

Tex A.T.C. Services Limited

Director's report and financial statements

For the year ended 31 December 2012

Registered number 06322621

FRIDAY



A290STW1

A24

24/05/2013

#131

COMPANIES HOUSE

Director's report and financial statements

Contents

Director's report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	2
Independent auditors' report to the members of Tex A T C Services Limited	3-4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-13

Director's report

The director presents his report and the audited financial statements for the year ended 31 December 2012

Principal activities and business review

The company designs, manufactures and installs air traffic control rooms worldwide

The company continues to work towards the completion of the control room for Muscat, which is now expected to be completed in May 2013

The company is tendering for a number of projects worldwide

Given the size and lack of complexity of the company's operations, the board consider the following as key performance indicators for the company revenue, operating profit, cash flow and capital investment

Results and dividend

Turnover amounted to £1,549,697 (2011 £454,737) Loss on ordinary activities before taxation was £315,276 (2011 £170,114)

The directors do not propose the payment of a dividend

Director and director's interests

The following director served during the year C A Parker

During the year there has been no contract of significance in relation to the company's business in which the director's interest was material

The director benefited from qualifying third party indemnity provisions in place during the year and at the date of this report

Political and charitable contributions

The company made no political or charitable contributions during the year

Disclosure of information to auditors

The director who held office at the date of approval of this director's report confirm that, so far as he is aware, there is no relevant audit information of which the company auditors are unaware, and he 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 auditors are aware of that information

Auditors

In accordance with Section 487(2) of the Companies Act 2006, a resolution for the re-appointment of Larking Gowen Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



C A Parker
Secretary

16 Oct 2013

Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

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

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose them with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Independent auditors' report to the members of Tex A.T.C. Services Limited

We have audited the financial statements of Tex A T C Services Limited for the year ended 31 December 2012 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 director's responsibilities in respect of the director's report set out on page 2, the director is 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website 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 31 December 2012, and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Luke Morris ACA (Senior Statutory Auditor) for
and on behalf of Larking Gowen Ltd**
Chartered Accountants and Statutory Auditors
1 Claydon Business Park
Gipping Road
Great Blakenham
Ipswich
IP6 0NL

Date 18 April 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Turnover	2	1,549,697	454,737
Cost of sales		(1,645,494)	(390,501)
Gross profit		(95,797)	64,236
Administrative expenses		(219,479)	(234 350)
Operating (loss)/profit and (loss)/profit on ordinary activities before taxation	3	(315,276)	(170,114)
Tax credit/(charge) on (loss)/profit on ordinary activities	6	52,877	44,230
Retained (loss)/profit for the year	13	(262,399)	(125,884)

There are no recognised gains or losses during the current and previous period other than those reflected in the profit and loss account

All of the activities of the company relate to continuing operations

Balance sheet
at 31 December 2012

	<i>Note</i>	31 December 2012	31 December 2011
		£	£
Fixed assets			
Tangible assets	7	4,986	6,222
Current assets			
Stock	8	-	170,106
Debtors	9	1,389,252	260,700
Cash at bank and in hand		32,103	155,191
		<u>1,421,355</u>	<u>585,997</u>
Creditors amounts falling due within one year	10	<u>(542,970)</u>	<u>(59,538)</u>
Net current assets		<u>878,385</u>	<u>526,459</u>
Total assets less current liabilities		<u>883,371</u>	<u>532,681</u>
Creditors: amounts falling due after more than one year	11	(1,196,608)	(643,519)
Provision for liabilities and charges	12	(60,000)	-
Net (liabilities)/assets		<u>(373,237)</u>	<u>(110,838)</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account	14	(373,235)	(110,840)
Shareholders' funds		<u>(373,237)</u>	<u>(110,838)</u>

These financial statements were approved by the board of directors on 16 04 2013 and were signed on its behalf by



C A Parker
Director
Registered number 06322621

Notes to the financial statements

(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 of Tex A T C Services Limited (the "company")

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Tex Holdings plc, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which are wholly owned within the group

The consolidated financial statements of Tex Holdings plc, within which this company is included, can be obtained from the address given in note 17

The directors consider that the company is a going concern and will continue in operational existence for at least the 12 months from the date that these financial statements have been approved. The group overdraft facility was renewed in March 2013. The group does place reliance on this facility at the year end the group overdraft balance was £1,525,000 (2011 £653,000). Cross guarantees are in place with respect to these facilities and details are given in note 15

The directors are confident that the group will be able to secure an appropriate funding facility on an on-going basis and therefore consider it to be appropriate that the financial statements of the subsidiaries should be prepared on a going concern basis

Post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The amount charged against profits for the defined contribution scheme represents the contributions payable to the scheme in respect of the accounting period

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year. Turnover is attributed to long term contracts on the basis of professionally certified degree of project completion

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Office equipment	-	3 years
------------------	---	---------

Notes to the financial statements (continued)

Long term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred taxation

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.

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 translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make payment under the guarantee.

2 Analysis of turnover

	Year ended 31 December 2012	Year ended 31 December 2011
	£	£
<i>By geographical market</i>		
Overseas	1,549,697	454,737
	<u> </u>	<u> </u>

3 Profit on ordinary activities before taxation

	Year ended 31 December 2012	Year ended 31 December 2011
	£	£
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Amounts receivable by the auditors and their associates in respect of		
Audit of financial statements of the company pursuant to legislation	2,004	2,004
Depreciation and other amounts written off tangible fixed assets		
Owned	5,829	3,790
	<u> </u>	<u> </u>

4 Remuneration of directors

No director's emoluments were incurred by the company in the year. The director is remunerated by Tex Holdings plc and his emoluments are disclosed in the Tex Holdings plc financial statements.

Retirement benefits were accruing to no directors.

Notes to the financial statements (continued)

5 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 Year ended 31 December 2012	Number of employees Year ended 31 December 2011
Administration	7	5

The aggregate payroll costs of these persons were as follows

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Wages and salaries	225,954	170,645
Social security costs	23,576	19,115
Other pension costs	8,256	5,579
	<u>257,786</u>	<u>195,339</u>

6 Taxation

Analysis of charge in year

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
<i>UK corporation tax</i>		
Current tax on income for the year	(76,430)	(43,829)
Adjustments in respect of prior years	24,270	-
	<u>(52,160)</u>	<u>(43,829)</u>
<i>Deferred tax</i>		
Origination/ reversal of timing differences	(717)	(401)
	<u>(717)</u>	<u>(401)</u>
Tax on loss on ordinary activities	<u>(52,877)</u>	<u>(44,230)</u>

Notes to the financial statements (continued)

Factors affecting the tax charge for the current period

	Year ended 31 December 2012	Year ended 31 December 2011
	£	£
Current tax reconciliation		
Loss on ordinary activities before tax	(315,276)	(170,114)
Current tax at 24.5% (31 December 2011: 26%)	(77,243)	(44,230)
Effects of		
Expenses not deductible for tax purposes (primarily entertaining)	-	-
Capital allowances for year in excess of depreciation	717	401
Other differences	72	
Adjustment to tax charge in respect of previous years	24,294	-
Total current tax charge (see above)	(52,160)	(43,829)

There are no significant factors that may affect future tax charges

7 Tangible fixed assets

	Office furniture and Equipment £
Cost	
At 1 January 2012	12,730
Additions	4,593
Disposals	-
At 31 December 2012	17,323
Depreciation	
At 1 January 2012	6,508
Charge for period	5,829
Depreciation on disposals	-
At 31 December 2012	12,337
Net book value	
At 31 December 2012	4,986
At 31 December 2011	6,222

Notes to the financial statements (continued)

8 Stock

	31 December 2012	31 December 2011
	£	£
Long term contract balances	-	170,106
	<u> </u>	<u> </u>

9 Debtors

	31 December 2012	31 December 2011
	£	£
Amounts recoverable on contracts	1,052,751	-
Trade debtors	224,679	181,370
Amounts owed by group undertakings	10,839	-
Corporation tax receivable	76,430	68,941
Prepayments and accrued income	23,094	9,647
Deferred tax asset	1,459	742
	<u> </u>	<u> </u>
	1,389,252	260,700
	<u> </u>	<u> </u>

10 Creditors: amounts falling due within one year

	31 December 2012	31 December 2011
	£	£
Trade creditors	421,354	29,347
Amounts owed to group undertakings	70,608	2,212
Taxation and social security	8,020	5,844
Accruals and deferred income	42,988	22,135
	<u> </u>	<u> </u>
	542,970	59,538
	<u> </u>	<u> </u>

11 Creditors: amounts falling due after more than one year

	31 December 2012	31 December 2011
	£	£
Amounts owed to group undertakings	1,196,608	643,519
	<u> </u>	<u> </u>

Amounts due to group undertakings carry interest at Nil%. There are no formal repayment terms in place. Tex Holdings plc has confirmed the balance is not payable within one year.

Notes to the financial statements *(continued)*

12 Provisions

	31 December 2012 £
At 1 January 2012	-
Additions	60,000
At 31 December 2012	60,000

Provisions relate to obligations under contracts which are yet to be contra-charged

13 Called up share capital

	31 December 2012 £	31 December 2011 £
<i>Allotted, called up and fully paid</i>		
Equity 2 Ordinary shares of £ 1 each	2	2

14 Reconciliation of deficit on shareholders' funds

	Share capital £	Profit and loss account £	Total £
At 1 January 2012	2	(110,840)	(110,838)
Retained loss for the year	-	(262,395)	(262,399)
At 31 December 2012	2	(373,235)	(373,237)

15 Contingent liabilities

Legal mortgages over the freehold and long leasehold properties and a charge over all fixed and floating assets have been lodged with the group's bank in connection with the group's facilities

16 Pension schemes

The company operates a defined contribution pension scheme. Eligible employees take out an individual contract with Standard Life to which the company pays a fixed contribution.

The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £8,256 (31 December 2011: £5,579).

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

Notes to the financial statements (continued)

17 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Tex Holdings plc incorporated in England and Wales. Tex Holdings plc is also the controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by Tex Holdings plc. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public and may be obtained from Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, IP6 0NL.