

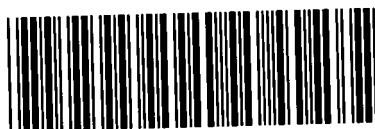
Belimo Automation UK Limited

Company Number: 01534607

Financial Statements

For the Year Ended 31 December 2018

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Belimo Automation UK Limited

For the Year Ended 31 December 2018

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Belimo Automation UK Limited

Reporting by Directors

31 December 2018

The Directors present their annual report and the audited financial statements for the year ended 31 December 2018.

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.

RESULTS

The profit for the year after taxation amounted to £449k (2017: £265k).

FUTURE DEVELOPMENTS

We have invested in additional space next door to our current office and warehouse in Shepperton. We will be expanding our warehousing space by more than double our current capacity. Alongside this we will be completely refurbishing our existing offices and creating a new Customer Experience Centre. This will enable us to enhance our Customer Service as well as showcase our product range and offer training for our valued customers. Our range of Sensor products continues to expand.

PROPOSED DIVIDEND

The Directors expect to propose a final ordinary dividend in respect of the current financial year of £450k (2017: £250k). 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 £250k in respect of the previous year ended 31 December 2017.

DIRECTORS AND DIRECTORS' INTERESTS

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

BC Trutmann (resigned 31 December 2018)

AJ Bartlett

MP Schurch (appointed 1 January 2019)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year under review the Company made no political contributions. Donations to UK charities amounted to £395 (2017: £490).

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 ('IFRSs') 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:

Belimo Automation UK Limited

Reporting by Directors

31 December 2018

- select suitable accounting policies and then apply them consistently;

STATEMENT OF DIRECTORS RESPONSIBILITIES continued...

- 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.

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 5th MARCH 2019 and signed on its behalf.



AJ Bartlett
Director

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Belimo Automation UK Limited

Report of Auditors

To the shareholder
Belimo Automation UK Limited

OPINION

We have audited the financial statements of Belimo Automation UK Limited (the 'Company') for the year ended 31 December 2018, which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The relevant financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the EU.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with the International Financial Reporting Standards as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Belimo Automation UK Limited

Report of Auditors

OTHER INFORMATION

The Directors are responsible for the other information. Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- this report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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.

Belimo Automation UK Limited

Report of Auditors

RESPONSIBILITIES 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, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

USE OF OUR REPORT

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.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of
HILLIER HOPKINS LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 12th March 2019

Belimo Automation UK Limited

Income Statement

For the Year Ended 31 December 2018

	Note	2018 £'000	2017 £'000
Revenue	1	15,068	13,421
Cost of sales		(12,905)	(11,644)
Gross profit		2,163	1,777
Other income		-	-
Administrative expenses		(1,548)	(1,408)
Profit from operations		615	369
Finance income	6.	13	18
Finance costs	6.	(70)	(60)
Profit before income taxes and extraordinary items		558	327
Taxation	7.	(109)	(62)
Profit for the year		449	265

There were no recognised gains and losses for 2018 or 2017, 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 24 form part of these financial statements.

Belimo Automation UK Limited

Company Number: 01534607

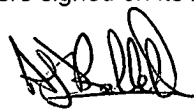
Statement of Financial Position

31 December 2018

	Note	2018 £'000	2017 £'000
ASSETS			
Property, plant and equipment	8.	57	5
Deferred tax	9.	26	28
Total non-current assets		83	33
Inventories	10.	558	438
Trade and other receivables	11.	2,737	2,355
Other financial assets	15.	101	98
Cash and cash equivalents		1,105	563
Total current assets		4,501	3,454
TOTAL ASSETS		4,584	3,487
LIABILITIES			
Trade and other payables	13.	3,206	2,335
Tax payable		46	19
Other interest-bearing loans and borrowings	12.	600	600
Total current liabilities		(3,852)	(2,954)
TOTAL LIABILITIES		(3,852)	(2,954)
NET ASSETS		732	533

	Note	2018 £'000	2017 £'000
EQUITY			
Share capital	14.	-	-
Retained earnings	14.	732	533
TOTAL EQUITY		732	533

The financial statements were approved and authorised for issue by the Board on 5th March 2019 and were signed on its behalf by:



AJ Bartlett
Director

The notes on pages 10 to 24 form part of the financial statements.

Belimo Automation UK Limited

Statement of Changes in Equity

For the Year Ended 31 December 2018

2018			
	Share capital £'000	Retained earnings £'000	Subtotal £'000
Equity at the beginning of the period	-	533	553
Changes			
Net profit	-	449	449
Dividends payable	-	(250)	(250)
Equity as at 31 December 2018	-	732	732
2017			
	Share capital £'000	Retained earnings £'000	Subtotal £'000
Equity at the beginning of the period	-	608	608
Changes			
Net profit	-	265	265
Dividends payable	-	(340)	(340)
Equity as at 31 December 2017	-	533	533

The notes on pages 10 to 24 form part of the financial statements.

Belimo Automation UK Limited

Statement of Cash Flows

For the Year Ended 31 December 2018

	Note	2018 £'000	2017 £'000
Cash from operating activities:			
Profit for the year		449	265
Financial costs		57	42
Taxation		109	62
Profit (loss) from operations		614	369
Depreciation		21	16
Profit on disposal of property, plant and equipment		(20)	-
(Increase)/Decrease in trade and other receivables		(382)	67
(Increase)/Decrease in inventories		(120)	(79)
(Increase)/Decrease in other financial assets		(3)	(7)
Increase/(Decrease) in trade and other payables		873	160
Interest paid		(57)	(42)
Tax paid		(82)	(90)
Net cash flows from (used in) operating activities		845	394
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(73)	-
Proceeds from sale of property, plant and equipment		20	-
Net cash flows from (used in) investing activities		(53)	-
Cash flows from financing activities:			
Dividends paid		(250)	(340)
Net cash flows from (used in) financing activities		(250)	(340)
Net cash increase (decreases) in cash and cash equivalents		542	54
Cash and cash equivalents at beginning of year		563	509
Cash and cash equivalents at end of year		1,105	563

The notes on pages 10 to 24 form part of the financial statements.

Belimo Automation UK Limited

Statement of Cash Flows

For the Year Ended 31 December 2018

1. ACCOUNTING POLICIES

i. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Belimo Automation UK Limited (the "Company") is a limited company incorporated in the United Kingdom. The Company's principal place of business is 10 Shepperton Business Park, Govett Avenue, Shepperton, TW17 8BA.

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. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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.

There are no material adjustments required to be made to the Company's financial statements as a result of the application of IFRS 9 from 1 January 2018.

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.

Belimo Automation UK Limited

Statement of Cash Flows

For the Year Ended 31 December 2018

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

Inventories are 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. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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.

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.

Belimo Automation UK Limited

Statement of Cash Flows

For the Year Ended 31 December 2018

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. The company recognises revenue when it transfers control over a good to a customer.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. There are no material adjustments required to be made to the Company's financial statements as a result of the application of IFRS 15 from 1 January 2018.

xiii. OPERATING LEASE PAYMENTS

Payments 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.

xv. DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

xvi. DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the

Belimo Automation UK Limited

Statement of Cash Flows

For the Year Ended 31 December 2018

contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

xvii. ADOPTED IFRS'S NOT YET APPLIED

The following standards and interpretations were effective in 2018, but have not had a material impact on the Company:

IFRIC 22 'Foreign Currency Transactions and Advance Consideration'

Amendments to IAS 40 'Investment Property'

Amendments to IFRS2 'Share-based Payments'

The following standards and interpretations to published standards are not yet effective:

New standard or interpretation	EU Endorsement status	Mandatory effective date (period beginning)
IFRS 16 'Leases'	Endorsed by the EU	1 January 2019
IFRIC 23 'Uncertainty over Income Tax Treatments'	Endorsed by the EU	1 January 2019
IFRS 17 'Insurance Contracts'	Not yet endorsed for use in the EU	1 January 2021
Amendments to IAS 28 'Investments in associates'	Not yet endorsed for use in the EU	1 January 2019
Amendments to IAS 19 'Employee benefits'	Not yet endorsed for use in the EU	1 January 2019
Annual improvements to IFRS 2015 - 2017 Cycle	Not yet endorsed for use in the EU	1 January 2019
Amendments to References to the Conceptual Framework in IFRS standards	Not yet endorsed for use in the EU	1 January 2020
Amendments to IFRS 3 'Business combinations'	Not yet endorsed for use in the EU	1 January 2020
Amendments to IAS 1 'Presentation of Financial Statements'	Not yet endorsed for use in the EU	1 January 2020
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Not yet endorsed for use in the EU	1 January 2020

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

1. ACCOUNTING POLICIES continued

On adoption of IFRS 16, the lessee is required to recognise a right of use asset and a lease liability for future lease payables. The nature of expenses related to these leases will change because IFRS 16 replaces the straight line operating lease expense with a depreciation charge for the right of use assets and interest expense on lease liabilities.

The Company has completed an initial assessment of the potential impact on its financial statements, but has not yet completed its detailed assessment. The exact financial impact of the standard is as yet unknown, as a number of factors will impact the calculation of the liability, such as discount rates and the expected term of leases including renewal options.

The Company will apply IFRS 16 on 1 January 2019, using the modified retrospective approach. Therefore the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition, this approach is currently being assessed by the Company.

The Directors anticipate that the adoption of other Standards and interpretations that are not yet effective, will not have a material impact on the results or financial position of the Company.

xviii. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with EU IFRS principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below.

Depreciation, amortisation and residual values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

Impairment

The Directors have considered the valuation of investments in tangible fixed assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired or not requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The Directors have concluded that the valuation of assets at the year end are appropriate.

Inventories

Inventories are included as per the accounting policy set out above. Management have assessed the need to write off or provide against any specific items based on the levels held at year end, and the expected sales of such items in the immediate period post year end.

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

	2018 £'000	2017 £'000
Major products		
Sale of actuators, valves and sensors	15,068	13,421
Total	15,068	13,421
Primary geographical markets		
United Kingdom	13,654	12,176
Europe	1,414	1,245
Total	15,068	13,421
Timing of transfer of goods		
Products and services transferred at a point in time	15,068	13,421
Total	15,068	13,421

There were no contract assets or liabilities arising from the application of IFRS 15. See note 11 for trade receivables. Consequently there are also no contract costs.

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

3. OPERATING PROFIT

	2018 £'000	2017 £'000
This is stated after charging:		
Depreciation charge	21	16
Profit on disposal	(20)	-
Operating lease expense - property	91	50
Auditors' Remuneration		
Audit fees	17	17

4. STAFF NUMBERS AND COSTS

The aggregate payroll costs during the year were as follows:

	2018 £'000	2017 £'000
Wages and salaries	919	883
Social security costs	107	119
Other pensions costs	72	72
Total	1,098	1,074

The average number of persons employed by the Company (including Directors) during the year, analysed by category, were as follows:

	2018 Number	2017 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 2018

5. DIRECTORS' EMOLUMENTS

	2018 £'000	2017 £'000
Directors' emoluments	115	119
Company contributions to money purchase pension plans	9	8
	124	127

	2018	2017
Retirement benefits are accruing to the following number of Directors under:		
Money purchase schemes	1	1

The directors are deemed to be the key management personnel of the Company.

6. FINANCE INCOME AND COSTS

	2018 £'000	2017 £'000
Finance income:		
Interest income	13	18
Net foreign exchange gains	-	-
Total	13	18
Finance costs:		
Interest expense	(70)	(60)
Total	(70)	(60)
Net finance cost	(57)	(42)

7. TAXATION

	2018 £'000	2017 £'000
<i>Current tax expense</i>		
Current year	107	67
Adjustment in respect of prior years	-	-
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	2	(5)
Total tax in income statement	109	62

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

7. TAXATION continued

Reconciliation of effective rate

	2018 £'000	2017 £'000
Profit before tax	558	327
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	106	63
Non-deductible expenses	4	3
Capital allowances for year in excess of depreciation	(1)	(4)
Total tax in income statement	109	62

Factors that may affect future tax charges

On 16 March 2016 the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 17 percent with effect from 1 April 2020. These changes were substantively enacted on 6 September 2016.

8. 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	41	64	39	251
Additions	-	-	73	-	73
Disposals	-	(8)	(64)	-	(72)
Balance at December 31, 2018	107	33	73	39	252
Depreciation and impairment					
Opening balance	(107)	(41)	(63)	(35)	(246)
Disposals	-	8	64	-	72
Depreciation	-	-	(17)	(4)	(21)
Balance at December 31, 2018	(107)	(33)	(16)	(39)	(196)
Net book value					
At January 01, 2018	-	-	1	4	5
At December 31, 2018	-	-	57	-	57

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

8. 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	107	41	64	39	251
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at December 31, 2017	107	41	64	39	251
Depreciation and impairment					
Opening balance	(107)	(41)	(52)	(30)	(230)
Disposals	-	-	-	-	-
Depreciation	-	-	(11)	(5)	(16)
Balance at December 31, 2017	(107)	(41)	(63)	(35)	(246)
Net book value					
At January 01, 2017	-	-	12	9	21
At December 31, 2017	-	-	1	4	5

9. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Property, plant and equipment	26	28	-	-	26	28

Amount of temporary differences, unused tax losses and tax credits for which no deferred tax asset is recognised is £nil (2017: £nil).

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

9. DEFERRED TAX ASSETS AND LIABILITIES continued

Recognised deferred tax assets and liabilities continued

Movement in deferred tax during the year:

	1 January 2018 £'000	Recognised in income statement £'000	Recognised in equity £'000	31 December 2018 £'000
Property, plant and equipment	28	(2)	-	26
Total	28	(2)	-	26

	1 January 2017 £'000	Recognised in income statement £'000	Recognised in equity £'000	31 December 2017 £'000
Property, plant and equipment	23	5	-	28
Total	23	5	-	28

10. INVENTORIES

	2018 £'000	2017 £'000
Finished goods	558	438
Total	558	438

11. TRADE AND OTHER RECEIVABLES

	2018 £'000	2017 £'000
Trade receivables	2,684	2,305
Other receivables and prepayments	53	50
Total	2,737	2,355

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

12. OTHER INTEREST-BEARING LOANS AND BORROWINGS

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

	2018 £'000	2017 £'000
<i>Current liabilities</i>		
Loan from Belimo Holding AG	600	600

Terms and debt repayment schedule

The loan is repayable on demand.

13. TRADE AND OTHER PAYABLES

	2018 £,000	2017 £,000
Trade payables due to group undertakings	2,687	2,014
Other trade payables	105	19
Non-trade payables and accrued expenses	414	302
Total	3,206	2,335

14. SHARE CAPITAL AND RESERVES

	2018 £'000	2017 £'000
Share capital	-	-
Distributable reserve		
Opening balance	533	608
Net income for the period	449	265
Dividends payable	(250)	(340)
Total Equity	732	533

Belimo Automation UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2018

14. SHARE CAPITAL AND RESERVES continued

Share capital

	Ordinary shares	
	2018	2017
On issue at 1 January 2018 fully paid		
On issue at 31 December 2018 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
2018	
£2,500 per qualifying ordinary share (relating to 2017)	250
2017	
£3,400 per qualifying ordinary share (relating to 2016)	340

After the balance sheet date, dividends of £4,500 per qualifying ordinary share (2017: £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 2018

15. 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.

	2018 Effective interest rate %	2018 Total £'000	2018 0 to 1 years £'000	2017 Effective interest rate %	2017 Total £'000	2017 0 to 1 years £'000
Cash and cash equivalents*	-	1,105	1,105	-	563	563
Loan from Belimo Holding AG*	2.00	600	600	2.00	600	600
Intercompany balance with Belimo Automation AG**	-	2,683	2,683	-	2,011	2,011
	2.00	4,388	4,388	2.00	3,174	3,174

* 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 2018 £'000	Fair value 2018 £'000	Carrying amount 2017 £'000	Fair value 2017 £'000
Loan from group undertakings	(600)	(600)	(600)	(600)
Intra-group guarantee (see note 1)	101	101	98	98
	(499)	(499)	(502)	(502)
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 2018

16. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	2018 £'000	2017 £'000
Less than one year	114	53
Between one and five years	449	203
More than five years	485	150

During the year £91,000 was recognised as an expense in the income statement in respect of operating leases (2017: £50,000).

17. RESERVES

Profit and loss reserve is fully distributable and includes accumulated profit and losses achieved by the Company.

18. 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 £13,500 (2017: £12,000) have been made in respect of the outstanding loan. The amount outstanding at the year was £600,000 (2017: £600,000). The loan bears interest at 2.0% and is repayable on demand.

Belimo Automation AG: Purchases of £12,689,007 (2017: £11,335,033) were made from this fellow subsidiary of Belimo Holding AG. These costs are included within cost of sales. Additionally, £42,259 (2017: £26,962) of interest on late payments was paid to the same Company.

The balance outstanding at the year end was £2,683,269 (2017: £2,011,242). Invoices are payable within 60 days, after which point, interest of 7.75% is charged.

19. 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.