

**VA TECH (UK) Limited**

Annual report and financial statements

Registered number 3562487

September 30, 2015

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## **Annual report**

As required by the amendments to the Companies Act 2006, effective September 30, 2014, the directors of VA Tech (UK) Limited ("the Company") present the annual report containing a strategic report, directors' report and the financial statements for the year ended September 30, 2015.

### **Strategic Report**

#### **Principal activities**

The Company is a holding company with one subsidiary which operates in the electrical transmission and distribution industry.

#### **Business review**

The results for the year are set out on page 6. The Company made a loss for the financial year, net of taxation of £594k (2014: £3,493k profit).

The directors work closely with management to anticipate risks from economic or global factors and plan accordingly. The volatility in the world's financial markets and the possible effect on investment and growth in the UK economy is monitored by the directors. An evaluation of the potential impact of market factors is undertaken regularly by management so that the Company can respond appropriately.

#### **Principal risks and uncertainties**

The Company has implemented a co-ordinated set of risk management and control systems, including strategic planning and management reporting, to help anticipate, measure, monitor and manage its exposure to risk. Risks which the Company faces include changes in the regulatory and legal environment and credit and interest rate risks, which may increase due to the global shortage of credit.

Additionally, Siemens AG operates a cash pooling facility across its worldwide group. Cash balances generated by entities are passed to Siemens AG and companies are able to draw down on these facilities if required. The Company uses this facility and has net current assets at September 30, 2015 including the amount drawn under the Siemens cash pooling arrangement.

For 2015, based on their assessment of the Company's financial position, future performance, liquidity and risks, the directors have a reasonable expectation that the Company has adequate resources to adopt the going concern basis of accounting.



**P Maher**  
*Director*

Faraday House  
Sir William Siemens Square  
Frimley  
Camberley  
Surrey  
GU16 8QD  
January 13, 2016

## **Annual report** (continued)

### **Directors' report**

#### **Proposed dividend**

The directors have not recommended the payment of a dividend (2014: £nil).

#### **Directors**

The directors who served the Company during the year and subsequently were as follows:

GSH Weir  
P Maher

None of the directors holding office at September 30, 2015 had notified a beneficial interest in any contract to which the Company or its subsidiary undertakings were a party during the financial year.

The directors benefitted from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

#### **Political and charitable contributions**

The Company made no political contributions or charitable donations during the year (2014: £nil).

#### **Post balance sheet events**

There are no post balance sheet events to report.

#### **Disclosure of information to the auditor**

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

#### **Auditors**

In accordance with section 487(2) of the Companies Act 2006, Ernst and Young LLP will continue in office as auditor of the Company.

By order of the board



**P Maher**  
*Director*

Faraday House  
Sir William Siemens Square  
Frimley  
Camberley  
Surrey  
GU16 8QD  
January 13, 2016

## **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.

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; 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 proper 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.

## **Independent auditor's report to the members of VA TECH (UK) Limited**

We have audited the financial statements of VA TECH (UK) Limited for the year ended September 30, 2015 which comprise the profit and loss account, the balance sheet, the reconciliation in movements in Shareholders' funds and the related notes 1 to 15. 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 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 Statement of Directors' Responsibilities 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**

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 annual report and financial statements to identify any material inconsistencies with the audited financial statements and to identify information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 September 30, 2015 and of its loss 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 Strategic Report and 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 VA TECH (UK) 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.

*Ernst & Young*

Alastair John Richard Nuttall  
(Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle upon Tyne

18 January 2016

**Profit and loss account**  
*for the year ended 30 September 2015*

	<i>Note</i>	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
Administrative expenses		(113)	(98)
<b>Operating loss</b>		<u>(113)</u>	<u>(98)</u>
Interest payable and similar charges	4	(635)	(553)
Income from subsidiary undertaking		-	4,000
<b>(Loss) / profit on ordinary activities before taxation</b>	2	<u>(748)</u>	<u>3,349</u>
Tax credit on (loss) / profit on ordinary activities	5	154	144
<b>(Loss) / Profit for the financial year</b>	11	<u><u>(594)</u></u>	<u><u>3,493</u></u>

All of the results derive from continuing activities.

The Company has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

**Balance sheet**  
*at 30 September 2015*

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Investments	6	118,000	118,000
<b>Current assets</b>			
Debtors	7	4,634	4,797
Creditors: amounts falling due within one year	8	(470)	(39)
<b>Net current assets</b>		4,164	4,758
<b>Total assets less current liabilities</b>		122,164	122,758
Creditors: amounts falling due after more than one year	9	(65,000)	(65,000)
<b>Net assets</b>		57,164	57,758
<b>Capital and reserves</b>			
Called up share capital	10	48,000	48,000
Share premium account	11	34,675	34,675
Profit and loss account	11	(25,511)	(24,917)
<b>Shareholders' funds</b>		57,164	57,758

These financial statements were approved by the board of directors on ..... and were signed on its behalf by:

  
13/1/16

**GSH Weir**  
Director  
VA TECH (UK) Limited  
Registration number 3562487

**Reconciliation of movements in shareholders' funds**  
*for the year ended 30 September 2015*

	2015	2014
	£000	£000
(Loss) / Profit for the financial year	(594)	3,493
Net (reduction) / increase in shareholders' funds	(594)	3,493
Opening shareholders' funds	57,758	54,265
Closing shareholders' funds	57,164	57,758

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and applied in accordance with the Companies Act 2006.

The Company has prepared and reported its financial statements in Great British Pounds (GBP) (£) and the financial information is disclosed in thousands of £ except where stated otherwise, "k" denotes thousands. VA TECH (UK) Limited is a United Kingdom based company incorporated in England and Wales and is a holding company with one subsidiary which operates in the electrical transmission and distribution industry.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Siemens AG, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Siemens AG, within which this Company is included, can be obtained from the address given in note 15.

The Company has net current assets at September 30, 2015. Based on the Company's forecasts, the directors consider that the Company will continue the trend of previous years and will continue trading over the next 12 months. Based on their assessment of the Company's financial position, future performance, liquidity and risks, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months. Thus the Company continues to adopt the going concern basis of accounting.

#### *Investments*

Investments in subsidiary undertakings are stated at cost less amounts written off.

The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes (continued)

### 1 Accounting policies (continued)

#### Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### Cash and cash equivalents

The Company considers all highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost. The Company is part of a cash pooling arrangement across the worldwide Siemens group. Balances within this facility are classified as receivables / (payables) due from/ (owned to) group companies.

#### Borrowing Costs

The Company pays or receives interest on its intercompany cash balance referred to above. These are recognised within interest in the profit and loss account when incurred or receivable.

### 2 Notes to the profit and loss account

	2015	2014
	£000	£000
<i>(Loss) / Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration		
Audit of financial statements	1	1
	<hr/>	<hr/>

Amounts payable to Ernst & Young LLP and their associates by the Company in respect of non-audit services were £nil (2014: £nil).

## Notes (continued)

### 3 Directors' emoluments

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services provided to the VA Tech (UK) Limited Group were:

	2015	2014
Emoluments receivable	651	657
	<u>651</u>	<u>673</u>

The directors of the company are also directors and employees of fellow subsidiary companies. All of the Company's directors are remunerated by Siemens plc. The directors do not believe that it is practicable to apportion their qualifying services between their services as directors of the company and their services as directors or employees of fellow subsidiary companies. The aggregate amount of emoluments and amounts receivable under long-term incentive schemes of highest paid director was £384k (2014: £390k). One of the directors is a member of the defined benefit scheme. Two of the directors have qualifying service shares receivable from a long-term incentive scheme.

Two of the directors have qualifying services shares receivable from a long-term incentive scheme.

### 4 Interest payable and similar charges

	2015	2014
	£000	£000
Interest on amounts payable to group undertakings	635	553
	<u>635</u>	<u>553</u>

### 5 Taxation

#### Analysis of credit in period

	2015	2014
	£000	£000
<i>UK corporation tax</i>		
Current tax credit for current year	(149)	(139)
Adjustments in respect of prior years	(5)	(5)
Tax credit on loss on ordinary activities	<u>(154)</u>	<u>(144)</u>

#### Factors affecting the tax credit for the current period

For the years ended September 30, 2015 and 2014, the Company was subject to UK corporation tax at a rate of 20.5% (21% during the 6 months to April 1, 2015 and 20% during the 6 months to September 30, 2015) and 22% (23% during the 6 months to April 1, 2014 and 21% during the 6 months to September 30, 2014) respectively.

## Notes (continued)

The total tax credit differs from the amounts computed by applying the statutory UK tax rates as follows:

	2015	2014
	£000	£000
<i>Current tax reconciliation</i>		
(Loss) / Profit on ordinary activities before tax	(748)	3,349
Current Tax at 20.5% (2014: 22%)	(153)	737
<i>Effects of:</i>		
Expenses not deductible for tax purposes and non taxable income	4	(876)
Adjustments in respect of prior years	(5)	(5)
Total current tax credit (see above)	<u>(154)</u>	<u>(144)</u>

## Deferred tax

The Company has no deferred tax asset or liability at the end of the financial year (2014: £nil).

## 6 Fixed asset investments

	Shares in group undertakings
	£000
<i>Cost</i>	
At 1 October 2014	118,000
At 30 September 2015	<u>118,000</u>
<i>Provisions</i>	
At 1 October 2014 and at 30 September 2015	<u>-</u>
<i>Net book value</i>	
At 30 September 2015	<u>118,000</u>
At 30 September 2014	<u>118,000</u>

## Notes (continued)

The companies in which the Company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Percentage of ordinary shares held
<i>Subsidiary undertakings</i>			
Siemens Transmission and Distribution Limited	United Kingdom	Electrical transmission and distribution	100%

In 2015, there was no movement in fixed asset investments held.

### 7 Debtors

	2015 £000	2014 £000
Amounts owed by group undertaking	4,480	4,653
Corporation tax receivable	154	144
	<u>4,634</u>	<u>4,797</u>

Amounts owed by group undertakings at September 30, 2015 include £4,479,000 (2014: £4,653,000) in respect of balances which form part of the cash pooling arrangements.

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

	2015 £000	2014 £000
Amounts owed to group undertakings	469	38
Accruals	1	1
	<u>470</u>	<u>39</u>

After the year end the Company renegotiated its financing to extend the intergroup long term loan. As a result amounts disclosed as *Amounts owed to group undertakings* above form part of the intergroup long term loan and are classified as long term post year end.

## Notes (continued)

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

	2015	2014
	£000	£000
Amounts owed to group undertakings	65,000	65,000

The long term loan is held with Siemens Financieringsmaatschappij NV.

### 10 Called up share capital

	2015	2014
	£000	£000
<i>Allotted, called up and fully paid</i>		
48,000,000 Ordinary shares of £1 each	48,000	48,000

### 11 Reserves

	Share Premium account £000	Profit and Loss account £000
At beginning of year	34,675	(24,917)
Loss for the year	-	(594)
At end of year	34,675	(25,511)

### 12 Contingent liabilities

On 10 May 2010 three EDF Energy Networks companies issued a claim in the High Court against Siemens AG together with other Siemens subsidiaries including the Company and other non-associated third party companies.

The action claims damages arising in consequence of the EU Commissions decision of 24 January 2007 relating to gas insulated switchgear.

The Company and Siemens AG together with the other subsidiaries named in the claim will be vigorously defending the claim and, consequently, no provision has been recorded in these financial statements in respect of the claim.

**Notes** *(continued)*

**13 Commitments**

The Company has no capital commitments at the end of the financial year (2014: £nil).

**14 Post balance sheet events**

There were no reportable post balance sheet events.

**15 Ultimate parent undertaking and parent undertaking of larger group of which the Company is a member**

The immediate parent undertaking is Siemens Holdings plc, a company incorporated in the United Kingdom. Siemens AG is the only group undertaking of which the Company is a member for which group accounts are prepared. Copies of the group accounts are available on the internet at [www.siemens.com/annualreport](http://www.siemens.com/annualreport) or can be obtained from:

Siemens AG  
Wittelsbacherplatz 2  
D-80333 Munich  
Germany