

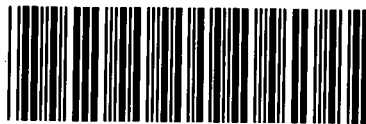
REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 2013

FOR

ADVANCED POWER (UK) LIMITED

REGISTERED NUMBER: 05193227

FRIDAY



\*L3ES9FLU\*

LD2

22/08/2014

#73

COMPANIES HOUSE

**ADVANCED POWER (UK) LIMITED**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2013**

	Page
Company Information	3
Report of the Directors	4
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9

ADVANCED POWER (UK) LIMITED  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31st DECEMBER 2013

DIRECTORS: Dr M Giesen  
M Bashall  
P Ramm (appointed 9th April 2013)

SECRETARY: M Bashall

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 2013**

The directors present their report and the financial statements of the company for the year ended 31st December 2013.

**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:

Dr M Giesen  
M Bashall  
P Ramm (appointed 9th April 2013)

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

10<sup>th</sup> July 2014

**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 ended 31 December 2013 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 2013 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.

**Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1b to the financial statements concerning the company's ability to continue as a going concern. The company is dependent on the continuous support of its ultimate parent entity, Advanced Power AG, and other subsidiaries within the group to pay amounts due to the company. In order to continue as a going concern, Advanced Power AG is in turn dependent on the part sale of its share in one of its North American power projects. Should the sale be delayed or not happen the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. While the sale of the North American operation has not yet been finalised the negotiations are progressing positively and directors are confident that the transaction can be completed and will generate sufficient inflow to enable the fellow group companies to continue paying the company to allow it 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

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**Opinion on other matters 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  
ADVANCED POWER (UK) LIMITED**

**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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



*Marc Reinecke (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
Date 11-07-2014*

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

**ADVANCED POWER (UK) LIMITED**  
(05193227)

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER**

	Notes	31.12.2013 €	31.12.2012 €
<b>TURNOVER</b>		1,541,682	2,608,725
Cost of Sales		1,459,979	2,426,722
<b>GROSS PROFIT</b>		<u>81,703</u>	<u>182,003</u>
Administrative Expenses		8,839	31,296
<b>OPERATING PROFIT</b>	2	<u>72,864</u>	<u>150,707</u>
Tax on Profit on ordinary activities	4	(32,393)	26,291
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>105,257</u>	<u>124,416</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>105,257</u>	<u>124,416</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

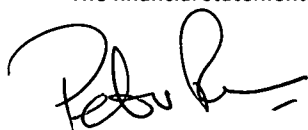
**ADVANCED POWER (UK) LIMITED**  
(05193227)

**BALANCE SHEET AS AT**  
**31st DECEMBER 2013**

	Notes	31.12.2013 €	31.12.2012 €
<b>FIXED ASSETS</b>			
Tangible assets	5	3,118	24,146
<b>CURRENT ASSETS</b>			
Debtors	6	149,764	862,861
Cash at Bank and in hand		172,593	742,981
		<u>322,357</u>	<u>1,605,842</u>
<b>CURRENT LIABILITIES</b>			
Creditors	7	113,465	246,146
<b>NET CURRENT ASSETS</b>		208,892	1,359,696
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>212,010</u>	<u>1,383,842</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for Liabilities	8	102,994	105,083
<b>NET ASSETS</b>		<u>109,016</u>	<u>1,278,759</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Retained Earnings	10	109,014	1,278,757
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>109,016</u>	<u>1,278,759</u>

These financial statements have been prepared in accordance with the small companies regime of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 10<sup>th</sup> July 2014 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 the small companies regime of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### b) Going Concern

The Company trades exclusively with the parent entity, Advanced Power AG, and other subsidiaries within the group. The Group's ability to pay amounts to the company as they fall due is dependent on one of its subsidiary entities (the 'Fellow Subsidiary') generating cash inflows from the sale, during 2014, of its share of a power project in North America.

Whilst the sale of the North American operation has not yet been finalised, the directors understand that negotiations are progressing positively and that the Fellow Subsidiary remains confident that the transaction can be completed on time and will generate sufficient cash inflow to enable Advanced Power AG to provide sufficient financial support to the Company to enable it to meet its financial obligations for a period of at least 12 months from the date of approval of these financial statements.

Advanced Power AG has confirmed that it intends to and, subject to the Fellow Subsidiary's sale of its share in the power project, 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. Should the sale be delayed or not happen the company may not be able to realise its assets and discharge its liabilities in the normal course of business.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result were the company not able to continue as a going concern as a consequence of a failure of Advanced Power AG to pay its amounts due to the company.

#### 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.

#### 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

NOTES TO THE FINANCIAL STATEMENTS

**e) Tax**

The tax expense represents the sum of the expected tax payable on taxable income for the year, including adjustments in respect of prior periods and deferred tax. Taxable profit differs from accounting profit, as reported in the income statement, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured on an undiscounted basis and at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet 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.

**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 €63,150 (2012: €86,768). All contributions were paid at the year-end.

NOTES TO THE FINANCIAL STATEMENTS

**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.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.2013	31.12.2012
	€	€
Depreciation – owned assets	7,587	64,735
Auditor's remuneration (Fees payable to company auditor for the audit of financial statements)	19,986	32,921
Foreign exchange differences	13,544	6,816
Pension costs	63,150	86,768
(Profit) / Loss on Disposal of Fixed assets	(330)	(9,844)

**3 DIRECTORS EMOLUMENTS**

	31.12.2013	31.12.2012
	€	€
Aggregate amount of Directors' emoluments	411,072	250,431
Aggregate value of company contributions to pension scheme	25,187	15,288
	<u>436,259</u>	<u>265,719</u>

Number of directors under pension scheme

2                      1

Remuneration of highest paid director

Aggregate amount of Directors' emoluments	238,460	250,431
Company contributions to pension scheme	14,590	15,288
	<u>253,050</u>	<u>265,719</u>

**4 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:

	31.12.2013	31.12.2012
	€	€
Current Tax:		
UK Corporation Tax	19,722	52,451
Adjustment in respect to prior years	(53,471)	(17,504)
Total current tax	<u>(33,749)</u>	<u>34,947</u>
Deferred Tax		
- Origination and reversal of timing differences	787	(9,104)
- Impact of change in UK tax rate	569	448
Total deferred Tax	<u>1,356</u>	<u>(8,656)</u>
Tax on profit on ordinary activities	<u>(32,393)</u>	<u>26,291</u>

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:

	31.12.2013	31.12.2012
	€	€
Profit for the Financial Year before Taxation	72,864	150,707
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 23.247% (2012 24.497%)	16,938	36,919
Effects of:		
Expenses not deductible for Tax purposes	3,571	6,428
Capital allowances in excess of depreciation	(787)	9,104
Adjustment in respect to prior years	(53,471)	(17,504)
Current tax charge	<u>(33,749)</u>	<u>34,947</u>

NOTES TO THE FINANCIAL STATEMENTS

5 TANGIBLE FIXED ASSETS

	31.12.2013	31.12.2012
	€	€
<b>Furniture, fittings, tools and equipment</b>		
<b>COST</b>		
Brought Forward	55,038	530,875
Additions	-	1,088
Disposals	(13,441)	(476,925)
As at 31st December	<u>41,597</u>	<u>55,038</u>
<b>DEPRECIATION</b>		
Brought Forward	30,892	437,310
Depreciation charge for year	7,587	64,735
Disposals	-	(471,153)
As at 31st December	<u>38,479</u>	<u>30,892</u>
<b>NET BOOK VALUE</b>		
As at 31st December	<u>3,118</u>	<u>24,146</u>

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2013	31.12.2012
	€	€
Trade Debtors owed by group undertaking	102,652	745,565
Other Debtors	40,132	108,960
Deferred Tax asset	6,980	8,336
	<u>149,764</u>	<u>862,861</u>

Deferred tax assets are expected to unwind against the deferred liabilities, and therefore net a deferred tax asset has been recognised on the balance sheet.

Legislation already enacted at the balance sheet date means that with effect from 1st April 2014 the corporate tax rate was expected to reduced to 21% (from 23%). On the basis that it is anticipated that the company's deferred tax liabilities are expected to unwind after 1 April 2014, the closing recognised deferred tax asset balance has been tax effected at the lower rate of 21%

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2013	31.12.2012
	€	€
Trade Creditors	11,637	16,898
Taxation and social security	64,498	112,399
Other Creditors	37,330	116,849
	<u>113,465</u>	<u>246,146</u>

**ADVANCED POWER (UK) LIMITED**  
(05193227)

**NOTES TO THE FINANCIAL STATEMENTS**

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

	Other Legal Provisions €
Brought forward	105,083
Charged in profit and loss account	(2,089)
As at 31 <sup>st</sup> December 2013	<u>102,994</u>

**9 SHARE CAPITAL**

Allotted, issued and fully paid:

Number	Class	Nominal Value	31.12.2013 €	31.12.2012 €
1	Ordinary	£1	2	2

**10 RESERVES**

	31.12.2013 €	31.12.2012 €
Brought forward	1,278,757	1,154,341
Retained profit for the financial year	105,257	124,416
Dividends paid	<u>(1,275,000)</u>	<u>-</u>
As at 31st December	<u>109,014</u>	<u>1,278,757</u>

**11 OTHER FINANCIAL COMMITMENTS**

The company also had a tenancy lease agreement in respect of its office accommodation for a term commencing 1 March 2013 and terminating 7th February 2014 at a rate of €96,407 (£80,500) per annum (2012: €98,363 (£80,500)).

On 7th February 2014 the company entered into a tenancy lease for alternative office accommodation commencing 7th February 2014 for a period of 60 months at a rate of €66,467 (£55,500) per annum.

Net future obligations under these leases are:

	31.12.2013 €	31.12.2012 €
Falling due within one year	69,617	97,243
Between one and 5 years	265,868	10,240
Greater than 5 years	<u>6,738</u>	<u>-</u>
	<u>342,223</u>	<u>107,483</u>

NOTES TO THE FINANCIAL STATEMENTS

**12 ULTIMATE CONTROLLING PARTY**

This company is under the control of Advanced Power AG a company registered in 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.

**13 RELATED PARTY TRANSACTIONS**

The company is a wholly owned subsidiary undertaking of Advanced Power AG and has taken advantage of the exemption conferred by FRS 8 (related Party Disclosure) not to disclose transactions with Advanced Power AG or other wholly subsidiary undertakings with the Advanced Power Group. There were no other transactions to external parties outside of the group.