PROFESSIONAL ADVISERS

DIRECTORS

P Harris	Chairman
U Kaufmann	
B Schwarzer	

SECRETARY

J Biggs

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

BANKERS

National Westminster Bank PLB
1 Manorsfield Road
Bicester
Oxfordshire
OX26 6EH

SOLICITORS

DLA
Victoria Square House
Victoria Square
Birmingham
B2 4DL

REGISTERED OFFICE

Telford Road
Bicester
Oxfordshire
OX26 4LA

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors submit their annual report and audited financial statements for the year ended 31 December 2008.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,300,000 (2007 – £1,321,000). A dividend payment of £2,200,000 was made in 2008 relating to prior years profits (2007 - £nil).

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company's principal activities during the year continue to be that of importing, manufacturing and selling components and accessories related to the three key markets of Transportation, Communications and Industrial.

As forecast in 2007, the turnover for 2008 was up 15% and gross margins increased slightly to 26.3% (2007:25.1%) due to the mix of business, the need to invest in new manufacturing capacity and the economic downturn effect in the fourth quarter.

STRATEGY

The company is part of the Huber+Suhner group whose main objectives are to continue growing in the markets that we operate in, to be in the top position in three core technologies – Fibre Optics, Cable and Radio Frequency and to introduce new innovative products that assist growth in those markets and in our core technologies.

In the UK the company supports the Group strategy by operating in the same markets and introducing, promoting and selling the new products and services in the UK.

RESEARCH AND DEVELOPMENT

New product research and development is only carried out by our parent company. The Huber+Suhner group is committed to introducing new products and continues to invest in research and development.

FUTURE OUTLOOK

We expect conditions in all markets to be extremely tough due to the global economic situation. The trend of customers moving their manufacturing out of the UK to lower cost economies continues though at a lower rate than previous years. Competition is very tough and with the failing UK economy, we expect to have a single digit percentage decrease in our sales in 2009. Profitability is expected to remain stable.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the company relate to the global recession, changes in product technology and the negative fluctuation in the key exchange rates versus the sterling.

Risk policy

The company is exposed to many financial risks but the main ones are price risk, credit risk, exchange rate risk and liquidity risk. Company management monitors these risks regularly and makes every effort to minimise negative influences on the company's financial results.

Price risk

The company monitors the market prices and takes action to adjust prices where there are movements in commodity prices. Large material purchases are selectively hedged by the parent company.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Credit risk

The credit risk for sales debtors from trading is limited by the market spread of customers. In addition, these risks are reduced by regular checks of creditworthiness, withdrawing credit for slow payers and requesting cash with the order.

Exchange rate risk

The company is exposed directly to two currencies, the Euro and the US Dollar, from sales to customers and a limited amount of local purchases. The risk is minimised by including currency fluctuation clauses in contracts. The parent company uses foreign exchange forward contracts and options to control foreign currency risks for incoming and outgoing payments at group level.

Liquidity risk

Where necessary the company negotiates local facilities with UK financial institutions. In addition, the group will give liquidity support if required.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the trading nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company.

DIRECTORS

The directors, who served throughout the year and up to the date of signing the financial statements, are as follows:

P Harris
U Kaufmann
B Schwarzer

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

Regular meetings are held between local management and employees to allow a free flow of information and ideas.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS (continued)

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). The financial statements are required by law to 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 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 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each person who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the annual general meeting.

By order of the Board.



P Harris
Director

8th June 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUBER+SUHNER (UK) LIMITED

We have audited the financial statements of Huber+Suhner (UK) Limited for the year ended 31 December 2008, which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HUBER+SUHNER (UK) LIMITED (continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Milton Keynes

8 June 2009

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2008

	<i>Notes</i>	2008 £000	2007 £000
TURNOVER	3	17,350	15,104
Cost of sales		<u>(12,781)</u>	<u>(11,320)</u>
GROSS PROFIT		<u>4,569</u>	<u>3,784</u>
Distribution costs		(324)	(324)
Administrative expenses		<u>(2,767)</u>	<u>(2,619)</u>
		<u>(3,091)</u>	<u>(2,943)</u>
OPERATING PROFIT	4	<u>1,478</u>	<u>841</u>
Interest receivable and similar income	8	172	143
		<u>172</u>	<u>143</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,650</u>	<u>984</u>
Tax on profit on ordinary activities	9	(350)	337
RETAINED PROFIT FOR THE FINANCIAL YEAR	18	1,300	1,321
Retained profit brought forward		2,958	1,637
Dividend paid to group		<u>(2,200)</u>	<u>-</u>
RETAINED PROFIT CARRIED FORWARD		<u>2,058</u>	<u>2,958</u>

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses have been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents.

All operations are continuing.

BALANCE SHEET
as at 31 December 2008

	<i>Notes</i>	2008 £000	2007 £000
FIXED ASSETS			
Tangible assets	12	<u>2,010</u>	<u>1,867</u>
CURRENT ASSETS			
Stocks	13	2,382	1,438
Debtors	14	4,697	2,818
Cash		1,143	3,052
		<u>8,222</u>	<u>7,308</u>
CREDITORS: amounts falling due within one year	15	<u>(3,968)</u>	<u>(2,217)</u>
NET CURRENT ASSETS		<u>4,254</u>	<u>5,091</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,264</u>	<u>6,958</u>
CREDITORS: amounts falling after one year	16	<u>(206)</u>	<u>-</u>
NET ASSETS		<u>6,058</u>	<u>6,958</u>
CAPITAL AND RESERVES			
Called up share capital	17	4,000	4,000
Profit and loss reserve	18	2,058	2,958
TOTAL SHAREHOLDERS' FUNDS	18	<u>6,058</u>	<u>6,958</u>

The financial statements on pages 7 to 16 were approved by the board of directors on 8th June 2009 and were signed on its behalf by:



P Harris
Director

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008 (continued)

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied on a consistent basis, are set out below.

Turnover

Turnover, which is stated net of Value Added Tax, represents amounts invoiced to third parties and is recognised on despatch of goods and on completion of services.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	2%
Plant and equipment	-	10% - 20%
Motor vehicles	-	25%
Computer equipment	-	33%

Fixed assets are valued at cost less accumulated depreciation.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	-	purchase cost on first-in, first-out basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008 (continued)

2 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Huber + Suhner AG and is included in the consolidated financial statements of Huber + Suhner AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing the related party transactions with entities that are part of the Huber + Suhner AG group or investees of the Huber + Suhner AG group.

3 TURNOVER

An analysis of turnover by destination is as follows:

	2008 £000	2007 £000
United Kingdom	16,510	14,734
Switzerland	80	120
Rest of the World	760	250
	<u>17,350</u>	<u>15,104</u>

4 OPERATING PROFIT

	2008 £000	2007 £000
This is stated after charging:		
Auditors' remuneration - audit services	29	34
- non audit services (taxation)	2	7
Depreciation of owned tangible fixed assets (Note 12)	155	124
Exchange loss/(gain)	35	(1)
Operating lease rentals – land and buildings	43	16
Operating lease rentals - plant and machinery	7	7
Operating lease rentals – other	21	35

5 DIRECTORS' EMOLUMENTS

The directors receive no remuneration from the company in their capacity as UK statutory directors (2007 £Nil).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008 (continued)

6 STAFF COSTS

	<i>2008</i> <i>£000</i>	<i>2007</i> <i>£000</i>
Wages and salaries	3,317	2,758
Social security costs	320	278
Other pension costs (Note 20)	103	100
	<u>3,740</u>	<u>3,136</u>

The average monthly number of employees during the year was as follows:

	<i>2008</i> <i>Number</i>	<i>2007</i> <i>Number</i>
Manufacturing	51	39
Office and management	62	53
	<u>113</u>	<u>92</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

No interest was payable in 2008(2007:£Nil)

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	<i>2008</i> <i>£000</i>	<i>2007</i> <i>£000</i>
Other interest	<u>172</u>	<u>143</u>

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>2008</i> <i>£000</i>	<i>2007</i> <i>£000</i>
UK Corporation tax at 28% on profits for the year	<u>15</u>	<u>-</u>
Total current tax (Note 10)	15	-
Deferred tax asset - charge (credit) for the year (Note 16)	129	(337)
Deferred tax liability (Note 16)	<u>206</u>	<u>-</u>
Total deferred tax	335	-
Tax on profit on ordinary activities	<u>350</u>	<u>(337)</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008 (continued)

10 FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower (2007: lower) than the standard rate of corporation tax in the UK (28%). The differences are explained below. The current tax balance relates to tax charge on interest received. Due to the tax rate change to 28% commencing April 2008 (rate to April 2008 was 30%) a composite tax rate of 28.5% has been used.

	2008 £000	2007 £000
Profit on ordinary activities before taxation	<u>1650</u>	<u>984</u>
Tax at 28.5% thereon: (30% 2007)	(470)	(295)
Effects of:		
Expenses not deductible for tax purposes	(11)	(17)
Capital allowances in excess of depreciation	72	111
Decrease in tax losses	394	198
Movement in short term timing differences	-	3
Total current tax	<u>(15)</u>	<u>-</u>

11 DIVIDEND TO GROUP

It was resolved on 24 September 2008 that an interim dividend of 0.55p per share (£2,200,000) be paid to the parent company (2007 - £nil).

12 TANGIBLE FIXED ASSETS

	<i>Land</i> <i>£000</i>	<i>Freehold</i> <i>buildings</i> <i>£000</i>	<i>Plant and</i> <i>equipment</i> <i>£000</i>	<i>Motor</i> <i>vehicles</i> <i>£000</i>	<i>Total</i> <i>£000</i>
Cost:					
At 1 January 2008	198	2,180	901	12	3,291
Additions	<u>-</u>	<u>-</u>	<u>298</u>	<u>-</u>	<u>298</u>
At 31 December 2008	<u>198</u>	<u>2,180</u>	<u>1,199</u>	<u>12</u>	<u>3,589</u>
Depreciation:					
At 1 January 2008	-	761	661	2	1,424
Provided during the year	<u>-</u>	<u>42</u>	<u>110</u>	<u>3</u>	<u>155</u>
At 31 December 2008	<u>-</u>	<u>803</u>	<u>771</u>	<u>5</u>	<u>1,579</u>
Net book value:					
At 31 December 2008	<u>198</u>	<u>1,377</u>	<u>428</u>	<u>7</u>	<u>2,010</u>
At 31 December 2007	<u>198</u>	<u>1,419</u>	<u>240</u>	<u>10</u>	<u>1,867</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008 (continued)

13 STOCKS

	<i>2008</i>	<i>2007</i>
	<i>£000</i>	<i>£000</i>
Raw materials	530	397
Work in progress	454	121
Finished goods	1,398	920
	<u>2,382</u>	<u>1,438</u>

14 DEBTORS

	<i>2008</i>	<i>2007</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	4,088	2,264
Amounts owed by parent and fellow subsidiary undertakings	286	63
Prepayments and accrued income	115	154
Deferred tax (Note 16)	208	337
	<u>4,697</u>	<u>2,818</u>

Total debtors fall due within one year.

15 CREDITORS: amounts falling due within one year

	<i>2008</i>	<i>2007</i>
	<i>£000</i>	<i>£000</i>
Trade creditors	1,047	371
Amounts owed to parent and fellow subsidiary undertakings	1,856	857
Other taxes and social security costs	307	303
Other creditors	215	255
Accruals and deferred income	543	431
	<u>3,968</u>	<u>2,217</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008 (continued)

16 DEFERRED TAXATION

Treatment of deferred tax asset arising from timing differences.

	2008 £000	2008 £000	2007 £000	2007 £000
	Recognised in Accounts	Unrecognised	Recognised in Accounts	Unrecognised
Excess of depreciation over capital allowances	-	54	-	125
Short term timing differences	-	-	-	-
Capital losses	-	194	-	194
Other losses	208	-	337	258
Total deferred/potential asset	208	248	337	577

A deferred tax asset has not been recognised in respect of timing differences relating to accelerated capital allowances, capital losses, short term timing differences as there is insufficient evidence that the asset will be recovered. The asset would be recovered if the company made sufficient suitable taxable profits and with respect to capital losses if suitable chargeable gains are made. The above amounts have been calculated at a tax rate of 28% (2007 -28%).

The movement in the deferred tax asset balance in the year can be summarised as follows:

	2008 £000	2007 £000
Balance at 1 January	337	-
(Charged)/credited to the profit and loss account (Note 9)	(129)	337
Balance at 31 December	208	337

A deferred tax liability has been recognised in view of the abolishment of Industrial Building Allowances in 2011. Remaining IBA is estimated at £735,000 in 2011 and the liability has been calculated at the current tax rate of 28%.

	2008 £000	2007 £000
Balance at 1 January	-	-
Charged to the profit and loss account (Note 9)	(206)	-
Balance at 31 December	(206)	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008 (continued)

17 CALLED UP SHARE CAPITAL

	<i>Authorised, allotted, called up and fully paid</i>	
	<i>2008</i>	<i>2007</i>
	<i>£000</i>	<i>£000</i>
4,000,000 Ordinary shares of £1 each	4,000	4,000

18 RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDERS' FUNDS AND RESERVES

	<i>Share capital £000</i>	<i>Profit & loss Reserve £000</i>	<i>Total £000</i>
Balance as at 1 January 2008	4,000	2,958	6,958
Dividend paid to group	-	(2,200)	(2,200)
Profit for the year	-	1,300	1,300
Balance at 31 December 2008	<u>4,000</u>	<u>2,058</u>	<u>6,058</u>

19 OTHER FINANCIAL COMMITMENTS

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2008	2007	2008	2007
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	-	7	9
Within two to five years	43	43	7	18
	<u>43</u>	<u>43</u>	<u>14</u>	<u>27</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008 (continued)

20 PENSION COMMITMENTS

The company operates a 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.

	<i>2008</i>	<i>2007</i>
	<i>£000</i>	<i>£000</i>
Pension costs	<u>103</u>	<u>100</u>

There are no accrued or prepaid pension costs at the year end (2007:£Nil).

21 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking and controlling entity of the group of undertakings for which group accounts are drawn up and of which the company is a member is Huber + Suhner AG, a company incorporated in Switzerland. Copies of Huber + Suhner AG's accounts can be obtained from Tumbelenstrasse 20, CH-8330 Pfäffikon ZH, Switzerland. The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by Huber + Suhner AG.