

REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 2016

FOR  
ADVANCED POWER (UK) LIMITED

REGISTERED NUMBER: 05193227

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**ADVANCED POWER (UK) LIMITED**  
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**FOR THE YEAR ENDED 31st DECEMBER 2016**

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**ADVANCED POWER (UK) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31st DECEMBER 2016**

**DIRECTORS:** M Bashall (resigned 9 May 2017)  
P Ramm  
G Higginson (appointed 9 May 2017)

**SECRETARY:** M Bashall (resigned 9 May 2017)

**REGISTERED OFFICE:** 25 Shaftesbury Avenue  
London  
W1D 7EG

**REGISTERED NUMBER:** 05193227 (England and Wales)

**BANKERS:** Lloyds Bank Plc  
Threadneedle Street  
London  
BX1 1LT

**AUDITORS:** BDO LLP  
55 Baker Street  
London  
W1U 7EU

**ADVANCED POWER (UK) LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31st DECEMBER 2016**

The directors present their report and the financial statements of the company for the year ended 31st December 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year was that of providing management services to group companies.

**DIRECTORS**

*The directors of the company who were in the office during the year and up to the date of signing the financial statements were:*

M Bashall (resigned 9 May 2017)  
P Ramm  
G Higginson (appointed 9 May 2017)

The company is a wholly owned subsidiary of Advanced Power AG registered in Switzerland.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 prepared 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 judgements 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 (refer to note 1(b) of the financial statements).

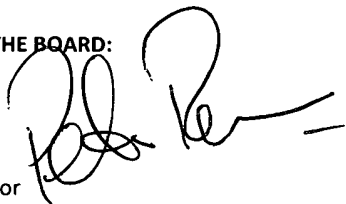
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



P Ramm – Director  
9th June 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ADVANCED POWER (UK) LIMITED**

We have audited the financial statements of Advanced Power (UK) Limited for the year 31 December 2016 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 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 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 31 December 2016 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained during the course of the audit, we have not identified material misstatements in the directors' report.

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

ADVANCED POWER (UK) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ADVANCED POWER (UK) LIMITED**

- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

*BDO LLP*

Marc Reineke (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom *12/6/2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ADVANCED POWER (UK) LIMITED  
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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER

	Notes	31.12.2016 €	31.12.2015 €
<b>TURNOVER</b>		1,359,543	2,812,595
Cost of Sales		1,264,693	2,616,365
<b>GROSS PROFIT</b>		<u>94,850</u>	<u>196,230</u>
Administrative Expenses		-	-
<b>OPERATING PROFIT</b>	3	<u>94,850</u>	<u>196,230</u>
Tax on Profit on ordinary activities	6	19,913	39,156
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>74,937</u>	<u>157,074</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>74,937</u>	<u>157,074</u>

The reported profit on ordinary activities and the amount retained for the year are presented on a historical cost basis.

There were no recognised gains and losses other than the profit /(loss) for the current and the prior year and accordingly a statement of total recognised gains and losses has not been presented.

The notes on pages 9 to 15 form part of these financial statements

**ADVANCED POWER (UK) LIMITED**  
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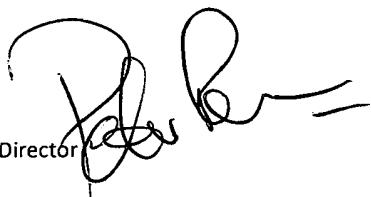
**BALANCE SHEET AS AT**  
**31st DECEMBER 2016**

	Notes	31.12.2016 €	31.12.2015 €
<b>FIXED ASSETS</b>			
Tangible assets	7	31,697	30,647
<b>CURRENT ASSETS</b>			
Debtors	8	538,687	805,636
Cash at Bank and in hand		48,795	48,643
		<u>587,482</u>	<u>854,279</u>
<b>CURRENT LIABILITIES</b>			
Creditors	9	99,011	425,072
<b>NET CURRENT ASSETS</b>		488,471	429,207
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>520,168</u>	<u>459,854</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for Liabilities	10	102,811	117,434
<b>NET ASSETS</b>		<u>417,357</u>	<u>342,420</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Retained Earnings	12	417,355	342,418
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>417,357</u>	<u>342,420</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board on 9th June 2017 and were signed on its behalf by:

P Ramm – Director



The notes on pages 9 to 15 form part of these financial statements



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The principal accounting policies, which the directors have adopted, are set out below:

#### a) Basis of Preparation

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities under the historical cost convention.

These financial statements are the first financial statements prepared under FRS 102 Section 1A and no material variances resulted from the impact of the first-time adoption of FRS 102 Section 1A.

The company has taken advantage of the exemption available to small companies not to prepare a strategic report for the financial year.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following principal accounting policies have been applied:

#### b) Going Concern

The Company trades exclusively with the parent entity, Advanced Power AG, and other subsidiaries within the group.

Advanced Power AG has confirmed that it intends to and is able to continue to pay amounts due back to the Company to meet its liabilities as they fall due and to carry on business for a period of at least 12 months from the date of approval of these accounts.

The directors, having received this confirmation from Advanced Power AG, have prepared the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a failure of Advanced Power AG to provide the necessary financial support.

#### c) Turnover

The company recognises turnover when the amount of turnover can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met. The amount of turnover is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Turnover represents the value of work carried out during the accounting period, excluding value added tax.

## NOTES TO THE FINANCIAL STATEMENTS

### d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at original cost less accumulated depreciation and any provision for impairment in value.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation is calculated so as to write-down the cost of property, plant and equipment to its residual value evenly over its estimated useful life. Estimated useful lives, residual values and depreciation methods are reviewed periodically, taking into account commercial and technological obsolescence as well as normal wear and tear, provision being made where the carrying value exceeds the recoverable amount.

The depreciation charge is based on the following estimates of useful lives:

	Years
Fixtures, fittings, tools and equipment	3-5

### e) Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### f) Foreign currencies

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date.

### g) Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

## NOTES TO THE FINANCIAL STATEMENTS

### h) Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 2 represents contributions payable by the company to the fund and amounted to €50,717 (2015: €47,056). All contributions were paid at the year-end.

### i) Impairment of assets

The company periodically reviews the carrying amounts of its property, plant and equipment, other intangible assets and those other investments measured at cost, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

At each balance sheet date, an assessment is made to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or has decreased. Where such an indication exists, an impairment loss is reversed to the extent that the asset's carrying value does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### j) Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received

## 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors evaluate estimates and judgements incorporated in the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Entity.

In preparing these financial statements, the directors have had to make the following judgements:

An estimate of the financial cost of potential litigation is included as Other Legal Provisions within Provision for liabilities falling due after one year.

**ADVANCED POWER (UK) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**3 OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.2016	31.12.2015
	€	€
Depreciation – owned assets	11,350	7,415
Auditor's remuneration (Fees payable to company auditor for the audit of financial statements)	9,602	12,571
Foreign exchange differences	(4,816)	1,516
Pension costs	50,717	47,056
(Profit) / Loss on Disposal of Fixed assets	-	-

**4 AVERAGE NUMBER OF EMPLOYEES**

	31.12.2016	31.12.2015
	No.	No.
Average number of employees during the year	6	4

**5 DIRECTORS EMOLUMENTS**

	31.12.2016	31.12.2015
	€	€
Aggregate amount of Directors' emoluments	305,434	1,849,360
Aggregate value of company contributions to pension scheme	19,198	36,070
	<u>324,632</u>	<u>1,885,430</u>
Number of directors under pension scheme	2	2
Remuneration of highest paid director		
Aggregate amount of Directors' emoluments	261,134	1,071,096
Company contributions to pension scheme	16,359	18,210
	<u>277,493</u>	<u>1,089,306</u>

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.2016	31.12.2015
	€	€
Current Tax:		
UK Corporation Tax	18,725	38,219
Adjustment in respect to prior years	-	(1,093)
Total current tax	<u>18,725</u>	<u>37,127</u>
Deferred Tax		
- Origination and reversal of timing differences	1,188	2,038
- Impact of change in UK tax rate	-	(9)
Total deferred Tax	<u>1,188</u>	<u>2,030</u>
Tax on profit on ordinary activities	<u>19,913</u>	<u>39,156</u>

**ADVANCED POWER (UK) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.2016	31.12.2015
	€	€
Profit for the Financial Year before Taxation	94,850	196,230
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.000% (2015 20.497%)	18,970	39,730
Effects of:		
Expenses not deductible for Tax purposes	943	1,933
Capital allowances in excess of depreciation	(1,188)	(3,444)
Adjustment in respect to prior years	-	(1,093)
Current tax charge	<u>18,725</u>	<u>37,127</u>

**7 TANGIBLE FIXED ASSETS**

	31.12.2016	31.12.2015
	€	€
<b>Furniture, fittings, tools and equipment</b>		
<b>COST</b>		
Brought Forward	72,566	54,106
Additions	12,400	18,460
Disposals	-	-
As at 31st December	<u>84,966</u>	<u>72,566</u>
<b>DEPRECIATION</b>		
Brought Forward	41,919	34,504
Depreciation charge for year	11,350	7,415
Disposals	-	-
As at 31st December	<u>53,269</u>	<u>41,919</u>
<b>NET BOOK VALUE</b>		
As at 31st December	<u>31,697</u>	<u>30,647</u>

**8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.2016	31.12.2015
	€	€
Trade Debtors owed by group undertaking	437,159	708,418
Other Debtors	101,528	97,218
	<u>538,687</u>	<u>805,636</u>

**ADVANCED POWER (UK) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.2016	31.12.2015
	€	€
Trade Creditors	22,143	27,640
Taxation and social security	46,513	67,436
Other Creditors	30,355	329,996
	<u>99,011</u>	<u>425,072</u>

**10 PROVISION FOR LIABILITIES FALLING DUE AFTER ONE YEAR**

	Deferred Tax	Other Legal Provisions
	€	€
Brought forward	697	116,737
Charged in profit and loss account	1,188	(15,811)
	<u>1,885</u>	<u>100,926</u>
As at 31 <sup>st</sup> December 2016		
	<u>1,885</u>	<u>100,926</u>
<b>Deferred Tax</b>		
Accelerated capital allowance	1,885	-
	<u>1,885</u>	<u>-</u>
As at 31 <sup>st</sup> December 2016		
	<u>1,885</u>	<u>-</u>

Legislation already enacted at the balance sheet date means that with effect from 1st April 2017 the corporate tax rate reduces from 20% to 19%, and further reduces to 17% from 1st April 2020. The closing recognised deferred tax liability balance has been tax effected at 19%.

**11 SHARE CAPITAL**

Allotted, issued and fully paid:

Number	Class	Nominal Value	31.12.2016	31.12.2015
			€	€
1	Ordinary	£1	2	2

**12 RESERVES**

	31.12.2016	31.12.2015
	€	€
Brought forward	342,418	185,344
Retained profit for the financial year	74,937	157,074
Dividends paid	-	-
As at 31st December	<u>417,355</u>	<u>342,418</u>

**ADVANCED POWER (UK) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**13 OTHER FINANCIAL COMMITMENTS**

On 7th February 2014 the company entered into a tenancy lease for office accommodation commencing 7th February 2014 for a period of 60 months at a rate of €65,132 (£55,500) per annum (2015: €75,336 (£55,500)).

Net future obligations under these leases are:

	31.12.2016	31.12.2015
	€	€
Falling due within one year	65,132	75,336
Between one and 5 years	71,735	158,309
Greater than 5 years	-	-
	<u>136,867</u>	<u>233,645</u>

**14 ULTIMATE CONTROLLING PARTY**

This company is under the control of Advanced Power AG a company registered at Baarerstrasse 78, CH-6300, Zug, Switzerland.

Advanced Power AG holds 100% of the share capital of this company, the directors of this company together with its senior management hold the majority of the shares in Advanced Power AG. Advanced Power AG is not controlled by any single director or senior management of the company.