

Belimo Automation UK Limited

Financial Statements

For the Year Ended 31 December 2012



Belimo Automation UK Limited

For the Year Ended 31 December 2012

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Belimo Automation UK Limited

Reporting by Directors

31 December 2012

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year under review was the implementation of electrical components for use in the heating and ventilation industry

BUSINESS REVIEW

A review of the operations of the company during the financial year and the results of those operations are the company's affairs at the balance sheet date to be satisfactory

The parent company provides support and are also the major supplier to the company, limiting exposure to risks and uncertainties

The company is well established and has been operating within its target market for over 30 years. Several large customers have been trading with the company over many years providing a platform for the business

Performance factors such as Sales Revenue, Operating Expense, Operating Income (EBIT) are provided and reviewed in a monthly report

All budgets and sales targets are agreed between the parent company and the company on an annual basis

The ongoing product developments by the parent company should lead to new opportunities in the future with existing and new customers

The likely developments in the operations of the company and the expected results of these operations in the financial years subsequent to the year ended 31 December 2012 are that the company will continue in its current activities for the foreseeable future

The current economic climate looks set to continue with predictions of further downturn in the Construction Industry sector. However, the Directors are still confident of a positive year

RESULTS

The profit for the year after taxation, amounted to £207,003 (2011 £256,830)

PROPOSED DIVIDEND

The directors expect to propose a final ordinary dividend in respect of the current financial year of £250,000 (2011 £250,000). This has not been included within creditors as it was not approved before the year end

Dividends paid during the year were a final dividend of £250,000 in respect of the previous year ended 31 December 2011

Belimo Automation UK Limited

Reporting by Directors

31 December 2012

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year were as follows

BC Trutmann
AJ Bartlett

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year under review the Company made no political contributions. Donations to UK charities amounted to £1,179 (2011: £1,440).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU. 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 judgements and estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Belimo Automation UK Limited

Reporting by Directors

31 December 2012

STATEMENT OF DIRECTORS RESPONSIBILITIES *continued*

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information

AUDITOR

Under section 487 of the Companies Act 2006, Hillier Hopkins LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 28/5/13

and signed on its behalf



AJ Bartlett
Director

64 Clarendon Road
Watford
Hertfordshire
WD17 1DA

Belimo Automation UK Limited

Report of Auditors

To the shareholder
Belimo Automation UK Limited

We have audited the company financial statements (the "financial statements") of Belimo Automation UK Limited for the year ended 31 December 2012, set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the EU.

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 this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITY OF DIRECTORS AND AUDITOR

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 the financial statements in accordance with the relevant legal and regulatory requirements 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.

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 profit for the year then ended,
- have been properly prepared in accordance with the International Financial Reporting Standards, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Belimo Automation UK Limited

Report of Auditors

OPINION ON OTHER MATTERS 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

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



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of
HILLIER HOPKINS LLP

Chartered Accountants
Statutory Auditor

64 Clarendon Road
Watford
Hertfordshire
WD17 1DA

Date *9th August 2013*

Belimo Automation UK Limited

Income Statement

For the Year Ended 31 December 2012

	Note	2012 £'000	2011 £'000
Revenue	1 xii	8,995	8,759
Cost of sales		(7,393)	(7,152)
Gross profit (loss)		1,602	1,607
Administrative expenses		(1,292)	(1,233)
Income (loss) from operations		310	374
Finance income	5	2	8
Finance costs	5	(34)	(41)
Income (loss) before income taxes and extraordinary items		278	341
Taxation	6	(71)	(84)
Income (loss) from continuing operations		207	257
Income (loss) for the year		207	257

There were no recognised gains and losses for 2012 or 2011 other than those included in the Income Statement

There is no difference between the Company's Income Statement and the historical costs, profits and losses. Accordingly, no note of the historical profits and losses for the year has been presented.

The notes on pages 10 to 21 form part of these financial statements.

Belimo Automation UK Limited

Company Number: 01534607

Statement of Financial Position

31 December 2012

	Note	2012 £'000	2011 £'000
ASSETS			
Property, plant and equipment	7	40	79
Deferred tax	8	25	19
Total non-current assets		65	98
Inventories	9	429	496
Trade and other receivables	10	1,411	1,546
Other financial assets		56	34
Cash and cash equivalents		388	250
Total current assets		2,284	2,326
TOTAL ASSETS		2,349	2,424
LIABILITIES			
Trade and other payables	12	1,332	(1,383)
Tax payable		36	(17)
Other interest-bearing loans and borrowings	11	600	(600)
Total current liabilities		(1,968)	(2,000)
TOTAL LIABILITIES		(1,968)	(2,000)
NET ASSETS		381	424
	Note	2012 £'000	2011 £'000
EQUITY			
Share capital	13	-	-
Retained earnings	13	381	424
TOTAL EQUITY		381	424

The financial statements were approved and authorised for issue by the Board on
signed on its behalf by

and were



28/5/13

AJ Bartlett
Director

The notes on pages 10 to 21 form part of the financial statements

The accompanying notes form part of the financial statements

Belimo Automation UK Limited

Statement of Changes in Equity

For the Year Ended 31 December 2012

2012				
	Note	Share capital £'000	Retained earnings £'000	Subtotal £'000
Equity at the beginning of the period		-	424	424
Prior period adjustments				
Equity restated as at 31 December 2011		-	424	424
Changes				
Net profit transferred to equity		-	207	207
Changes total		-	207	207
Dividends payable		-	(250)	(250)
Equity as at 31 December 2012		-	381	381
2011				
	Note	Share capital £'000	Retained earnings £'000	Subtotal £'000
Equity at the beginning of the period		-	417	417
Prior period adjustments				
Equity restated as at 31 December 2010		-	417	417
Changes				
Net profit transferred to equity		-	257	257
Changes total		-	257	257
Dividends payable		-	(250)	(250)
Equity as at 31 December 2011		-	424	424

The accompanying notes form part of the financial statements

Belimo Automation UK Limited

Statement of Cash Flows

For the Year Ended 31 December 2012

	Note	2012 £'000	2011 £'000
Cash from operating activities			
Profit/(loss) for the year		207	257
Financial costs	5	34	41
Taxation	6	71	84
Profit (loss) from operations		312	382
Depreciation	7	40	47
Loss/(gain) on sale of property, plant and equipment		(6)	5
(Increase)/decrease in trade and other receivables	10	134	(40)
(Increase)/decrease in inventories	9	67	(70)
Increase/(decrease) in other financial assets		(22)	11
Increase/(decrease) in trade and other payables	12	(51)	(17)
Interest paid	5	(34)	(41)
Tax paid		(57)	(103)
Net cash flows from (used in) operating activities		383	174
Cash flows from investing activities.			
Acquisition of property, plant and equipment	7	(1)	(47)
Proceeds from disposal of property, plant and equipment		6	-
Net cash flows from (used in) investing activities		5	(47)
Cash flows from financing activities			
Dividends paid	13	(250)	(250)
Net cash flows from (used in) financing activities		(250)	(250)
Net cash increase (decreases) in cash and cash equivalents		138	(123)
Cash and cash equivalents at beginning of year		250	373
Cash and cash equivalents at end of year		388	250

The accompanying notes form part of the financial statements

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

1 ACCOUNTING POLICIES

I BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Belimo Automation UK Limited (the "company") is incorporated in the United Kingdom

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

II MEASUREMENT CONVENTION

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

III FOREIGN CURRENCY

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

IV INTRA-GROUP FINANCIAL INSTRUMENTS

Intra-group financial instruments, such as guarantees received, are held at fair value as financial assets or liabilities, as appropriate. Changes in fair value are taken to the income statement.

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

1 ACCOUNTING POLICIES continued

v PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows

• Leasehold improvements	-	over the life of the lease
• Plant and machinery	-	12.5 - 33% per annum
• Fixtures, fittings and equipment	-	12.5 - 33% per annum
• Motor vehicles	-	33% per annum

vi TRADE AND OTHER RECEIVABLES

Trade and other receivables are stated at their nominal amount

vii INVENTORIES

Inventory is stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing it to their existing location and condition.

viii 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 changes in value.

ix IMPAIRMENT

The carrying amounts of the company's assets other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in that unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

1 ACCOUNTING POLICIES continued

ix IMPAIRMENT continued

CALCULATION OF RECOVERABLE AMOUNT

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

x INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement.

xi EMPLOYEE BENEFITS

Obligations for contributions to the defined contribution pension plan are recognised as an expense in the income statement as incurred.

xii REVENUE

Revenue represents amounts received for goods and freight services net of VAT and discounts.

xiii OPERATING LEASE PAYMENTS

Payment made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

xiv TAXATION

Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustments in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

2 OPERATING PROFIT

	2012 £'000	2011 £'000
This is stated after charging:		
Depreciation charge	40	47
(Gain)/Loss on disposal of non-current assets	(6)	5
Auditors' Remuneration		
Audit fees	15	16

3 STAFF NUMBERS AND COSTS

The aggregate payroll costs during the year were as follows

	2012 £'000	2011 £'000
Wages and salaries	700	641
Social security costs	84	105
Other pensions costs	54	48
Total	838	794

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

	2012 Number	2011 Number
Sales	15	14
Administration	3	3
Logistics	1	1
Total	19	18

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

4 DIRECTORS' EMOLUMENTS

	2012 £'000	2011 £'000
Directors' emoluments	108	101
Company contributions to money purchase pension plans	7	7
	115	108

	2012	2011
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	1	1

5 FINANCE INCOME AND COSTS

	2012 £'000	2011 £'000
Finance income		
Interest income	-	-
Net foreign exchange gains	2	8
Total	2	8
Finance costs		
Interest expense	(34)	(41)
Total	(34)	(41)
Net finance income/(costs)	(32)	(33)

6 TAXATION

	2012 £'000	2011 £'000
<i>Current tax expense</i>		
Current year	77	101
Adjustment in respect of prior years	-	(17)
<i>Deferred tax expense</i>		
Origination and reversal of temporary	(6)	-
Total tax in income statement	71	84

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

6 TAXATION continued

Reconciliation of effective rate

	2012 £'000	2011 £'000
Profit before tax	278	341
Tax using the UK corporation tax rate of 24% (2011 26%)	68	90
Non-deductible expenses	4	3
Capital allowances for year in excess of depreciation	5	8
Total tax in income statement	77	101

7 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Plant and machinery £'000	Total £'000
Cost					
Opening balance	107	39	96	26	268
Additions	-	1	-	-	1
Disposals	-	(3)	(17)	-	(20)
Balance at December 31, 2012	107	37	79	26	249
Depreciation and impairment					
Opening balance	(85)	(32)	(50)	(22)	(189)
Disposals	-	3	17	-	20
Depreciation	(10)	(5)	(23)	(2)	(40)
Balance at December 31, 2012	(95)	(34)	(56)	(24)	(209)
Net book value					
At January 01, 2012	22	7	46	4	79
At December 31, 2012	12	3	23	2	40

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

7 PROPERTY, PLANT AND EQUIPMENT continued

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Plant and machinery £'000	Total £'000
Cost					
Opening balance	112	41	53	35	241
Additions	-	4	43	-	47
Disposals	(5)	(6)	-	(9)	(20)
Balance at December 31, 2011	107	39	96	26	268
Depreciation and impairment					
Opening balance	(75)	(31)	(23)	(28)	(157)
Disposals	-	6	-	9	15
Depreciation	(10)	(7)	(27)	(3)	(47)
Balance at December 31, 2011	(85)	(32)	(50)	(22)	(189)
Net book value					
At January 01, 2011	37	10	30	7	84
At December 31, 2011	22	7	46	4	79

8 DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following

	Assets		Liabilities		Net	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Property, plant and equipment	25	19	-	-	25	19

Amount of temporary differences, unused tax losses and tax credits for which no deferred tax asset is recognised is £nil (2011 £nil)

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

8 DEFERRED TAX ASSETS AND LIABILITIES continued

Recognised deferred tax assets and liabilities continued

Movement in deferred tax during the year

	1 January 2012 £'000	Recognised in income £'000	Recognised in equity £'000	31 December 2012 £'000
Property, plant and equipment	19	6	-	25
Total	19	6	-	25

	1 January 2011 £'000	Recognised in income £'000	Recognised in equity £'000	31 December 2011 £'000
Property, plant and equipment	19	-	-	19
Total	19	-	-	19

9 INVENTORIES

	2012 £'000	2011 £'000
Finished goods	429	496
Total	429	496

10 TRADE AND OTHER RECEIVABLES

	2012 £'000	2011 £'000
Trade receivables	1,363	1,507
Other receivables and prepayments	49	39
Total	1,412	1,546

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

11 OTHER INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings

	2012	2011
	£'000	£'000
<i>Current liabilities</i>		
Loan from Belimo Holding AG	600	600

Terms and debt repayment schedule

The loan is repayable on demand

12 TRADE AND OTHER PAYABLES

	2012	2011
	£'000	£'000
Trade payables due to group undertakings	1,030	1,105
Other trade payables	38	56
Non-trade payables and accrued expenses	264	222
Total	1,332	1,383

13 SHARE CAPITAL AND RESERVES

	2012	2011
	£'000	£'000
Share capital	-	-
Distributable reserve		
Opening balance	424	417
Net income for the period	207	257
Dividends payable	(250)	(250)
Total Equity	381	424

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

13 SHARE CAPITAL AND RESERVES continued

Share capital

	Ordinary shares	
	2012	2011
On issue at 1 January 2012 fully paid	100	100
On issue at 31 December 2012 fully paid	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company

Dividends

	Total Amount £'000
2012	
£2,500 per qualifying ordinary share (relating to 2011)	250
2011	
£2,500 per qualifying ordinary share (relating to 2010)	250
Total amount	<u>250</u>

After the balance sheet date, dividends of £2,500 per qualifying ordinary share (2011 £2,500) were proposed by the directors. No provision has been made for proposed dividends.

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

14 FINANCIAL INSTRUMENTS

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or, if earlier, are repriced

	2012 Effective interest rate %	2012 Total £'000	2012 0 to 1 years £'000	2011 Effective interest rate %	2011 Total £'000	2011 0 to 1 years £'000
Cash and cash equivalents*	-	388	388	-	250	250
Loan from Belimo Holding AG*	3.00	600	600	3.50	600	600
Intercompany balance with Belimo Automation AG**	-	1,030	1,030	-	1,105	1,105
	3.00	2,018	2,018	3.50	1,955	1,955

* These assets/liabilities bear interest at a fixed rate

**This balance attracts interest at 7.75% on overdue amounts only

Fair Values

The fair values together with the carrying amounts shown in the balance sheet are as follows

	Carrying amount 2012 £'000	Fair value 2012 £'000	Carrying amount 2011 £'000	Fair value 2011 £'000
Loan from group undertakings	(600)	(600)	(600)	(600)
Intra-group guarantee (see note 1)	56	56	34	34
	(544)	(544)	(566)	(566)
Unrecognised (losses)/gains		-		-

Note 1 - A fellow subsidiary has issued a guarantee in favour of Belimo Automation UK Limited, indemnifying the company against risk of bad debt on trade debtors and stock obsolescence. This guarantee represents a financial asset and is carried at fair value. Fair value is determined based on estimates regarding recoverability of debts outstanding and stock at the balance sheet date.

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2012

15 OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows

	2012 £'000	2011 £'000
Less than one year	42	50
Between one and five years	-	42
More than five years	-	-

During the year £50,000 was recognised as an expense in the income statement in respect of operating leases (2011 £50,000)

16 RELATED PARTIES

Identity of related parties

All companies belonging to the group headed by Belimo Holdings AG have been identified as related parties

Related Party Transactions

There have been transactions in the year with the following companies which are the ultimate holding company of Belimo Automation UK Limited and a fellow subsidiary of that company

Belimo Holdings AG Interest payments of £18,000 (2011 £21,000) have been made in respect of the outstanding loan. The amount outstanding at the year end was £600,000 (2011 £600,000). The loan bears interest at 3.50% and is repayable on demand.

Belimo Automation AG Purchases of £7,173,111 (2011 £7,041,897) were made from this fellow subsidiary of Belimo Holding AG. These costs are included within cost of sales. Additionally, £11,480 (2011 £15,891) of interest on late payments was paid to the same company.

The balance outstanding at the year end was £1,030,090 (2011 £1,105,266). Invoices are payable within 60 days, after which point, interest of 7.75% is charged.

17 ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The company is a subsidiary undertaking of Belimo Holding AG which is the immediate and ultimate parent company incorporated in Switzerland.

The consolidated financial statements of the groups headed by this company are available to the public and may be obtained from Brunnenbachstrasse 1, CH-8340 Hinwil, Switzerland.