Registered number 01975721

M&P SURVEY EQUIPMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2017

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COMPANIES HOUSE

M&P SURVEY EQUIPMENT LIMITED

DIRECTOR

J E Fraser

SECRETARY

A P Young

AUDITORS

McLintocks Partnership Limited
2 Hilliards Court
Chester Business Park
Chester
CH4 9PX

BANKERS

Skandinaviska Enskilda Banken AB
1 Carter Lane
London EC4V 5AN

REGISTERED OFFICE

Meridian House
Stanney Mill Road
Little Stanney
Ellesmere Port
CH2 4HX

M&P SURVEY EQUIPMENT LIMITED

STRATEGIC REPORT

Registered number 01975721

PRINCIPAL ACTIVITIES

The Company carries out the business of the sale, service and hire of surveying, measuring, positioning and guidance systems. Almost all revenue is in respect of Leica branded products.

RESULTS AND DIVIDENDS

The Company's profit for the financial year was £397,403 (2016 - £243,641). The director does not propose the payment of dividend in respect of the year under review (2016 - £46,522).

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Company continued to see growth in its turnover from the previous year. This growth came mainly from increased activities in the civil engineering and construction segments in connection with government-backed infrastructure projects. The market continued to be very competitive and the reduction in gross margin from 39.7% to 31.5% was partially compensated by the growth in turnover.

Inventory decreased to 270 days (2016 - 301 days) and trade debtors were equivalent to 55 days (2016 - 47 days).

The Company has kept close control over operating costs and these have decreased as a proportion against sales from 32.6% to 20.0%. The previous year included certain one-off costs relating to the sale of the company. Overall, operating profit margin increased from 7.2% to 11.6%.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk is managed by agreeing payment terms in advance, including progress and upfront payments. Appropriate credit control procedures are followed in line with group policy to minimise the credit risk. Where credit risk is perceived to be high, customer contracts provide for payments to be made prior to despatch of goods. The Company has taken additional steps to ensure the prompt collection of debt from its customers.

The business levels of the Company are significantly dependent upon levels of economic activity in the UK , particularly in the general construction and infrastructure sectors.

By order of the Board

A P Young
Secretary

25 September 2018

M&P SURVEY EQUIPMENT LIMITED

DIRECTORS' REPORT

Registered number 01975721

The director presents his report and the financial statements for the Company for the year ended 31 December 2017.

DIRECTORS

Mr T Harring served the Company as a director during the entire year.

On 17 July 2017 Mr J E Fraser and Mr L Koller were appointed as directors and Mr M S Concannon resigned. On 5 June 2018 Messrs Harring and Koller resigned as directors.

DIRECTORS' AND OFFICERS' INDEMNITY PROVISIONS

The Company has made qualifying third party indemnity provisions for the benefit of its directors and officers against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. These remain in force at the date of this report.

EMPLOYEES

The Company actively encourages diversity amongst its workforce and positively makes use of the different ideas, experiences and approaches that a diverse workforce brings. By valuing each individual's contribution and giving everyone an opportunity to realise their full potential, the Company proactively recruits, supports, retrains and develops its employees. The Company makes employee briefing presentations about its progress and discusses issues affecting employees on a regular basis.

Through its equal opportunity policy the Company aims to provide an environment free from unlawful discrimination and harassment and in which everyone is treated with fairness.

During the year the average number of staff was 19.

ENVIRONMENT

The Company adheres to the environmental regulations including WEEE and COSHH. The Company has reviewed its environmental impacts and has worked closely with local waste companies to increase the proportion of goods available for recycling.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the review of the business on page 2 together with the financial position of the Company, results and dividends.

The Company is part of a group of companies that has considerable financial resources and the company has a diversified customer base across different geographic areas and industries. The parent company views the UK as a strategically important market and the Company expects the continued support of the group for product innovation and development.

As a consequence, the director believes that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook arising from the "Brexit" referendum. The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The director is responsible 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), including Financial Reporting Standard 101 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 UK Accounting Standards 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 proper 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.

DIRECTOR'S STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of the Company's auditor, the director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

A P Young
Secretary

25 September 2018

Independent Auditors' Report to the Members of M&P Survey Equipment Limited

Opinion

We have audited the financial statements of M & P Survey Equipment Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

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 Auditors' 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 UK, including the FRC'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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report,but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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 statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page nil, 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 to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Auditors 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 Report of the Auditors.

Michael Caputo (Senior statutory auditor)
For and on behalf of McLintocks Partnership Limited (Statutory Auditor)
25 September 2018

M&P SURVEY EQUIPMENT LIMITED

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £	2016 £
TURNOVER	3	4,277,715	4,023,842
Cost of sales	4	2,926,807	2,423,786
GROSS PROFIT		1,350,908	1,600,056
Distribution costs		451,568	638,019
Administrative expenses	4	402,611	672,331
OPERATING PROFIT	4	496,730	289,706
Interest receivable	7	1,661	-
Interest payable	8	5,685	5,768
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		492,706	283,938
Tax on profit on ordinary activities	9	95,303	40,297
PROFIT FOR THE YEAR		397,403	243,641
OTHER COMPREHENSIVE INCOME:			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		397,403	243,641

All results are derived from continuing activities.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 10 to 20 form part of these financial statements.

M&P SURVEY EQUIPMENT LIMITED

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share Capital £	Profit and loss account £	Total Equity £
At 1 January 2016	**10,000**	**1,216,008**	**1,226,008**
Profit for the financial period	-	243,641	243,641
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	**-**	**243,641**	**243,341**
Transactions with owners, recorded directly in equity			
Dividends		(46,522)	(46,522)
Total contributions by and distributions to owners		**(46,522)**	**(46,522)**
At 31 December 2016	**10,000**	**1,413,127**	**1,423,127**
Profit for the financial year	-	397,403	397,403
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**-**	**397,403**	**397,403**
At 31 December 2017	**10,000**	**1,810,530**	**1,820,530**

The notes on pages 10 to 20 form part of these financial statements.

M&P SURVEY EQUIPMENT LIMITED

Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	10	79,906	81,576
CURRENT ASSETS			
Stocks	11	2,168,939	1,990,692
Debtors	12	807,986	673,558
Cash at bank and in hand		123	1,702
		2,977,047	2,665,952
CREDITORS: amounts falling due within one year	13	(1,234,014)	(1,316,763)
NET CURRENT ASSETS		1,743,033	1,349,189
TOTAL ASSETS LESS CURRENT LIABILITIES		1,822,939	1,430,765
		-	-
PROVISIONS FOR LIABILITES AND CHARGES	15	(2,409)	(7,638)
NET ASSETS		1,820,530	1,423,127
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Profit and loss account		1,810,530	1,413,127
EQUITY SHAREHOLDER'S FUNDS		1,820,530	1,423,127

Approved by the board for issue on 25 September 2018 and signed on its behalf by:

J E Fraser
Director

The notes on pages 10 to 20 form part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2017

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements of M&P Survey Equipment Limited (the "Company") for the year ended 31 December 2017 were authorised for issue by the board of directors on 25 September 2018 and the balance sheet was signed on the board's behalf by J E Fraser. M&P Survey Equipment Limited is incorporated and domiciled in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling except when otherwise stated.

The results of M&P Survey Equipment Limited are included in the consolidated financial statements of Hexagon AB which are available from Hexagon AB, PO Box 3692, SE-103 59 Stockholm, Sweden or the Company's website: www.hexagon.com

The principal accounting policies adopted by the Company are set out in note 2.

2. ACCOUNTING POLICIES

2 1. Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 *Financial Instruments: Disclosures*,
(b) the requirements of paragraphs 91 – 99 of IFRS 13 *Fair Value Measurement*,
(c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    (i) paragraph 79(a)(iv) of IAS1;
    (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*,
(d) the requirements of paragraphs 10(d), 10(f), 40(a) – 40(d), 111 and 134-136 of IAS 1 *Presentation of Financial Statements*,
(e) the requirements of IAS 7 *Statement of Cash Flows*,
(f) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Estimates and Errors*,
(g) the requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures*, and
(h) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2 2. Judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgement (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements:

2 Accounting Policies (continued)

2 2. Judgements and key sources of estimation and uncertainty (continued)

Operating lease commitments

The Company enters into lease agreements as a lessee for property, plant and equipment. The classification of such leases as operating or finance leases requires the Company to determine, based on evaluations of the arrangements, whether it acquires the significant risks and rewards of ownership and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

2 3. Significant Accounting Policies

Tangible fixed assets

The cost of fixed assets is the purchase cost, plus directly attributable costs. Fixed assets are stated at their historic purchase price less accumulated depreciation and accumulated impairment loss. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Freehold property	2% per annum
Plant and machinery	20% per annum
Fixtures and fittings	10% per annum
Motor vehicles	25% per annum
Computer equipment	15% and 33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of significant change since the last reporting date. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost, including freight and duty where applicable, and net realisable value.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Accounting Policies (continued)

2.3 Significant Accounting Policies (continued)

Foreign currency translation

The Company's financial statements are presented in Sterling, which is also the Company's functional currency.

Foreign currency transactions during the year are translated into Sterling at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities at the year-end are translated at the rates ruling at the balance sheet date and all differences are taken to the profit and loss account.

Trade and other debtors

Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Financial instruments

i) Financial assets and liabilities

Initial Recognition and Measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, and trade and other receivables.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost, less any impairment. Losses arising from impairment are recognised in the profit and loss statement under other operating charges.

Initial Recognition and Measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable costs.

2. Accounting Policies (continued)

2.3 Significant Accounting Policies (continued)

i) Financial assets and liabilities (continued)

Loans
Loans are initially recognised at the fair value of the proceeds, net of related transaction costs. These transaction costs, and any discount or premium on issue, are subsequently amortised under the effective interest rate method through the income statement as interest over the life of the loan, and added to the liability disclosed in the balance sheet. Related accrued interest is included in the borrowings figure.

Loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

ii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

iii) Fair values

The fair value of financial instruments not traded in active market is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Leased and hired assets

Costs of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension contributions

Contributions to a defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, or receivable, excluding discounts, rebates and VAT. The following criteria are also met before revenue is recognised:

Sales of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on that party's receipt of the goods and, where installation of goods is required, where that installation is complete.

2. Accounting Policies (continued)

2.3 Significant Accounting Policies (continued)

Recognition for maintenance contracts
Revenue associated with maintenance contracts is recognised over the period of such contracts according to the Company's partial performance of its obligations. The amount of revenue recognised at a balance sheet date reflects the extent of completion of those contracts.

Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3. TURNOVER

Turnover recognised in the income statement is analysed as follows:

	2017 £'000	2016 £'000
Sale and installation of goods	1,799,940	1,738,058
Rendering of after-sales services	279,705	338,498
Rental of goods	2,198,070	1,947,286
	4,277,715	4,023,842

All turnover originated in the United Kingdom. Turnover by destination was principally within the United Kingdom.

4. OPERATING PROFIT

This is stated after charging/(crediting):

	Note	2017 £'000	2016 £'000
Stocks recognised as an expense (included in cost of sales)		1,987,945	1,177,694
Gain on disposal of fixed assets		-	(90,642)
Staff costs	5	617,026	965,813
Depreciation of tangible fixed assets	10	38,472	37,170
Operating lease rentals			
- plant and equipment		35,329	42,822
- land and buildings		37,500	25,000
Auditors' remuneration			
- audit services		5,500	5,000

5. STAFF COSTS

	2017 £	2016 £
Wages and salaries	557,843	690,505
Social security costs	54,019	78,693
Other pension costs	5,164	196,615
	617,026	965,813

The average monthly number of employees during the period was as follows:

	2017 Number	2016 Number
Marketing, selling, technical service and support	16	16
General and administration	3	3
	19	19

6. DIRECTORS' EMOLUMENTS

	2017 £	2016 £
Total emoluments	-	2,688
Total company contributions to pension scheme	-	194,800

In 2016 two directors received remuneration from the Company in respect of their role as a director. Other directors were paid by other group companies because their duties were principally in respect of those companies.

In 2016 retirement benefits for two directors have accrued in the Company's pension scheme to which the Company contributes.

In 2016 freehold property was disposed of during the year to a pension trust, which L Poole and C A Poole, previous directors and former ultimate owners of the Company, are beneficiaries. Proceeds of the sale included an in specie pension contribution of £188,740 which has been charged to the profit and loss account in that year.

7. INTEREST RECEIVABLE

	2017 £	2016 £
Other interest receivable	1,661	-
	1,661	-

8. INTEREST PAYABLE

	2017 £	2016 £
Other interest payable	5,685	5,768
	5,685	5,768

9. TAXATION

a) Tax charged in the income statement

	2017 £	2016 £
Current tax:		
UK corporation tax on profits for the year	100,532	45,073
Total current income tax	100,532	45,073
Deferred tax:		
Original and reversal of temporary differences	(5,229)	(4,776)
Total deferred tax in the income statement	(5,229)	(4,776)
Tax on profit on ordinary activities	95,303	40,297

Notes to the Financial Statements for the Year Ended 31 December 2017

b) Reconciliation of total tax charge

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK (19.25%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	492,706	283,938
Profit on ordinary activities multiplied by the standard rate of corporation Tax in the UK of 19.25% (2016: 20%)	94,846	56,788
Effects of:		
Expenses not deductible for tax purposes	264	573
Difference between depreciation and capital allowances	5,422	5,841
Origination and reversal of timing differences	(5,229)	(4,776)
(Profit)/loss on disposal of fixed assets	-	(18,129)
Total tax expense reported in the profit and loss account	95,303	40,297

c) Change in corporation tax rate

The UK Corporation tax rate was reduced from 20% to 19% effective 1 April 2017.

d) Deferred tax

The deferred tax included in the balance sheet is as follows:

The deferred tax liability can be analysed as follows:

	2017 £	2016 £
Capital allowances	2,409	7,638
	2,409	7,638

Reconciliation of the year's change in deferred tax liability

Opening balance	7,638	12,414
Movement on other temporary differences	(5,229)	(4,776)
Closing balance	2,409	7,638

Deferred tax in the profit and loss account

	2017 £	2016 £
Accelerated capital allowances	(5,229)	(4,776)
Deferred tax (credit)/expense	(5,229)	(4,776)

Notes to the Financial Statements for the Year Ended 31 December 2017

10. TANGIBLE FIXED ASSETS

	Property improve-ments	Plant and machinery	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2017	18,448	43,542	47,506	63,559	56,723	229,778
Additions	5,450	-	-	6,720	25,465	37,635
Disposals	-	-	-	-	(14,363)	(14,363)
At 31 December 2017	23898	43542	47,506	70279	67,825	253,050
Depreciation:						
At 1 January 2017	970	26,523	28,735	52,456	39,518	148,202
Charge for the year	2,654	5034	3,175	7527	20,082	38,472
Disposals	-	-	-	-	(13,530)	(13,530)
At 31 December 2017	3,624	31,557	31,910	59,983	46,070	173,144
Net book value:						
At 31 December 2017	20,274	11,985	15,596	10,296	21,755	79,906
At 1 January 2017	17,478	17,019	18,771	11,103	17,205	81,576

11. STOCKS

	2017	2016
	£	£
Goods for resale	2,125,966	1,945,396
Service stock	40,947	42,549
Work in progress	2,026	2,747
	2,168,939	1,990,692

12. DEBTORS

	2017	2016
	£	£
Trade debtors	744,967	626,405
Amounts owed by fellow subsidiary undertakings	24,361	1,200
Other debtors	38,658	45,953
	807,986	673,558

Notes to the Financial Statements for the Year Ended 31 December 2017

13. CREDITORS: amounts falling due within one year

	2017 £	2016 £
Trade creditors	111,422	110,432
Amounts owed to parent undertakings	611,729	518,868
Amounts owed to fellow subsidiary undertakings	290,627	565,598
Taxation and social security	100,941	63,011
Other creditors	119,295	58,854
	1,234,014	1,316,763

The amounts owed by group undertakings include amounts related to group cash pooling arrangements.

14. SECURED DEBTS

	2017 £	2016 £
Stocking loans	-	20,244
	-	20,244

The amounts are included within other creditors and were secured over stocks on hand.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Tax £	Total Provision £
At 1 January 2017:		
Current	-	-
Non-current	7,638	12,414
Credited to the profit and loss account	(5,229)	(4,776)
At 31 December 2017:		
Current	-	-
Non-current	2,409	7,368

16. SHARE CAPITAL

	2017 £	2016 £
Allotted and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

17. OBLIGATIONS UNDER OPERATING LEASES

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2017 £	2016 £
Within one year	65,704	66,361
From two to five years	164,750	184,639
Over five years	31,250	68,750
	261,704	319,750

Lease periods following the effective dates of break clauses are included to the extent that it is likely that such break clauses will be exercised.

18. ULTIMATE HOLDING COMPANY

Siben Holdings Limited was the ultimate parent company up to 2 March 2016. As from this date, the director regards Hexagon AB as the ultimate holding company and controlling party. Hexagon AB is also the parent undertaking of the largest and smallest group of which the Company is a member and for which group financial statements are prepared. Copies of the reports and financial statements can be obtained from Hexagon AB, PO Box 3692, SE-103 59 Stockholm, Sweden or the Company's website: www.hexagon.com

The immediate parent undertaking previously was Siben Holdings Limited, a company incorporated in the United Kingdom. On 27 April 2017, Siben Holdings Limited was liquidated and shares in the Company transferred to Leica Geosystems AG, a company incorporated in Switzerland, and which was the immediate parent undertaking at the balance sheet date.

19. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries and its 100% parent company.

Balances with related parties have been disclosed within notes 12 and 13.

All transactions were made on an arm's length basis at full market value.