

Lineage Power (UK) Limited

Registered Number

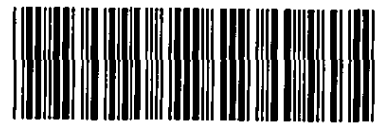
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Report and Financial Statements

31st December 2008



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For the period 4 December 2007 to 31 December 2008

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Director's Report

The Directors present their Report and the Accounts of the Company for the period 4 December 2007 to 31 December 2008.

Principal activity and review of the business

Lineage Power is a provider of power conversion solutions, including AC/DC and DC/DC switching technologies, with global service and support. The business assets and liabilities of Tyco Electronics UK Ltd were purchased on 4th December 2007 according to the Stock and Asset Purchase Agreement dated 18 October 2007 as part of a global acquisition of Tyco Electronics Power Systems from Tyco Electronics Ltd worth \$100million.

Results and Dividends

The loss before taxation for the period ended 31 December 2008 amounted to £1,069,253 after charging for costs on discontinued operations of £650,587. These costs include severance and accrued bonus costs of £464,873 and costs associated with the Bracknell Lease of £189,235 (including a finance charge of £89,389 and depreciation of £87,948) on the closure of the Tyco Electronics UK Ltd site in Bracknell.

Directors and Shareholders

None of the Directors who have served during the period have any shareholdings in the company.

Joubran Awad (American)	Appointed 4/12/2007 (resigned 31/01/09)
Andrew Freedman (American)	Appointed 4/12/2007 (resigned 31/01/09)
Ranier Sendrowski	Appointed 4/12/2007 (resigned 31/01/09)
Joachim Fietz	Appointed 28/01/2009
Craig Allan Witsoe (American)	Appointed 28/01/2009
Lloyd Raymond Sorenson III (American)	Appointed 28/01/2009

This report was approved by the Board on 28th January 2009 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Director's responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Director's Report

The directors are responsible for maintaining proper accounting records which 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 1985. 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.

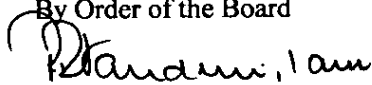
Audit Status

The directors confirm that in accordance with Section 249B (4) of the Companies Act 1985 for the period ended 31 December 2008, the company was entitled to exemption under Section 249A(1) of the act from the requirement to have an audit.

No shareholder holding 10% or more of the issued share capital has requested the need for a statutory audit.

In accordance with the above it has not been deemed necessary to appoint Auditors to the company.

By Order of the Board



Company Secretary
P R Sandringham

Registered Office
The Old Courtyard
11 Lower Cookham Road
Maidenhead
Berkshire SL6 8JN

Profit & Loss Account

4 Dec 2007 - 31 Dec 2008

2008**£****Notes**

Turnover	2	655,127
Cost of Sales		588,076
Gross Profit		<u>67,051</u>
Administration Expenses		(483,906)
Operating Loss on continuing operations		(416,855)
Discontinued operations:		
Severance and bonus accrual		464,873
Finance charge, maintenance costs and depreciation of Bracknell Lease		189,235
Goodwill written back		(3,521)
Profit on ordinary activities before finance charges		<u>(1,067,442)</u>
Interest receivable		138
Interest payable		(1,950)
Profit on ordinary activities before taxation	3	<u>(1,069,253)</u>
Tax on profit on ordinary activities	5	0
Profit for the financial year	10	<u><u>(1,069,253)</u></u>

RETAINED PROFIT BROUGHT FORWARD

-

RETAINED PROFIT CARRIED FORWARD(1,069,253)

The company has no recognised gains or losses in the period ended 31 December 2008
Therefore no separate statement of total recognised gains and losses has been prepared.

The notes form part of these financial statements

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Balance Sheet

	Notes	2008 £
FIXED ASSETS		
Negative Goodwill	6a	(66,907)
Finance Lease	6b	527,689
		<u>460,782</u>
Current Assets		
Debtors	7	541,995
Cash at bank and in hand		<u>178,461</u>
		720,456
Creditors: Amounts falling due within one year	8	(1,720,220)
Net current assets		<u>(999,764)</u>
Total assts less current liabilities		<u>(538,982)</u>
Creditors: Amounts falling due after more than one year	8	<u>(529,271)</u>
Total net assets		<u><u>(1,068,253)</u></u>
Capital and reserves		
Called up share capital	9	1,000
Profit and Loss Account	10	<u>(1,069,253)</u>
		<u><u>(1,068,253)</u></u>

For period ended 31 December 2008, the company was entitled to exemption from an audit under section 249A(1) Companies Act 1985. The members have not required the company to obtain an audit of its accounts for the financial year in accordance with section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of section 226 and the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to the accounts so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors on 20th July 2009 and were signed on its behalf by:


Joachim Fietz
Director

Notes to the Accounts

1 ACCOUNTING POLICIES

Accounting Convention

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the company's financial statements.

The accounts have been prepared under the historical cost convention and in accordance with the provisions relating to small companies within the Financial Reporting Standard for Small Entities (effective January 2007)

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Intangible Fixed Assets

Goodwill is written back over 20 years.

Tangible Fixed Assets

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss accounts over the period of the lease.

The Brants Bridge, Bracknell, Berkshire lease was recognised on the date of purchase of Tyco Electronics UK Ltd at the value of the finance lease obligations arising from the lease. The lease remains in the name of Tyco Electronics UK Ltd. The stock and purchase agreement between Lineage Power and Tyco Electronics Ltd states that where a lease has not been assigned to Lineage Power due to the lessee being unwilling to assign the lease, any obligations arising on the contract and paid by Tyco Electronics UK Ltd is reimbursed by Lineage Power UK Ltd until the end of the lease. The financial statements recognise the finance lease asset in accordance with FRS 5 which states that the commercial effect of transactions rather than the legal form should be reflected in the financial statements to enable the effects of such transactions to be understood.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes.

No tax charge arose as tax losses were incurred.

2 TURNOVER

Turnover represents company transfer pricing at 103% of cost of sales included in the profit and loss account net of VAT.

Notes to the Accounts

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

2008

£

Profit on ordinary activities before taxation is stated after charging/ (crediting):

Negative goodwill written back	(3,521)
Depreciation of tangible fixed assets held under finance leases	87,948

4 STAFF COSTS

2008

£

Wages and salaries	24,411
Social security costs	3,844
Other pension costs	2,197
	<u>30,452</u>

2008

6

The average number of persons employed by the company was:

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

No charge to corporation tax arises in the current period due to the availability of losses.

6a INTANGIBLE FIXED ASSETS

2008

£

NEGATIVE GOODWILL

Balance b/f 4/12/2007	(70,429)
Additions	0
Balance c/f 31/12/2008	<u>(70,429)</u>

DEPRECIATION

Balance b/f 4/12/2007	0
Negative goodwill write back for period	3,521
Balance c/f 31/12/2008	<u>3,521</u>

NET BOOK VALUE

Balance b/f 4/12/2007	(70,429)
Balance c/f 31/12/2008	(66,907)

6b TANGIBLE FIXED ASSETS

2008

£

Balance b/f 4/12/2007	615,637
Additions	0
Balance c/f 31/12/2008	<u>615,637</u>

DEPRECIATION

Balance b/f 4/12/2007	0
Charge for year	87,948
Balance c/f 31/12/2008	<u>87,948</u>

NET BOOK VALUE

Balance b/f 4/12/2007	615,637
Balance c/f 31/12/2008	527,689

Leased assets included above:

At 4 December 2007	615,637
At 31 December 2008	527,689

6

Notes to the Accounts

	2008
	£
7 DEBTORS	
Trade Debtors	6,510
Amounts due from group and related companies	534,898
Other tax credit	587
	<u>541,995</u>

	£
8a CREDITORS: amounts due within 1 year	
Amounts due to group and related companies	1,571,552
Trade Creditors	3,193
Finance Lease Obligations	145,474
	<u>1,720,220</u>

	2008
	£
8b CREDITORS: amounts due after 1 year	
Finance Lease Obligations (greater than 1 year)	425,975
Amounts due to group and related companies (purchase price for Tyco UK Ltd)	103,296
	<u>529,271</u>

The account payable amount of £103,296 was converted into capital on 27 March 2009.

	2008
	£
8c FINANCE LEASES (net of finance charges allocated to future periods)	
Between one and two years	64,794
Between two and five years	378,445
After 5 years	128,211

	2008
9 SHARE CAPITAL	
Authorised : 1,000,000 shares of £1 each	
Allotted, called up and fully paid: 1,000 shares of £1 each	1,000

10 RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share Capital	Profit and Loss	Total
At 4 Dec 2007	1,000	0	1,000
Profit for the year	-	(1,069,253)	(1,069,253)
At 31 Dec 2008	<u>1,000</u>	<u>(1,069,253)</u>	<u>(1,068,253)</u>

11 RELATED PARTY

The company is wholly owned by Lineage Power (Solutions) Luxembourg (S.A.R.L.). The ultimate parent company is Lineage Power Holdings LLC.

12 POST BALANCE SHEET EVENTS

Since the balance sheet date the company has entered into a sublease with Tyco Electronics (UK) Ltd for Brants Bridge, Bracknell, Berkshire.

The authorised and issued shared capital was increased to £104,296 by the creation of 103,296 new Ordinary Shares of £1 each, on 20 March 2009.

Lineage Power (UK) Ltd

Detailed Profit and Loss Account

	4 Dec 2007 - 31 Dec 2008	
	2008	2008
	£	£
Turnover		655,127
Cost of Sales		(588,076)
Administration Expenses		
Salaries & wages	36,591	
Travel & Entertaining	3,393	
Telephone	1,171	
Legal	2,909	
Exchange Difference	434,188	
Postage	9	
Professional Fees	1,651	
Accountancy Fees	3,782	
Bank Fees	212	
		<u>(483,906)</u>
Operating profit on continuing operations		<u>(416,855)</u>
Discontinued operations:		
Severance	440,073	
Bonus accrual	24,800	
Finance Lease Costs (interest charge and maintenance costs)	101,287	
Depreciation	87,948	
Goodwill release	(3,521)	
		<u>(650,587)</u>
Total operating profit on all operations		<u><u>(1,067,442)</u></u>