

Registration number: 00831741

Bürkert Contromatic Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

Rödl & Partner Limited
170 Edmund Street
Birmingham
B3 2HB

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Bürkert Contromatic Limited

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Bürkert Contromatic Limited

Company Information

Directors	Mr M I Steinemann Mr H P H Rohrbeck
Registered office	Fluid Control Centre 1 Bridge End Cirencester Gloucestershire GL7 1QY
Solicitors	Davies & Partners 135 Aztec West Almondsbury Bristol BS32 4UB
Bankers	Barclays Bank 18 Southgate Street Gloucester GL1 2DJ
Auditors	Rödl & Partner Limited 170 Edmund Street Birmingham B3 2HB

Bürkert Contromatic Limited

Strategic Report for the Year Ended 31 December 2016

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

Principal activity

Founded 69 years ago and privately owned Bürkert is a market leading manufacturer, development and outsourcing partner of fluid control components and systems. With European manufacturing and innovation as a core focus of our highly skilled workforce, Bürkert is now present in over 40 countries with over 2,500 employees.

Incorporated on 18th December 1964 and now established for over 50 years, Sales Organisation GB is responsible for Bürkert representation throughout the United Kingdom and the Republic of Ireland.

Products, solutions and services are only part of the picture and we strive to deliver a better customer experience. Whilst we operate in every conceivable fluid control application, our specialist global network, real application experience and customer understanding delivers outstanding value to four market segments, water, hygienic, micro and gas.

As we plan for 2017, we are pleased that our turnover figure trends at 17% growth over 2015. Given the economic and general market conditions within our industry we deserve to congratulate ourselves and each other for the tremendous effort that goes into achieving this result. We are profitable, reaching meaningful ROS targets, have a healthy cash flow, stock is under control and most importantly we have a highly energetic and entrepreneurial team with an eye on achieving our goal of profitable sales growth in 2017. The transition to a Value Proposition Leading company underpinned by a process organisation is well under way and a contributing factor to our position.

There have been a number of staff changes over the year, redeploying and aligning our resources from support function towards sales behaviour and more profitable, nationally distributed hygienic business through segmentation.

Our pipeline continues to show a considerable swing towards micro mechatronic system business, specifically solenoid valves through the OEM sales channel, which further underpins our foundation to deliver superior customer value through solution techniques. To support our projects business we bridge a closer and streamlined cooperation with our Systemhaus facilities, merging into the wider Order Winning and Customer Project Order Handling Process.

We assist customers with field commissioning, calibration, programming and service whether to get the project running, some hands on training or to sign over the ongoing maintenance of a plant, Bürkert support customer needs.

Standard and customised training is offered from process automation for apprentices and graduates to customised training programs designed around specific site needs which together through partnership Bürkert will pull together a perfect package.

Wherever the customer is globally, we deliver the same support, same service from the same company. When Bürkert is chosen, the customer is never on their own.

Bürkert Contromatic Limited

Strategic Report for the Year Ended 31 December 2016

The estimation of the impact on sales due to Brexit is tough. It will take years for the full consequences to become clear. What we do know is that Britain will negotiate its exit from the EU. There have been a few attempts to quantify what an exit from the EU would do to the size of the UK economy, despite the obvious pitfalls of trying to put a figure on a hypothetical situation that has a number of variables - such as what sort of trade deals are negotiated post Brexit. Given the range of potential post-Brexit circumstances there is a broad range of estimates. Some argue the economy will suffer permanent losses on the back of weaker trade and investment whilst others say freedom from the rules, as well as the costs, that come with EU membership would make Britain more prosperous.

Starting with the estimates that leaving would be a net loss to the UK economy, the London School of Economics calculated the UK could suffer income falls of between 6.3% to 9.5% of GDP, similar to the loss resulting from the global financial crisis of 2008/09. That is of course under the researchers' pessimistic scenario, in which the UK is not able to negotiate favourable trade terms. Under an optimistic scenario, in which the UK continues to have a free trade agreement with the EU, losses would be 2.2% of GDP.

The appointment in August of our Account Manager for Ireland provides us with the opportunity to mitigate Brexit risks and develop an increasingly buoyant market that remains within the European Union.

We continue to invest within and grow our marketing and NCD capabilities, simply put, if we understand our current and future customer base landscape better, we can sell better.

Our company target in 2017 is to continue Fast Growing Company (FGC) status through profitable sales growth.

Fair review of the business

Turnover in the year to 31 December 2016 achieved £9,389,064, +18.3% (2015 - £7,933,847).

Operating profit pre taxation was £249,897 compared with £467,845 in 2015.

The profit for the year after taxation amounted to £180,139 (2015 - £359,413)

Key performance indicators

We closely monitor debtor days to ensure that we optimise our cash flow, at year end our proportion of overdue debt to total debt was 6.47% (2015 - 1.46%)

Within a Group Objective framework of sales plan development, EBT expectations and sales per FTE, key areas of local management review and control include the level of gross margin, new customer development, operating cost, new product introduction and system sales.

Entrepreneurial courage and risk-taking are key to optimize and align with our strategic local and group targets but with a mindset towards profitable sales growth as well as courage to decline bad business.

Bürkert Contromatic Limited

Strategic Report for the Year Ended 31 December 2016

Principal risks and uncertainties

Price Risk and De-commoditisation

The company is exposed to price risk from both customers and suppliers, the industry sectors in which Bürkert principally operate are becoming increasingly competitive from lower cost, inferior quality imports which inevitably result in some short term squeeze on margin. Our emphasis towards clear de-complexitising and de-commoditising our customer value propositions is key and we look to continuing to achieve these targets as defined by our strategy map and expect to see continued growth in our systems business that will further support overall growth and profitability.

We continue to simplify our online activities and driving website traffic to www.burkert.co.uk which feeds our e-shop. The majority of our customer base search for a solution and not to purchase product, so we have monitored search words and developed content around them.

Customer testimonials, regardless of the application, segment or product are the very best way to show to customers our capability to create process solutions.

For the past five years we have shifted perception that our business is not just as a solenoid valve manufacturer but that we provide solutions and other cutting edge process control products.

Interest rate risk

The company has no exposure to fluctuations in interest rate because it has no bank loans or other financial debt and a strong bank balance.

Currency risk

The company is exposed to foreign exchange translation risk, however this is mitigated by aspired management closely monitoring the exchange rate together with hedging forward contracts and reducing the short term risk of currency devaluation through achieving fixed agreement with Bürkert Werke. In addition we pay our suppliers in the most effective way to minimise exposure as well as encouraging our key customers to trade in Euros to ensure security for all.

Credit risk

The company's principal financial assets are cash and trade debtors. In order to effectively manage credit risk the directors set credit limits and terms based upon experience of the customer and market knowhow within limits recommended by Dunn & Bradstreet, these limits are subject to periodic review and any alerts from Dunn & Bradstreet are investigated and actioned where appropriate.

Liquidity Risk

The company manages financial risk by ensuring sufficient liquidity is available to meet current trading needs.

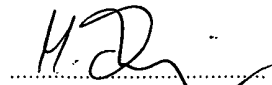
Bürkert Contromatic Limited

Strategic Report for the Year Ended 31 December 2016

Turnover

Sales revenue continue to be impacted by global economic pressure and changes in the marketplace, however the company has an excellent reputation in its field, a healthy cash flow, controlled stock, fine-tuned sales initiatives and most importantly we have a strong, entrepreneurial stable team with an eye on achieving our goal of profitable sales growth through blue chip and tactical partnership.

Approved by the Board on 5.5.17 and signed on its behalf by:



Mr M I Steinemann
Director

Bürkert Contromatic Limited

Directors' Report for the Year Ended 31 December 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors of the Company

The directors who held office during the year were as follows:

Mr M I Steinemann (appointed 25 May 2016)

Mr H P H Rohrbeck

Mr P M Dietschi (resigned 25 May 2016)

Future developments

In 2016 we have strived for and delivered a Fast Growing Company result not typical of companies in our specific industry fields this year.

Looking further ahead through reviewing our customer buying cycle we want to strengthen our balance of the following;

- Recruitment – and acquire more customers (NCD)
- Retention – and use loyalty tactics to maximise lifetime value (NBD)
- Reactivate – and win back/recover previous customers (Dormant)

Profiling our customers using MLSD to question and find out their needs allowing us to position ourselves accordingly is key. Not one strategy will cover the diverse range of our customers and their sweet spots.

Balancing quick win, low hanging, component and commodity business in conjunction with longer term manufacturer and end user projects, support our growth plans pushed further by an up- and cross selling creative platform.

Within a challenging and satisfying work environment, our strategy is sharply defined, clearly communicated, and well understood by employees, customers, partners and other Bürkert processes. That said, we continually fine tune our strategy based on changes in the marketplace, for example, a new technology, a social trend, a government regulation, or a competitor's breakaway product.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Rödl & Partner Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 05.05.17 and signed on its behalf by:



Mr M I Steinemann
Director

Bürkert Contromatic Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual 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 apply them consistently;
- make judgements 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.

Bürkert Contromatic Limited

Independent Auditor's Report to the Members of Bürkert Contromatic Limited

We have audited the financial statements of Bürkert Contromatic Limited for the year ended 31 December 2016, set out on pages 10 to 22. 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 Statement of Directors' Responsibilities (set out on page 7), 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 to the financial statements.

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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Bürkert Contromatic Limited

Independent Auditor's Report to the Members of Bürkert Contromatic Limited

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.



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Imran Farooq (Senior Statutory Auditor)
For and on behalf of Rödl & Partner Limited, Statutory Auditor

170 Edmund Street
Birmingham
B3 2HB

Date: th 5 May 2017

Bürkert Contromatic Limited

Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	9,389,064	7,933,847
Cost of sales		<u>(6,669,152)</u>	<u>(5,179,128)</u>
Gross profit		2,719,912	2,754,719
Distribution costs		(36,863)	(55,545)
Administrative expenses		<u>(2,437,951)</u>	<u>(2,237,326)</u>
Operating profit	5	<u>245,098</u>	<u>461,848</u>
Other interest receivable and similar income	6	<u>4,799</u>	<u>5,997</u>
		<u>4,799</u>	<u>5,997</u>
Profit before tax		249,897	467,845
Taxation	9	<u>(69,758)</u>	<u>(108,432)</u>
Profit for the financial year		<u><u>180,139</u></u>	<u><u>359,413</u></u>

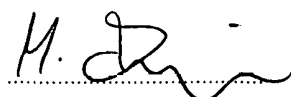
The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Bürkert Contromatic Limited
(Registration number: 00831741)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	346,044	392,844
Current assets			
Stocks	11	251,968	551,775
Debtors	12	2,410,332	2,756,851
Cash at bank and in hand		1,934,770	1,947,151
		<u>4,597,070</u>	<u>5,255,777</u>
Creditors: Amounts falling due within one year	14	<u>(1,925,667)</u>	<u>(2,807,029)</u>
Net current assets		<u>2,671,403</u>	<u>2,448,748</u>
Total assets less current liabilities		3,017,447	2,841,592
Creditors: Amounts falling due after more than one year	14	(2,499)	(6,783)
Provisions for liabilities	15	<u>(38,551)</u>	<u>(38,551)</u>
Net assets		<u>2,976,397</u>	<u>2,796,258</u>
Capital and reserves			
Called up share capital	17	500,000	500,000
Profit and loss account		<u>2,476,397</u>	<u>2,296,258</u>
Total equity		<u>2,976,397</u>	<u>2,796,258</u>

Approved and authorised by the Board on 5.5.17 and signed on its behalf by:



Mr M I Steinemann
Director

Bürkert Contromatic Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £	Profit and loss account £	Total £
At 1 January 2016	500,000	2,296,258	2,796,258
Profit for the year	-	180,139	180,139
Total comprehensive income	-	180,139	180,139
At 31 December 2016	500,000	2,476,397	2,976,397
	Share capital £	Profit and loss account £	Total £
At 1 January 2015	500,000	1,936,845	2,436,845
Profit for the year	-	359,413	359,413
Total comprehensive income	-	359,413	359,413
At 31 December 2015	500,000	2,296,258	2,796,258

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Statement of Cash Flows for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		180,139	359,413
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	78,172	83,661
Finance income	6	(4,799)	(5,997)
Income tax expense	9	69,758	108,432
		<u>323,270</u>	<u>545,509</u>
Working capital adjustments			
Decrease in stocks	11	299,807	12,566
Decrease/(increase) in trade debtors	12	346,519	(1,111,468)
(Decrease)/increase in trade creditors	14	(937,094)	1,137,629
Cash generated from operations		32,502	584,236
Income taxes paid	9	(14,026)	(114,633)
Net cash flow from operating activities		<u>18,476</u>	<u>469,603</u>
Cash flows from investing activities			
Interest received	6	4,799	5,997
Acquisitions of tangible assets		(31,372)	(24,902)
Net cash flows from investing activities		(26,573)	(18,905)
Cash flows from financing activities			
Payments to finance lease creditors		(4,284)	(4,284)
Net (decrease)/increase in cash and cash equivalents		(12,381)	446,414
Cash and cash equivalents at 1 January		<u>1,947,151</u>	<u>1,500,737</u>
Cash and cash equivalents at 31 December		<u><u>1,934,770</u></u>	<u><u>1,947,151</u></u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Fluid Control Centre
1 Bridge End
Cirencester
Gloucestershire
GL7 1QY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentational currency used to prepare the financial statements is Sterling (£) and amounts have been rounded to the nearest £1.

Summary of disclosure exemptions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

The turnover shown in the profit and loss account represents the value of services delivered and goods provided to customers in the year net of Value Added Tax.

Revenue from services include non-warranty repairs and installation and are recognised at completion.

Sales of goods are recognised at the point of despatch

Foreign currency transactions and balances

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold	10% on cost
Plant and machinery	12.5% on cost and 10% on cost
Office equipment	33.33% on cost
Motor vehicles	16.66% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks and work in progress are valued at the lowest of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Rentals under operating leases are charged to 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 onto the prevailing market rate.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalized as tangibles fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchases are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated of future periods. The finance element of the rental payment is charged to the Profit and Loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in the period.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

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

Financial instruments

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. The forward currency exchange contracts are measured at fair value at each reporting date. The movement in fair value is recognised in the profit and loss for the period.

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

3 Revenue

The turnover and profit before taxation are attributable to the one principal activity of the company.

The analysis of the company's revenue for the year by geographical market is given below:

	2016 £	2015 £
United Kingdom	9,083,987	7,243,122
Europe	<u>305,077</u>	<u>690,725</u>
	<u>9,389,064</u>	<u>7,933,847</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2016 £	2015 £
Gain (loss) from changes in provisions	<u>(34,732)</u>	<u>12,388</u>

5 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	78,172	83,661
Foreign exchange gains	(80,388)	(98,784)
Operating lease expense - plant and machinery	<u>111,227</u>	<u>116,165</u>

6 Other interest receivable and similar income

	2016 £	2015 £
Interest income on bank deposits	<u>4,799</u>	<u>5,997</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	1,339,632	1,369,012
Social security costs	166,772	175,935
Pension costs, defined contribution scheme	<u>113,048</u>	<u>113,016</u>
	<u>1,619,452</u>	<u>1,657,963</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

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

	2016 No.	2015 No.
Administrative	8	8
Sales	15	15
Technical & Store	7	7
	<u>30</u>	<u>30</u>

8 Auditors' remuneration

	2016 £	2015 £
Audit of the financial statements	<u>16,900</u>	<u>8,250</u>
Other fees to auditors		
All other non-audit services	<u>2,630</u>	<u>2,820</u>

9 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	<u>69,758</u>	<u>108,432</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>249,897</u>	<u>467,845</u>
Corporation tax at standard rate	49,979	93,569
Effect of expense not deductible in determining taxable profit (tax loss)	2,015	1,340
Deferred tax not recognised	18,419	-
Tax increase (decrease) from effect of capital allowances and depreciation	(655)	5,839
Tax increase (decrease) from other short-term timing differences	<u>-</u>	<u>7,684</u>
Total tax charge	<u>69,758</u>	<u>108,432</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

10 Tangible assets

	Long leasehold £	Plant and machinery £	Office equipment £	Motor vehicles £
Cost or valuation				
At 1 January 2016	400,828	115,801	243,757	22,135
Additions	13,379	9,300	8,693	-
At 31 December 2016	414,207	125,101	252,450	22,135
Depreciation				
At 1 January 2016	123,342	63,001	194,726	8,608
Charge for the year	42,348	12,167	19,968	3,689
At 31 December 2016	165,690	75,168	214,694	12,297
Carrying amount				
At 31 December 2016	248,517	49,933	37,756	9,838
At 31 December 2015	277,486	52,800	49,031	13,527
				Total £
Cost or valuation				
At 1 January 2016				782,521
Additions				31,372
At 31 December 2016				813,893
Depreciation				
At 1 January 2016				389,677
Charge for the year				78,172
At 31 December 2016				467,849
Carrying amount				
At 31 December 2016				346,044
At 31 December 2015				392,844

11 Stocks

	2016 £	2015 £
Work in progress	2,368	517
Finished goods and goods for resale	249,600	551,258
	251,968	551,775

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

12 Debtors

	Note	2016 £	2015 £
Trade debtors		2,273,073	1,176,742
Amounts owed by related parties		2,983	235
Other debtors		1,187	834
Financial instruments at fair value		-	1,516,144
Prepayments		133,089	62,896
Total current trade and other debtors		<u>2,410,332</u>	<u>2,756,851</u>

13 Cash and cash equivalents

	2016 £	2015 £
Cash on hand	226	102
Cash at bank	1,934,544	1,947,049
	<u>1,934,770</u>	<u>1,947,151</u>

14 Creditors

	Note	2016 £	2015 £
Due within one year			
Hire purchase contracts		4,284	4,284
Trade creditors		75,298	70,398
Amounts due to related parties		1,054,551	599,235
Income tax liability	9	69,798	14,066
Social security and other taxes		61,250	57,009
VAT		424,950	265,518
Other payables		15,204	23,417
Financial instruments at fair value		-	1,500,000
Accrued expenses		220,332	273,102
		<u>1,925,667</u>	<u>2,807,029</u>
Due after one year			
Hire purchase contracts		2,499	6,783

15 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 January 2016	38,551	38,551
At 31 December 2016	<u>38,551</u>	<u>38,551</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £113,048 (2015 - £113,016).

Contributions totalling £11,745 (2015 - £10,759) were payable to the scheme at the end of the year and are included in creditors.

17 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

18 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	4,284	4,284
Later than one year and not later than five years	<u>2,499</u>	<u>6,783</u>
	<u>6,783</u>	<u>11,067</u>

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	73,751	115,568
Later than one year and not later than five years	57,759	105,721
Later than five years	<u>294</u>	<u>-</u>
	<u>131,804</u>	<u>221,289</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £165,189 (2015 - £164,479).

The notes on pages 14 to 22 form an integral part of these financial statements.

Bürkert Contromatic Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

19 Financial instruments

Categorisation of financial instruments

	2016 £	2015 £
Financial assets measured at fair value through profit or loss	-	1,516,144
Financial assets that are debt instruments measured at amortised cost	-	1,240,707
	-	2,756,851
Financial liabilities measured at fair value through profit or loss	-	1,500,000
Financial liabilities measured at amortised cost	-	1,307,029
	-	2,807,029

Financial assets measured at fair value through profit or loss comprise of forward currency exchange contracts.

Financial assets measured at amortisation cost comprise trade debtors, amounts owed by group undertakings, amounts recoverable on contracts, other debtors, deferred tax asset, prepayments and accrued income.

Financial liabilities measured at fair value through profit of loss comprise of forward currency exchange contracts.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, corporation tax, social security and other taxes, VAT, other creditors, accruals and deferred income.

Forward currency exchange contracts

The company entered into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At the 31 December 2016 there are no outstanding contracts.

20 Parent and ultimate parent undertaking

The directors consider Bürkert Contromatic AG, a company incorporated in Switzerland, as the ultimate parent company and the ultimate controlling party by virtue of its 100% interest in the issued share capital of Bürkert Contromatic Limited.