

Financial Statements

Nordam Transparency Europe Limited

For the year ended 31 December 2012

Registered number: 03513867

THURSDAY



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Company Information

| | |
|----------------------------|--|
| Directors | M R Siegfried T H Siegfried |
| Company secretary | Eversecretary Limited |
| Registered number | 03513867 |
| Registered office | 2 Tudor Road Altrincham Business Park Altrincham Cheshire WA14 5RZ |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP |
| Solicitors | Eversheds LLP Eversheds House 70 - 76 Great Bridgewater Street Manchester M1 5ES |

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Directors' Report

For the year ended 31 December 2012

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

Directors' responsibilities statement

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 accounting estimates that are reasonable and prudent,
- 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.

Principal activities and business review

The principal activity of the company during the year was the supply and refurbishment of aircraft windows.

The company has made a profit after tax for the year amounting to \$305,265 (2011: \$377,211). Details of dividends paid during the year are shown in note 12 to the accounts.

Directors

The directors who served during the year were

M R Siegfried

T H Siegfried

Provision of information to auditor

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Directors' Report

For the year ended 31 December 2012

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 13 June 2013 and signed on its behalf



T H Siegfried
Director



Independent Auditor's Report to the Members of Nordam Transparency Europe Limited

We have audited the financial statements of Nordam Transparency Europe Limited for the year ended 31 December 2012, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, 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 (APB'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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report to the Members of Nordam Transparency Europe Limited

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

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

Grant Thornton UK LLP

Rhian Owen (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Cardiff

Date 17 June 2013.

Profit and Loss Account

For the year ended 31 December 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|-------------|-------------|
| Turnover | 1,2 | 2,269,027 | 2,745,853 |
| Cost of sales | | (1,472,395) | (1,738,679) |
| Gross profit | | 796,632 | 1,007,174 |
| Administrative expenses | | (399,439) | (477,802) |
| Operating profit | 3 | 397,193 | 529,372 |
| Interest receivable and similar income | | 33 | 61 |
| Profit on ordinary activities before taxation | | 397,226 | 529,433 |
| Tax on profit on ordinary activities | 4 | (91,961) | (152,222) |
| Profit for the financial year | 11 | 305,265 | 377,211 |

The notes on pages 7 to 12 form part of these financial statements

Balance Sheet

As at 31 December 2012

| | Note | \$ | 2012 \$ | \$ | 2011 \$ |
|--|------|----------------|----------------|------------------|----------------|
| Fixed assets | | | | | |
| Intangible assets | 5 | | 9,656 | | 28,970 |
| Tangible assets | 6 | | 11,737 | | 14,877 |
| | | | <u>21,393</u> | | <u>43,847</u> |
| Current assets | | | | | |
| Stocks | | 323,100 | | 172,218 | |
| Debtors | 7 | 383,405 | | 787,344 | |
| Cash at bank | | 110,580 | | 307,437 | |
| | | <u>817,085</u> | | <u>1,266,999</u> | |
| Creditors amounts falling due within one year | 8 | (235,563) | | (313,196) | |
| Net current assets | | | <u>581,522</u> | | <u>953,803</u> |
| Net assets | | | <u>602,915</u> | | <u>997,650</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 113,362 | | 113,362 |
| Profit and loss account | 11 | | 489,553 | | 884,288 |
| Shareholders' funds | | | <u>602,915</u> | | <u>997,650</u> |

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13/6/13



T H Siegfried
Director

The notes on pages 7 to 12 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2012

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 the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Change in functional currency

The company changed its functional currency on 1 January 2011 from GBP Sterling to US Dollars. The change was made because in recent years the company has been transacting more of its business in US Dollars as opposed to GBP Sterling.

The management board observed that the majority of products transacted by the company are determined in US Dollars. In the current year approximately 80% of sales were denominated in US Dollars. The majority of the company's expenditure is transacted in US Dollars.

1.3 Turnover

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

1.4 Goodwill and amortisation

Positive purchased goodwill arising on acquisition is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life of 15 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation is provided at the following rates:

| | |
|----------|------------|
| Goodwill | - 15 years |
|----------|------------|

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---------------------|-----------------------------|
| Plant & machinery | - 8 years straight line |
| Fixtures & fittings | - 3 - 6 years straight line |

Notes to the Financial Statements

For the year ended 31 December 2012

1. Accounting Policies (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. Turnover

During the year 80% (2011 91%) of the company's turnover was attributable to geographical markets outside the United Kingdom.

Notes to the Financial Statements

For the year ended 31 December 2012

3. Operating profit

The operating profit is stated after charging

| | 2012 | 2011 |
|--|---------------|---------------|
| | \$ | \$ |
| Amortisation - intangible fixed assets | 19,314 | 19,313 |
| Depreciation of tangible fixed assets | | |
| - owned by the company | 5,286 | 6,569 |
| Auditor's remuneration | 15,794 | 15,063 |
| | <u>15,794</u> | <u>15,063</u> |

During the year, no director received any emoluments (2011 - \$NIL)

4. Taxation

| | 2012 | 2011 |
|--|---------------|----------------|
| | \$ | \$ |
| Analysis of tax charge in the year | | |
| Current tax | | |
| UK corporation tax charge on profit for the year | 95,058 | 150,362 |
| Deferred tax (see note 9) | | |
| Capital allowances | (3,097) | 1,860 |
| Tax on profit on ordinary activities | <u>91,961</u> | <u>152,222</u> |

5. Intangible fixed assets

| | Goodwill |
|--|----------|
| | \$ |
| Cost | |
| At 1 January 2012 and 31 December 2012 | 289,700 |
| Amortisation | |
| At 1 January 2012 | 260,730 |
| Charge for the year | 19,314 |
| At 31 December 2012 | 280,044 |
| Net book value | |
| At 31 December 2012 | 9,656 |
| At 31 December 2011 | 28,970 |

Notes to the Financial Statements

For the year ended 31 December 2012

6. Tangible fixed assets

| | Plant & machinery \$ | Fixtures & fittings \$ | Total \$ |
|-----------------------|----------------------------|------------------------------|-------------|
| Cost | | | |
| At 1 January 2012 | 296,449 | 30,885 | 327,334 |
| Additions | 2,146 | - | 2,146 |
| At 31 December 2012 | 298,595 | 30,885 | 329,480 |
| Depreciation | | | |
| At 1 January 2012 | 281,674 | 30,783 | 312,457 |
| Charge for the year | 5,184 | 102 | 5,286 |
| At 31 December 2012 | 286,858 | 30,885 | 317,743 |
| Net book value | | | |
| At 31 December 2012 | 11,737 | - | 11,737 |
| At 31 December 2011 | 14,775 | 102 | 14,877 |

7. Debtors

| | 2012 \$ | 2011 \$ |
|------------------------------------|----------------|----------------|
| Trade debtors | 324,599 | 366,867 |
| Amounts owed by group undertakings | 34,650 | 400,000 |
| Other debtors | 19,986 | 19,404 |
| Deferred tax asset (see note 9) | 4,170 | 1,073 |
| | 383,405 | 787,344 |

8. Creditors:

Amounts falling due within one year

| | 2012 \$ | 2011 \$ |
|------------------------------------|----------------|----------------|
| Trade creditors | 45,569 | 112,193 |
| Amounts owed to group undertakings | 59,606 | 62,433 |
| Corporation tax | 65,600 | 80,162 |
| Social security and other taxes | 7,249 | 7,442 |
| Other creditors | 57,539 | 50,966 |
| | 235,563 | 313,196 |

Notes to the Financial Statements

For the year ended 31 December 2012

9. Deferred tax asset

| | 2012 | 2011 |
|------------------------------------|--------------|--------------|
| | \$ | \$ |
| At beginning of year | 1,073 | 2,933 |
| Released during/(charged for) year | 3,097 | (1,860) |
| At end of year | <u>4,170</u> | <u>1,073</u> |

The deferred tax asset is made up as follows

| | 2012 | 2011 |
|--------------------------------|--------------|--------------|
| | \$ | \$ |
| Accelerated capital allowances | 935 | 1,073 |
| Other timing differences | 3,235 | - |
| | <u>4,170</u> | <u>1,073</u> |

10. Share capital

| | 2012 | 2011 |
|---|----------------|----------------|
| | \$ | \$ |
| Authorised | | |
| 100,000 Ordinary shares of \$1 5468/£1 each | <u>154,680</u> | <u>154,680</u> |
| Allotted, called up and fully paid | | |
| 73,288 Ordinary shares of \$1 5468/£1 each | <u>113,362</u> | <u>113,362</u> |

11. Reserves

| | Profit and loss account |
|--------------------------|----------------------------|
| | \$ |
| At 1 January 2012 | 884,288 |
| Profit for the year | 305,265 |
| Dividends Equity capital | (700,000) |
| At 31 December 2012 | <u>489,553</u> |

12. Dividends

| | 2012 | 2011 |
|----------------------------------|----------------|----------|
| | \$ | \$ |
| Dividends paid on equity capital | <u>700,000</u> | <u>-</u> |

Notes to the Financial Statements

For the year ended 31 December 2012

13. Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

| | 2012 | 2011 |
|-----------------------|--------|--------|
| | \$ | \$ |
| Expiry date. | | |
| Between 2 and 5 years | 29,583 | 29,583 |

14. Related party transactions

During the year the company acquired materials and goods for resales to the value of \$624,236 (2011 \$778,836) and was recharged overheads of \$129,975 (2011 \$195,649) by NORDAM Group Inc, the company's ultimate parent undertaking. The company advanced \$Nil (2011 \$400,000) to NORDAM Group Inc during the year.

At 31 December 2012 the amount due to NORDAM Group Inc was \$24,956. At 31 December 2011 the amount due from NORDAM Group Inc was \$337,567.

15. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Nordam UK Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking is The NORDAM Group, Inc, a company incorporated in the United States of America. This is the largest group in which the results of the company are consolidated. Copies of the group accounts can be obtained from:

6911 North Whirlpool Drive
Tulsa
Oklahoma
74117
United States