

REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2017

FOR

ADVANCED POWER (UK) LIMITED

REGISTERED NUMBER: 05193227



ADVANCED POWER (UK) LIMITED
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FOR THE YEAR ENDED 31st DECEMBER 2017

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ADVANCED POWER (UK) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31st DECEMBER 2017

DIRECTORS: M Bashall (resigned 9 May 2017)
P Ramm
G Higginson (appointed 9 May 2017, resigned 19 October 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 2017

The directors present their report and the financial statements of the company for the year ended 31st December 2017.

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, resigned 19 October 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).

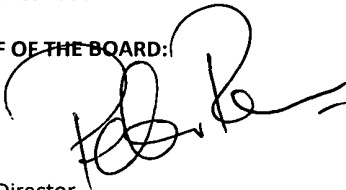
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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
10th May 2018

ADVANCED POWER (UK) LIMITED

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

Opinion

We have audited the financial statements of Advanced Power (UK) Limited ("the Company") for the year ended 31 December 2017 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

ADVANCED POWER (UK) LIMITED

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

- 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 in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which 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 in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ADVANCED POWER (UK) LIMITED

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

BDO LLP

Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: *15/5/2018*

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	31.12.2017 €	31.12.2016 €
TURNOVER		2,481,156	1,359,543
Cost of Sales		2,306,876	1,264,693
GROSS PROFIT		<u>174,280</u>	<u>94,850</u>
Administrative Expenses		-	-
OPERATING PROFIT	3	<u>174,280</u>	<u>94,850</u>
Tax on Profit on ordinary activities	6	36,806	19,913
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>137,474</u>	<u>74,937</u>
PROFIT FOR THE FINANCIAL YEAR		<u>137,474</u>	<u>74,937</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 10 to 16 form part of these financial statements

ADVANCED POWER (UK) LIMITED
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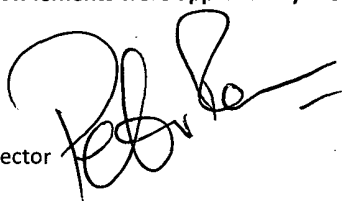
BALANCE SHEET AS AT
31st DECEMBER 2017

	Notes	31.12.2017 €	31.12.2016 €
FIXED ASSETS			
Tangible assets	7	16,875	31,697
CURRENT ASSETS			
Debtors	8	1,414,985	538,687
Cash at Bank and in hand		18,666	48,795
		<u>1,433,651</u>	<u>587,482</u>
CURRENT LIABILITIES			
Creditors	9	895,695	99,011
NET CURRENT ASSETS		537,956	488,471
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>554,831</u>	<u>520,168</u>
NON CURRENT LIABILITIES			
Provision for Liabilities	10	-	102,811
NET ASSETS		<u>554,831</u>	<u>417,357</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Retained Earnings	12	554,829	417,355
TOTAL SHAREHOLDERS' FUNDS		<u>554,831</u>	<u>417,357</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 10th May 2018 and were signed on its behalf by:

P Ramm – Director



The notes on pages 10 to 16 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.

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.

d) Cash and cash Equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less subject to insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

e) 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

f) 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.

g) 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.

h) 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

i) 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 3 represents contributions payable by the company to the fund and amounted to €56,710 (2016: €50,717). All contributions were paid at the year-end.

j) 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.

k) 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
(05193227)

NOTES TO THE FINANCIAL STATEMENTS

3 OPERATING PROFIT

The operating profit is stated after charging:

	31.12.2017	31.12.2016
	€	€
Depreciation – owned assets	16,773	11,350
Auditor's remuneration (Fees payable to company auditor for the audit of financial statements)	10,377	9,602
Foreign exchange differences	(1,969)	(4,816)
Pension costs	56,710	50,717
(Profit) / Loss on Disposal of Fixed assets	92	-

4 AVERAGE NUMBER OF EMPLOYEES

	31.12.2017	31.12.2016
	No.	No.
Average number of employees during the year	7	6

5 DIRECTORS EMOLUMENTS

	31.12.2017	31.12.2016
	€	€
Aggregate amount of Directors' emoluments	732,650	305,434
Aggregate value of company contributions to pension scheme	20,228	19,198
	<u>752,878</u>	<u>324,632</u>
Number of directors under pension scheme	2	2
Remuneration of highest paid director		
Aggregate amount of Directors' emoluments	675,573	261,134
Company contributions to pension scheme	16,713	16,359
	<u>692,286</u>	<u>277,493</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:

	31.12.2017	31.12.2016
	€	€
Current Tax:		
UK Corporation Tax	36,484	18,725
Adjustment in respect to prior years	2,286	-
Total current tax	<u>38,770</u>	<u>18,725</u>
Deferred Tax		
- Origination and reversal of timing differences	(1,965)	1,188
- Impact of change in UK tax rate	1	-
Total deferred Tax	<u>(1,964)</u>	<u>1,188</u>
Tax on profit on ordinary activities	<u>36,806</u>	<u>19,913</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:

	31.12.2017	31.12.2016
	€	€
Profit for the Financial Year before Taxation	174,280	94,850
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.000% (2015 20.497%)	33,543	18,970
Effects of:		
Expenses not deductible for Tax purposes	1,067	943
Capital allowances in excess of depreciation	1,874	(1,188)
Adjustment in respect to prior years	2,286	-
Current tax charge	<u>38,770</u>	<u>18,725</u>

7 TANGIBLE FIXED ASSETS

	31.12.2017	31.12.2016
	€	€
Furniture, fittings, tools and equipment		
COST		
Brought Forward	84,966	72,566
Additions	3,241	12,400
Disposals	(2,019)	-
As at 31st December	<u>86,188</u>	<u>84,966</u>
DEPRECIATION		
Brought Forward	53,269	41,919
Depreciation charge for year	16,773	11,350
Disposals	(729)	-
As at 31st December	<u>69,313</u>	<u>53,269</u>
NET BOOK VALUE		
As at 31st December	<u>16,875</u>	<u>31,697</u>

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2017	31.12.2016
	€	€
Trade Debtors owed by group undertaking	1,328,124	437,159
Other Debtors	86,783	101,528
Deferred Tax asset	78	-
	<u>1,414,985</u>	<u>538,687</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 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%.

ADVANCED POWER (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2017	31.12.2016
	€	€
Trade Creditors	26,243	22,143
Taxation and social security	66,467	46,513
Other Creditors	802,985	30,355
	<u>895,695</u>	<u>99,011</u>

10 PROVISION FOR LIABILITIES FALLING DUE AFTER ONE YEAR

	Deferred Tax	Other Legal Provisions
	€	€
Brought forward	1,885	100,926
Related to profit and loss account	(1,885)	(100,926)
	<u>-</u>	<u>-</u>
As at 31 st December 2017	-	-
Deferred Tax		
Accelerated capital allowance	-	-
	<u>-</u>	<u>-</u>
As at 31 st December 2017	-	-

11 SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	31.12.2017	31.12.2016
			€	€
1	Ordinary	£1	2	2

12 RESERVES

	31.12.2017	31.12.2016
	€	€
Brought forward	417,355	342,418
Retained profit for the financial year	<u>137,474</u>	<u>74,937</u>
As at 31st December	<u>554,829</u>	<u>417,355</u>

ADVANCED POWER (UK) LIMITED
(05193227)

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 €62,519 (£55,500) per annum (2016: €65,132 (£55,500)).

Net future obligations under these leases are:

	31.12.2017	31.12.2016
	€	€
Falling due within one year	62,519	65,132
Between one and 5 years	6,338	71,735
Greater than 5 years	-	-
	<u>68,857</u>	<u>136,867</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.