

**Company Registration No. 05150579**

**ARBOR NETWORKS UK LIMITED**

**Report and Financial Statements**

**31 December 2011**

THURSDAY



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COMPANIES HOUSE

# **ARBOR NETWORKS UK LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2011**

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# **ARBOR NETWORKS UK LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2011**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

D W Pratt  
D C Stone  
K G Ward

#### **SECRETARY**

D C Stone

#### **REGISTERED OFFICE**

Western Peninsula  
Western Road  
Bracknell  
Berkshire  
RG12 1RF

#### **BANKERS**

HSBC Bank plc  
27<sup>th</sup> Floor  
8 Canada Square  
London  
E14 5HQ

#### **AUDITORS**

Ernst & Young LLP  
400 Capability Green  
Luton  
LU1 3LU

# ARBOR NETWORKS UK LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

### RESULTS AND DIVIDENDS

The profit for the year after taxation is £251,000 (2010 £157,000) The directors do not recommend a final dividend (2010 - £nil)

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity is to provide IT network technology

### DIRECTORS

The directors who served during the year were as follows

D W Pratt

C G Redmon – Ceased to be a director on 23 May 2012

D C Stone – Appointed as a director on 23 May 2012

K G Ward – Appointed as a director on 23 May 2012

### THIRD PARTY INDEMNITIES

Danaher Corporation has provided to all directors limited indemnities in respect of the cost of defending claims against them and third party liabilities These are all third party indemnity provisions for the purpose of the Companies Act 2006 and are all currently in force

### DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquires of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

### AUDITORS

Hillier Hopkins LLP resigned as auditors on April 19, 2012 and Ernst & Young LLP was appointed in their place

A resolution to reappoint Ernst & Young LLP as auditors will be proposed to the Annual General Meeting

### GOING CONCERN

The company is in a sound financial position as indicated by the level of its net assets The directors therefore have 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 financial statements

### SMALL COMPANY PROVISIONS

The Directors' report is prepared in accordance with section 415A of the Companies Act 2006

On behalf of the Board



K G Ward

Director

Date 25 September 2012

# **ARBOR NETWORKS UK LIMITED**

## **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 elected to prepare 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 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 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARBOR NETWORKS UK LIMITED**

We have audited the financial statements of Arbor Networks UK Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **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 2011 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.

## **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 ARBOR NETWORKS UK LIMITED (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
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

*Ernst & Young LLP*

John Dervley (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

Date 25 September 2012

# ARBOR NETWORKS UK LIMITED

## PROFIT AND LOSS ACCOUNT For the year ended 31 December 2011

		2011	2010
	Note	£000	£000
<b>TURNOVER</b>	2	4,657	4,157
Administrative expenses		<u>(4,409)</u>	<u>(3,962)</u>
<b>OPERATING PROFIT / (LOSS)</b>	3	248	195
Interest payable and similar charges		<u>0</u>	<u>0</u>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		248	195
Tax (charge) / credit on profit / (loss) on ordinary activities	5	<u>3</u>	<u>(38)</u>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>	9	<u>251</u>	<u>157</u>

There were no recognised gains or losses other than the profit or loss for the period, all of which is derived from continuing operations

The accompanying notes are an integral part of this profit and loss account



# ARBOR NETWORKS UK LIMITED

Registered number 05150579

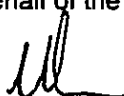
## BALANCE SHEET At 31 December 2011

	Note	2011 £000	2010 £000
<b>CURRENT ASSETS</b>			
Debtors			
- due within one year	6	1,413	1,577
Cash		609	93
		<u>2,022</u>	<u>1,670</u>
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(1,298)</u>	<u>(1,197)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>724</u>	<u>473</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>724</u>	<u>473</u>
<b>NET ASSETS / (LIABILITIES)</b>		<u>724</u>	<u>473</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	0	0
Profit and loss account	9	<u>724</u>	<u>473</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	9	<u>724</u>	<u>473</u>

These financial statements were approved by the Board of Directors on 25 September 2012

Signed on behalf of the Board of Directors

K G Ward



Director

The accompanying notes are an integral part of this balance sheet

# ARBOR NETWORKS UK LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2011

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, which have been applied consistently throughout the current and prior periods. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

Under the provisions of Financial Reporting Standard No 1 (revised) Cash Flow Statements, the company has not prepared a cashflow statement because its ultimate parent company, Danaher Corporation, has prepared consolidated financial statements which include the financial statements of the company for the year which are publicly available.

#### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

#### Leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

#### Taxation

Corporation tax payable is provided on taxable profits at the current rate, as reduced by group relief claimed or surrendered at nil cost. Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

Both current and deferred tax are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

### 2. TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. All turnover relates to subsidiaries in the United Kingdom.

# ARBOR NETWORKS UK LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2011

### 3. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after charging / (crediting)

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets - owned	0	3
Auditors' remuneration		
- audit	9	4
Foreign exchange differences	2	0
	<u>2</u>	<u>0</u>

### 4. STAFF COSTS

(a) staff costs

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
<b>Staff costs during the year</b>		
Wages and salaries	3,049	2,912
Social security costs	546	468
Other pension costs	67	51
	<u>3,662</u>	<u>3,431</u>

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>
<b>Average numbers of persons employed</b>		
Sales and administration	19	17
	<u>19</u>	<u>17</u>

(b) Directors' emoluments

The directors' services to this company and to a number of fellow subsidiaries are of a non executive nature and their emoluments are deemed to be wholly attributable to their qualifying services to Arbor Networks, Inc (D W Pratt and C G Redmon) Accordingly, these financial statements include no emoluments in respect of the directors (2010 £nil)

# ARBOR NETWORKS UK LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 31 December 2011

### 5. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

The tax credit / (charge) is based on the results for the year and comprises

	2011 £000	2010 £000
<b>Current tax</b>		
UK corporation tax	0	42
Adjustment in respect of prior years	0	0
	<u>0</u>	<u>42</u>
<b>Deferred tax</b>		
Charge / (credit) for current year	(1)	(4)
Adjustment in respect of prior years	(3)	0
Adjustment in respect of change in tax rates	1	0
	<u>(3)</u>	<u>(4)</u>
Taxation charge / (credit) for the year	<u>(3)</u>	<u>38</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 26.5% (2010 21%). The actual tax charge for the year differs from the standard rate of UK corporation tax for the reasons set out in the following reconciliation

	2011 £000	2010 £000
<b>Profit / (loss) before tax</b>	248	195
Tax on profit / (loss) on ordinary activities at standard UK corporation tax rate of 26.5% (2010 21%)	66	54
Effects of		
Expenses not deductible	6	2
Group relief surrendered / claimed for nil consideration	(72)	(21)
Accelerated capital allowances	0	6
Short term timing differences	0	1
<b>Current tax</b>	<u>0</u>	<u>42</u>

### 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £000	2010 £000
Amounts owed by other group undertakings	1,404	1,554
Other debtors	1	15
Deferred tax	8	8
	<u>1,413</u>	<u>1,577</u>

# ARBOR NETWORKS UK LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 31 December 2011

### 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

Reconciliation on movement of deferred tax asset

	2011 £000	2010 £000
Deferred tax asset recognised – accelerated capital allowances		
Deferred tax asset / (liability) as at 1 January	8	1
(Charge) / credit to the profit and loss account	<u>0</u>	<u>7</u>
Deferred tax asset / (liability) as at 31 December	<u>8</u>	<u>8</u>

The directors believe recognition of a deferred tax asset is appropriate as the asset is more likely than not to be recovered against future taxable profits of the company

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £000	2010 £000
Trade creditors	53	25
Corporation tax	0	20
Other creditors	574	779
Other taxation and social security	<u>671</u>	<u>373</u>
	<u>1,298</u>	<u>1,197</u>

### 8. CALLED UP SHARE CAPITAL

	2011 £000	2010 £000
Called up, Allotted and fully paid		
2 ordinary shares of £1 each (2010 2)	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

### 9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £000	Profit and loss account £000	Total Share- holders' Funds £000
At 1 January 2010	0	316	316
Retained profit / (loss) for the year	0	157	157
At 1 January 2011	0	473	473
Retained profit / (loss) for the year	<u>0</u>	<u>251</u>	<u>251</u>
At 31 December 2011	<u>0</u>	<u>724</u>	<u>724</u>

# **ARBOR NETWORKS UK LIMITED**

## **NOTES TO THE ACCOUNTS** **Year Ended 31 December 2011**

**10. PENSION COMMITMENTS**The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £67,218 (2010 £50,515).

### **11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate parent undertaking is Ellacoya Networks Inc, a company incorporated in USA. The ultimate parent undertaking and controlling party is Danaher Corporation, a company incorporated in the USA.

The largest and smallest group in which the results of the company are consolidated is Danaher Corporation, a company incorporated in the USA. The consolidated financial statements of this group are available to the public and may be obtained from 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA.

### **12. RELATED PARTY DISCLOSURES**

The company takes advantage of the exemption under Financial Reporting Standard number 8 not to disclose related party transactions at the entity level. Details of related party transactions within the group are available in the consolidated financial statements of the ultimate parent company, Danaher Corporation, a company incorporated in the United States of America.