

Tranmet Holdings Limited

**Directors' report and financial
statements**

Registered number 04957260

For the year ended 30 September 2012



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2012

Principal activities

The principal activity of the company is that of a holding company

Business review

The profit for the year of £6,420,000 (2011 £5,969,000) is largely due to the dividends received from group undertakings of £5,852,000 (2011 £6,108,000)

Dividends

A dividend of £5,568,000 (2011 £3,037,000) was paid during the year

Directors

The directors who held office during the year and subsequently were as follows

W Lyall
MB Fernandez

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



W Lyall
Director

Accurist House
44 Baker Street
London
W1U 7AL

24 January 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 and 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 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 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.



KPMG LLP

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Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Tranmet Holdings Limited

We have audited the financial statements of Tranmet Holdings Limited for the year ended 30 September 2012 set out on pages 5 to 10. 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 2, 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 APB's web-site 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 30 September 2012 and of its profit 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 Tranmet Holdings 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



X Timmermans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

24 January 2013

Profit and loss account
for the year ended 30 September 2012

	<i>Notes</i>	2012 £000	2011 £000
Administrative expenses		(30)	(21)
Operating loss		(30)	(21)
Income from shares in group undertakings		5,852	6,108
Interest payable	2	(77)	(113)
Foreign exchange gain/(loss)	3	675	(5)
Profit on ordinary activities before taxation	4	6,420	5,969
Tax on profit on ordinary activities	6	-	-
Profit for the year	10	6,420	5,969

A statement of movements on reserves is shown in note 10 and a reconciliation of movements in shareholders' funds is set out in note 11

There are no recognised gains or losses other than the profit and loss for the year

The company's results are derived from continuing operations

Balance sheet
as at 30 September 2012

	<i>Note</i>	2012 £000	2011 £000
Fixed assets			
Investments	7	25,580	25,580
Creditors Amounts falling due within one year	8	(18,090)	(18,942)
Net current liabilities		(18,090)	(18,942)
Net assets		7,490	6,638
Capital and reserves			
Called up share capital	9	-	-
Capital Contribution reserve	10	6,307	6,307
Profit and loss account	10	1,183	331
Equity shareholders' funds	11	7,490	6,638

These financial statements were approved by the board of directors on 24 January 2013 and signed on its behalf by


W Lyall
Director

Registered number 04957260

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 company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable UK Accounting Standards and under the historical cost accounting rules

The company is exempt, by virtue of Section 401 of the Companies Act 2006, from the requirement to prepare group financial statements

The company is reliant upon the continued financial support of its parent company. The financial statements have been prepared on a going concern basis which the directors of the company believe to be appropriate on the basis of an undertaking from the parent company to provide adequate financial and other support to the company for a period of at least twelve months from the date of these financial statements

Cash flow statement

Under Financial Reporting Standard 1 'Cash flow statements' the company is exempt from the requirement to prepare a cash flow statement. The exemption is on the basis that it is a wholly owned subsidiary undertaking and its cash flow appears in a consolidated cash flow statement in the financial statements of the ultimate holding company, Emerson Electric Co, which are publicly available

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and gains and losses on translation are included in the profit and loss account

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provision, if necessary, for impairment. Any impairment in value against original cost is charged to the profit and loss account

Taxation

The charge for taxation is based on the result 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 provided in full, 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 Financial Reporting Standard 19 'Deferred tax'

Related party interest

As permitted by Financial Reporting Standard 8 'Related Party Disclosures', the company has taken advantage of the exemption not to disclose related party transactions with group entities

2 Interest payable

	2012 £000	2011 £000
Interest payable on group borrowings	77	113

Notes (continued)

3 Foreign exchange gain/(loss)

	2012 £000	2011 £000
Foreign exchange gain/(loss)	675	(5)

4 Profit on ordinary activities before taxation

	2012 £000	2011 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
<i>Auditor's remuneration</i>		
Audit of the company's financial statements	9	8

5 Remuneration of directors

The company had no employees during the year other than its directors. The emoluments of the directors were £Nil (2011 £Nil).

6 Taxation

Analysis of tax charge in year

	2012 £000	2011 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Tax charge on profit on ordinary activities	-	-

Factors affecting the tax for the current year

The current tax charge for the year is lower (2011 higher) than the effective rate of corporation tax in the UK of 25% (2011 27%). The differences are explained below.

	2012 £000	2011 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	6,420	5,969
Current tax at 25% (2011 27%)	1,605	1,612
<i>Effects of</i>		
Non-taxable dividend income	(1,463)	(1,649)
Foreign exchange difference not taxable	(169)	-
Group relief surrendered for no consideration	27	37
Total current tax	-	-

Notes (continued)

6 Taxation (continued)

Factors that may affect future tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014, and the December 2012 Autumn Statement announced a planned further reduction to 21% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly.

7 Fixed asset investments

	Shares in group undertakings £000
<i>Cost and net book value</i>	
At beginning and end of year	25,580

The principal trading subsidiaries and shares held therein are as shown below

Subsidiary undertakings	Owned by company	Owned by subsidiary	Principal activity
Tranmet Holdings BV (Holland)	100%		Holding company
CJSC PG Metran and subsidiaries (Russia Federation)	0.56%	99.44%	Export sales of the group's products

8 Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Amounts due to group undertakings	18,010	18,865
Accruals and deferred income	80	77
	<u>18,090</u>	<u>18,942</u>

9 Called up share capital

	2012 £000	2011 £000
<i>Authorised:</i>		
6,000,000 ordinary shares of £1 each	6,000	6,000
<i>Allotted, called up and fully paid:</i>		
1 ordinary share of £1	-	-

Notes (continued)

10 Reserves

	Capital contribution reserve £000	Profit and loss account £000
At beginning of year	6,307	331
Profit for the financial year	-	6,420
Dividend paid	-	(5,568)
At end of year	6,307	1,183

11 Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Profit for the financial year	6,420	5,969
Net increase of shareholders' funds	6,420	5,969
Dividends paid	(5,568)	(3,037)
Equity shareholders' funds at beginning of year	6,638	3,706
Equity shareholders' funds at end of year	7,490	6,638

12 Ultimate holding company and controlling party

The company's ultimate holding company and controlling party is Emerson Electric Co, a company incorporated in the United States of America

Copies of the annual financial statements of the ultimate holding company are available from Emerson Electric Co, 8000 West Florissant Avenue, PO Box 4100, St Louis, Missouri 63136, USA