

**Emerson Network Power-Embedded Computing
UK Ltd**

**Directors' report and financial
statements**

Registered number SC162875

For the year ended 30 September 2012

THURSDAY



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Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 2012.

Principal activity and review of the business

The principal activities of the company continued to be that of designing and implementing computer network software, primarily for a fellow group company.

The profit for the year, after taxation, amounted to \$107,088 (2011: \$43,991).

During September 2012, arrangements to complete the transfer of business activities to a fellow group company in the US were finalised, resulting in the business becoming dormant.

Directors

The directors who served during the year were as follows:

P Lamb
T Rosenast

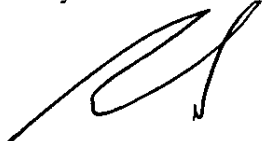
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



P Lamb
Director

Room 1, Jacobean House
Glebe Street Business Centre
The Village
East Kilbride
G74 4LY

1 February 2013

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Emerson Network Power-Embedded Computing UK Ltd

We have audited the financial statements of Emerson Network Power-Embedded Computing UK Ltd for the year ended 30 September 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

As explained more fully in the directors' responsibilities statement set out on page 2, 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 Auditing Practices Board's (APB'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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 30 September 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Emerson Network Power-
Embedded Computing UK Ltd (*continued*)**

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.



X Timmermans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 February 2013

Profit and loss account
for the year ended 30 September 2012

	<i>Note</i>	2012 \$000	2011 \$000
Turnover	2	-	1
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	1
Other operating income	3	383	179
		<hr/>	<hr/>
Administrative expenses		(272)	(180)
		<hr/>	<hr/>
Operating profit	4	111	-
Interest receivable and similar income	5	27	14
Interest payable and similar charges	6	-	(2)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		138	12
Tax on profit on ordinary activities	9	(31)	32
		<hr/>	<hr/>
Profit on ordinary activities after taxation	15	107	44
		<hr/>	<hr/>

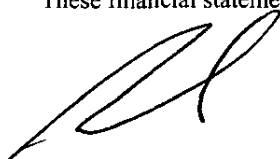
All operating results were derived from discontinued activities.

There were no recognised gains or losses in either the current or preceding year other than the results reported above.

Balance sheet
at 30 September 2012

	<i>Note</i>	2012 \$000	2011 \$000
Current assets			
Debtors	<i>10</i>	6,801	6,684
Creditors: Amounts falling due within one year	<i>11</i>	(137)	(20)
Net current assets		6,664	6,664
Total assets less current liabilities		6,664	6,664
Provisions for liabilities	<i>12</i>	-	(107)
Net assets		6,664	6,557
Capital and reserves			
Called up share capital	<i>13</i>	1,581	1,581
Share premium account	<i>15</i>	3,712	3,712
Profit and loss account	<i>15</i>	1,371	1,264
Equity shareholders' funds	<i>15</i>	6,664	6,557

These financial statements were approved by the board of directors on 1 February 2013 and signed on its behalf by:



P Lamb
Director

Company number: SC162875

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with UK accounting standards.

These accounts have been prepared using US Dollars as the functional and presentational currency.

Going concern

Although the company is no longer trading, the ultimate parent undertaking, Emerson Electric Inc, has agreed to support the company for a period extending until at least [date] to allow the company to meet its obligations as they fall due.

The directors, therefore, have a reasonable expectation that the company has adequate resources to continue in financial existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the amounts receivable, excluding value added tax, for goods and services supplied to external customers.

Cash flow statement

Under Financial Reporting Standard 1: Cash flow statements the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

Taxation

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19: Deferred tax.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2 Turnover

Turnover, which is stated net of settlement discounts and value added tax, represents amounts invoiced to third parties.

Notes (continued)

3 Other operating income

This comprises recharges to Emerson Network Power-Embedded Computing Inc in respect of costs incurred by the company.

4 Operating profit

	2012 \$000	2011 \$000
<i>Operating profit is stated after charging</i>		
Operating lease rentals – land and buildings	248	159
Auditor's remuneration:		
Audit of these financial statements	5	9

5 Interest receivable and similar income

	2012 \$000	2011 \$000
Bank interest	10	2
Group interest	4	12
Exchange differences	13	-
	27	14

6 Interest payable and similar charges

	2012 \$000	2011 \$000
Exchange differences	-	(2)

7 Remuneration of directors

There was no directors' remuneration for the year (2011: \$Nil).

8 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2012	2011
Sales and administration	2	2

The aggregate payroll cost of these persons was \$Nil (2011: \$Nil).

Notes (continued)

9 Tax on profit on ordinary activities

Analysis of charge/(credit) in year

	2012 \$000	2011 \$000
<i>UK corporation tax</i>		
Current tax on income for year	35	3
Group relief	-	(8)
Adjustments in respect of prior years	(4)	(27)
	<hr/>	<hr/>
Tax on profit on ordinary activities	31	(32)
	<hr/>	<hr/>

Factors affecting current tax charge/(credit)

The tax assessed on the profit on ordinary activities for the year is different to the effective rate of corporation tax in the UK of 25% (2011: 27%). The differences are reconciled below:

	2012 \$000	2011 \$000
Profit on ordinary activities before tax	138	12
	<hr/>	<hr/>
Profit on ordinary activities at the effective rate of corporation tax in the UK of 25% (2011: 27%)	35	3
<i>Effects of:</i>		
Group relief	-	(8)
Adjustments in respect of prior years	(4)	(27)
	<hr/>	<hr/>
Total current tax	31	(32)
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014, and the December 2012 Autumn Statement announced a planned further reduction to 21% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

10 Debtors

	2012 \$000	2011 \$000
Amounts owed by group undertakings	6,796	6,615
Other debtors	5	-
Prepayments and accrued income	-	69
	<hr/>	<hr/>
	6,801	6,684
	<hr/>	<hr/>

Notes (continued)

11 Creditors: Amounts falling due within one year

	2012 \$000	2011 \$000
Trade creditors	90	1
Corporation tax	35	3
Accruals and deferred income	12	16
	<u>137</u>	<u>20</u>

12 Provisions for liabilities

	Dilapidations on leasehold properties \$000
At beginning and end of year	107
Utilised in the year	(107)
At end of year	<u>-</u>

The provision relates to dilapidation and rental obligations in respect of a lease expiring in 2013. During the year, the company agreed that the obligation would be settled by Emerson Network Power – Embedded Computing Inc., and, accordingly, the provision was released and the recharge to that fellow group company has been shown within our other operating income in the profit and loss account.

13 Called up share capital

	2012 Number	\$000	2011 Number	\$000
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of \$1.5979 each	989,366	1,581	989,366	1,581
	<u>989,366</u>	<u>1,581</u>	<u>989,366</u>	<u>1,581</u>

14 Pensions

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to \$Nil (2011: \$Nil).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes (continued)

15 Reconciliation of movement in equity shareholders' funds and movement on reserves

	Share capital \$000	Share premium account \$000	Profit and loss account \$000	Total shareholders' funds \$000
At beginning of year	1,581	3,712	1,264	6,557
Profit for the year	-	-	107	107
At end of year	<u>1,581</u>	<u>3,712</u>	<u>1,371</u>	<u>6,664</u>

16 Commitments

At 30 September 2012, the company had annual commitments under non-cancellable operating leases set out below:

	2012 \$000	2011 \$000
Operating leases in respect of land and buildings which expire:		
In two to five years	-	161

17 Related party transactions

As a wholly owned subsidiary undertaking of Emerson Electric Co, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group.

18 Parent undertaking and controlling party

The company is a subsidiary undertaking of Emerson Electric Co., which is the ultimate parent company and controlling party, incorporated in the United States of America.

The company's immediate parent undertaking is Astec Europe Limited which is incorporated in Great Britain.

The largest group in which the results of the company are consolidated is that headed by Emerson Electric Co. The consolidated financial statements of this group are available to the public and may be obtained from Emerson Electric Co., 8000 W Florissant Avenue, PO Box 4100, St Louis, Missouri 63136, USA.