

REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 2014

FOR

ADVANCED POWER (UK) LIMITED

REGISTERED NUMBER: 05193227

TUESDAY



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ADVANCED POWER (UK) LIMITED

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FOR THE YEAR ENDED 31st DECEMBER 2014

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ADVANCED POWER (UK) LIMITED  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31st DECEMBER 2014

DIRECTORS:	Dr M Giesen M Bashall P Ramm
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 2014

The directors present their report and the financial statements of the company for the year ended 31st December 2014.

**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

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:**



M Bashall – Director  
1st July 2015

**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 2014 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 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 2014 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.

**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.

**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

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

Date *21/7/2015*

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	31.12.2014 €	31.12.2013 €
<b>TURNOVER</b>		1,446,915	1,541,682
Cost of Sales		1,345,971	1,459,979
<b>GROSS PROFIT</b>		<u>100,944</u>	<u>81,703</u>
Administrative Expenses		-	8,839
<b>OPERATING PROFIT</b>	2	<u>100,944</u>	<u>72,864</u>
Tax on Profit on ordinary activities	4	24,614	(32,393)
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>76,330</u>	<u>105,257</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>76,330</u>	<u>105,257</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 2014

	Notes	31.12.2014 €	31.12.2013 €
<b>FIXED ASSETS</b>			
Tangible assets	5	19,602	3,118
<b>CURRENT ASSETS</b>			
Debtors	6	464,929	149,764
Cash at Bank and in hand		17,181	172,593
		<u>482,110</u>	<u>322,357</u>
<b>CURRENT LIABILITIES</b>			
Creditors	7	206,476	113,465
<b>NET CURRENT ASSETS</b>		275,634	208,892
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>295,236</u>	<u>212,010</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for Liabilities	8	109,890	102,994
<b>NET ASSETS</b>		<u><u>185,346</u></u>	<u><u>109,016</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Retained Earnings	10	185,344	109,014
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u><u>185,346</u></u>	<u><u>109,016</u></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 1st July 2015 and were signed on its behalf by:



M Bashall – 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) under the historical cost convention.

**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.

**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 €48,072 (2013: €63,150). 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:

	31.12.2014	31.12.2013
	€	€
Depreciation – owned assets	5,271	7,587
Auditor's remuneration (Fees payable to company auditor for the audit of financial statements)	8,500	19,986
Foreign exchange differences	(3,686)	13,544
Pension costs	48,072	63,150
(Profit) / Loss on Disposal of Fixed assets	(1,120)	(330)

**3 DIRECTORS EMOLUMENTS**

	31.12.2014	31.12.2013
	€	€
Aggregate amount of Directors' emoluments	609,555	411,072
Aggregate value of company contributions to pension scheme	31,594	25,187
	<u>641,149</u>	<u>436,259</u>

Number of directors under pension scheme	2	2
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**Remuneration of highest paid director**

Aggregate amount of Directors' emoluments	316,844	238,460
Company contributions to pension scheme	15,914	14,590
	<u>332,758</u>	<u>253,050</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:

	31.12.2014	31.12.2013
	€	€
Current Tax		
UK Corporation Tax	18,939	19,722
Adjustment in respect to prior years	30	(53,471)
Total current tax	<u>18,968</u>	<u>(33,749)</u>
Deferred Tax		
- Origination and reversal of timing differences	5,616	787
- Impact of change in UK tax rate	31	569
Total deferred Tax	<u>5,647</u>	<u>1,356</u>
Tax on profit on ordinary activities	<u>24,615</u>	<u>(32,393)</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:

	31.12.2014	31.12.2013
	€	€
Profit for the Financial Year before Taxation	100,944	72,864
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 21.493% (2013 23.247%)	21,696	16,938
Effects of:		
Expenses not deductible for Tax purposes	2,858	3,571
Capital allowances in excess of depreciation	(5,615)	(787)
Adjustment in respect to prior years	30	(53,471)
Current tax charge	<u>18,968</u>	<u>(33,749)</u>

NOTES TO THE FINANCIAL STATEMENTS

**5 TANGIBLE FIXED ASSETS**

	31.12.2014	31.12.2013
	€	€
<b>Furniture, fittings, tools and equipment</b>		
<b>COST</b>		
Brought Forward	41,597	55,038
Additions	22,802	-
Disposals	(10,293)	(13,441)
As at 31st December	<u>54,106</u>	<u>41,597</u>
<b>DEPRECIATION</b>		
Brought Forward	38,479	30,892
Depreciation charge for year	5,271	7,587
Disposals	(9,246)	-
As at 31st December	<u>34,504</u>	<u>38,479</u>
<b>NET BOOK VALUE</b>		
As at 31st December	<u>19,602</u>	<u>3,118</u>

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

	31.12.2014	31.12.2013
	€	€
Trade Debtors owed by group undertaking	374,145	102,652
Other Debtors	89,451	40,132
Deferred Tax asset	1,333	6,980
	<u>464,929</u>	<u>149,764</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 2015 the corporate tax rate was expected to reduced to 20% (from 21%). On the basis that it is anticipated that the company's deferred tax liabilities are expected to unwind after 1 April 2015, the closing recognised deferred tax asset balance has been tax effected at the lower rate of 20%.

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

	31.12.2014	31.12.2013
	€	€
Trade Creditors	12,104	11,637
Taxation and social security	44,288	64,498
Other Creditors	150,084	37,330
	<u>206,476</u>	<u>113,465</u>

NOTES TO THE FINANCIAL STATEMENTS

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

	Other Legal Provisions €
Brought forward	102,994
Charged in profit and loss account	6,896
As at 31 <sup>st</sup> December 2013	<u>109,890</u>

**9 SHARE CAPITAL**

Allotted, issued and fully paid:

Number	Class	Nominal Value	31.12.2014 €	31.12.2013 €
1	Ordinary	£1	2	2

**10 RESERVES**

	31.12.2014 €	31.12.2013 €
Brought forward	109,014	1,278,757
Retained profit for the financial year	76,330	105,257
Dividends paid	-	(1,275,000)
As at 31st December	<u>185,344</u>	<u>109,014</u>

**11 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 €70,917 (£55,500) per annum (2013: €66,467 (£55,500)).

Net future obligations under these leases are:

	31.12.2014 €	31.12.2013 €
Falling due within one year	70,917	69,617
Between one and 5 years	219,941	265,868
Greater than 5 years	-	6,738
	<u>290,858</u>	<u>342,223</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.