

Tex Air Traffic Control Rooms Ltd

Director's report and financial statements

For the year ended 31 December 2016

Registered Number: 01361255



Director's report and financial statements

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Strategic report

The directors present their strategic report for the year ended 31 December 2016.

Principal activities

The company's principal activity is that of the design, manufacture and installation of air traffic control rooms.

Business review

One of the two contracts in Oman was cancelled, resulting in the company only delivering one project in 2016. This is below the target of two projects per annum and as a result the company recorded a loss.

As a result of the current trading levels and project requirements, the structure of the company is under review, with additional support and staffing from other group companies to allow the company to respond to more invitations to tender/enquiries.

Enquiry levels have recently spiked and the company feels well placed to capitalise on these enquiries.

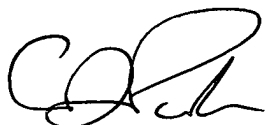
Key performance indicators

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 and cash flow which are reported on the following pages.

Principal risks and uncertainties

These are disclosed in the Tex Holdings plc statutory accounts.

This report was approved by the board and signed on its behalf.



C A Parker
Secretary

15/8/17

Director's report

The director presents his report and the audited financial statements for the year ended 31 December 2016.

Dividend

The director does not propose the payment of a dividend.

Directors and directors' interests

The director who served during the year was as follows: 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.

Future Developments

The directors aim to maintain the management policies which have resulted in the company's trading improvements.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the director believes that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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 confirms that, so far as he is aware, there is no relevant audit information of which the company auditors are unaware; and the 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 auditors are aware of that information.

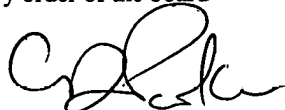
Basis of preparation

In preparing this report the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditors

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

By order of the board


C A Parker
Secretary

15/8/17

Director's Responsibilities Statement in respect of the Director's 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 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 AUDITOR'S REPORT TO THE MEMBERS OF TEX AIR TRAFFIC CONTROL ROOMS LIMITED

We have audited the financial statements of Tex Air Traffic Control Rooms Limited for the year ended 31 December 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity 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 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.

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 2016 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 matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or the director's report.

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
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime.

BDO LLP

Gareth Singleton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Nottingham

Date *18 September 2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and loss account
for the year ended 31 December 2016

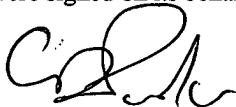
	<i>Notes</i>	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Turnover	4	1,039,572	183,537
Cost of sales		(1,042,549)	(173,164)
		<hr/>	<hr/>
Gross loss		(2,977)	10,373
Administrative expenses		(460,552)	(11,412)
		<hr/>	<hr/>
Operating loss on ordinary activities before taxation	5	(463,529)	(1,039)
Tax on loss on ordinary activities	8	92,709	208
		<hr/>	<hr/>
Loss for the year and total comprehensive expense		(370,820)	(831)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7-15 form part of these financial statements.

Balance sheet
at 31 December 2016

	<i>Notes</i>	31 December 2016	31 December 2015
		£	£
Current assets			
Stock	9	-	38,839
Debtors	10	544,604	324,576
Cash at bank and in hand	11	38,988	9,549
		<hr/>	<hr/>
		583,592	372,964
Creditors: amounts falling due within one year	12	(502,588)	(412,997)
		<hr/>	<hr/>
Net current assets/(liabilities)		81,004	(40,033)
		<hr/>	<hr/>
Total assets less current liabilities		81,004	(40,033)
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	13	(491,857)	-
		<hr/>	<hr/>
Net liabilities		(410,853)	(40,033)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	5,000	5,000
Retained earnings		(415,853)	(45,033)
		<hr/>	<hr/>
Shareholders' deficit		(410,853)	(40,033)
		<hr/>	<hr/>

These financial statements were approved and authorised for issue by the board of directors on 15/08/17 and were signed on its behalf by:



C A Parker
 Director
 Registered number 01361255

The notes on pages 9-15 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2016

	Share capital £	Retained earnings £	Total £
At 1 January 2015	5,000	(44,202)	(39,202)
Loss for the year	-	(831)	(831)
Dividends paid	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2015	5,000	(45,033)	(40,033)
Loss for the year	-	(370,820)	(370,820)
Dividends paid	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2016	5,000	(415,853)	(410,853)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9-15 form part of these financial statements.

Notes to the financial statements

(forming part of the financial statements)

1 Company information

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

Statement of compliance

Tex Air Traffic Control Rooms Limited is a limited liability company incorporated in England. The registered office is Claydon Business Park, Gipping Road, Gt Blakenham, Ipswich, IP6 0NL.

The Company's financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the Company for the year ended 31 December 2016.

2 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and republic of Ireland" ("FRS 102"), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£) which is the functional currency of the company.

Under Financial Reporting Standard 102 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.

The company has taken the exemption under Financial Reporting Standard 102 Section 11 from disclosures relating to financial instruments.

Going concern

After reviewing the Company's forecasts and projections, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements (continued)

3 Principal accounting policies

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 measured at fair value of consideration received or receivable.

Sales of goods are recognised when goods are delivered or title has transferred to the buyer.

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.

Foreign currencies

Transactions in foreign currencies are recorded using the spot rate 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.

Allocation of overheads

The company is a subsidiary of Tex Holdings plc (Note 13). Certain of the subsidiaries of Tex Holdings plc, including the company, Tex Air Traffic Control Rooms Limited, Tex Special Projects Limited, and Tex A.T.C. Services Limited are considered by management to be part of a group-wide contracting division. Accordingly, certain overhead costs are apportioned between the company and the above-stated subsidiaries based on management's assessment of relevant and respective cost and benefit, and not necessarily on the basis of the entity that is legally engaged.

Significant judgements in applying accounting policies and key sources of estimating uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation

Management estimation is required to determine the amount of deferred tax that can be recognised, based upon likely timing and the level of future taxable profits.

Notes to the financial statements (continued)

4 Analysis of turnover

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
<i>By geographical market</i>		
UK	-	-
Eurozone	-	-
Other	1,039,572	183,537
	<hr/> 1,039,572 <hr/>	<hr/> 183,537 <hr/>

All turnover arose from one principal activity as disclosed in the strategic report.

5 Loss on ordinary activities before taxation

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
<i>Loss 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	1,300	1,300
	<hr/> 1,300 <hr/>	<hr/> 1,300 <hr/>

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Tex Holdings plc.

6 Remuneration of director

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 Tex Holdings plc financial statements.

Retirement benefits were accruing to no directors.

Notes to the financial statements (continued)

7 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 2016	Number of employees Year ended 31 December 2015
Administration	-	-
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

During the year a management charge was received from Tex Special Projects Limited for their director undertaking work on behalf of the company.

8 Taxation

Analysis of credit in year

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
<i>UK corporation tax</i>		
Current tax on income for the year	(92,706)	(208)
Adjustments in respect of prior years	(3)	-
	<u> </u>	<u> </u>
Total current tax	(92,709)	(208)
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	-
	<u> </u>	<u> </u>
Total deferred tax	-	-
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	(92,709)	(208)
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

8 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax credit for the year is higher (31 December 2015: the same as) than the standard rate of corporation tax in the UK 20.0% (31 December 2015: 20.0%). The differences are explained below.

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Current tax reconciliation		
Loss on ordinary activities before tax	(463,529)	(1,039)
Current tax at 20.0% (31 December 2015: 20.0%)	(92,706)	(208)
Effects of:		
Other differences	(3)	-
	<hr/>	<hr/>
Total current tax credit (see above)	(92,709)	(208)
	<hr/> <hr/>	<hr/> <hr/>

There are no significant factors that may affect future tax charges.

9 Stock

	31 December 2016 £	31 December 2015 £
Work in progress	-	38,839
	<hr/>	<hr/>
	-	38,839
	<hr/> <hr/>	<hr/> <hr/>

10 Debtors

	31 December 2016 £	31 December 2015 £
Amounts recoverable on contracts	90,733	183,537
Other debtors	361,165	-
Receivables from related parties	-	139,855
Corporation tax recoverable	92,706	208
Taxation and social security	-	976
	<hr/>	<hr/>
	544,604	324,576
	<hr/> <hr/>	<hr/> <hr/>

The increase in the allowance for impairment in respect of trade receivables during the year was Nil (2015: Nil)

Notes to the financial statements (continued)

11 Cash and cash equivalents

	31 December 2016	31 December 2015
	£	£
Cash at bank and in hand	38,988	9,549
	<u>38,988</u>	<u>9,549</u>

12 Creditors: amounts falling due within one year

	31 December 2016	31 December 2015
	£	£
Trade creditors	22,876	9,451
Amounts owed to group undertakings	385,024	99,459
Accruals and deferred income	94,688	304,089
	<u>502,588</u>	<u>412,997</u>

13 Creditors: amounts falling due after more than one year

	31 December 2016	31 December 2015
	£	£
Amount due to group undertakings	491,857	-
	<u>491,857</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.

14 Called up share capital

	31 December 2016	31 December 2015
	£	£
<i>Allotted, called up and fully paid</i>		
Equity: 5,000 Ordinary shares of £ 1 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

15 Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

Notes to the financial statements (continued)

16 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. The maximum exposure for the company under this arrangement is £2,195,000 (2015: £1,572,000).

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.