Company Registration No. 03710607

PENTAIR THERMAL MANAGEMENT UK LIMITED

Report and Financial Statements

For the year ended 31 December 2014

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PENTAIR THERMAL MANAGEMENT UK LTD

2014 REPORT AND FINANCIAL STATEMENTS

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PENTAIR THERMAL MANAGEMENT UK LIMITED

2014 REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Lemmens
T Toffolo
M Boardman

SECRETARY

S Grundy

REGISTERED OFFICE

Victoria Road
Leeds
LS11 5UG

BANKERS

Barclays Bank PLC
PO Box 729
I Capability Green
Luton
LU1 3US

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds

PENTAIR THERMAL MANAGEMENT UK LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The company is involved in the project design, material supply and project execution for major oil and petrochemical developments both in the UK and the rest of the world. The company also designs, manufactures, markets and sells an extensive range of systems and products. These range from heating and wiring cables, self-regulating heating cables, leak detection cables, measurement and monitoring systems and related products, and are sold to the Building, Infrastructure, Industrial, Nuclear, Aerospace and Power Generation markets worldwide.

BUSINESS REVIEW

On 3 June 2014 Pentair Limited, the ultimate parent company as at 31 December 2013 and registered in Switzerland, merged into Pentair plc, registered in the Republic of Ireland. Pentair Limited was removed from the Swiss commercial register as a result of the cross border merger in accordance with a merger agreement between the entities. Pentair plc became the ultimate parent company and controlling party from that date.

The company experienced an upturn in activity during the year, resulting in turnover for the year of £17.1m (2013: £15.9m), predominately due to export sales into the European markets where turnover of £2.1m were achieved (2013: £0.7m).

The company continues to benefit from its presence in global markets and a diverse range of high quality market leading branded products.

The operating profit for the year was £0.9m (2013: £1.7m). The reduction in operating profit despite an increase in turnover is due primarily to an increase in raw material and consumable costs during the year due to an unfavourable foreign exchange mix.

The company retains a strong balance sheet and has enjoyed a good cash flow performance during the year. The company continues to be cash positive.

During the year the net assets decreased from £15.9m to £12.6m with the movement being the dividend paid in the year of £4.0m (2013: £nil) partially offset by the retained profit that was transferred to reserves during the year.

The Pentair plc group manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Thermal Management division of Pentair plc, which includes the company, is discussed in the group's Annual Report which does not form part of this Report.

Taking account of the satisfactory performance in the year and the future outlook, as outlined in the going concern discussion below, the directors consider the prospects of the business to be reasonable.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Credit risk

The company's principal financial assets are bank balances and cash, and trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Cash flow risk

The company's sales are either in Sterling, USD or Euros so it has exposure to movements in foreign exchange rates.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The company is financed by interest bearing loans from its parent and has no third party debt. There is no third party interest rate exposure.

GOING CONCERN

The directors have undertaken a full and detailed review on the future financial position of the company, covering a period of at least 12 months from the date of approval of the financial statements. The review undertaken by the directors considered the company's future performance in the very competitive markets in which the company operates and the continuing uncertainties in the global economy despite the recent upturn experienced in some key markets.

Positive cash flows continued to be generated during the year on its own account. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors have given their consideration to any risk that this may represent to the company's ability to access funds on demand. Based on the current position of the group cash pool the directors do not consider this a risk. Further profits and positive cash flows have continued to be generated since the balance sheet date.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern or its ability to continue with the current banking arrangements.

The directors have considered the company's forecast performance and the current balance sheet and have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. On this basis the directors continue to adopt the gong concern basis of accounting in preparing the financial statements.

Approved by the Board of Directors and signed on its behalf by:

Sylvain Lemmens
Director
31 July 2015

PENTAIR THERMAL MANAGEMENT UK LIMITED

DIRECTORS' REPORT

The directors present their report on the affairs of the company, together with the audited financial statements for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The company's profit for the year ended 31 December 2014 was £722,000 (2013: £1,189,000). The company paid a dividend of £4,000,000 during the year (2013: £nil). The directors do not recommend the payment of a further dividend (2013: £nil).

DIRECTORS INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

SUPPLIER PAYMENT POLICY

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the company at 31 December 2014 were equivalent to 56 (2013: 35) days' purchases, based on the average daily amount invoiced by suppliers during the year.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group and the company that the training, career development and promotion of disabled persons will, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through quarterly formal meetings, informal departmental meeting, company electronic magazines and websites. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. In addition, all eligible employees are entitled to participate in an annual bonus scheme which is determined, amongst other factors, by the overall profitability of the company.

DIRECTORS AND THEIR INTEREST

The directors who served during the year and up to the date of this report were as follows:

S Lemmens	
C Vermeulen	(resigned 11 August 2014)
A Hampton	(resigned 30 April 2015)
C Olin	(resigned 8 October 2014)
T Toffolo	
M Boardman	

No director has a beneficial interest in the shares of the company or other subsidiaries of the ultimate parent company and no contracts exists other than service agreements with the company or other subsidiaries of the ultimate parent company in which the directors have an interest.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) each of the directors has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

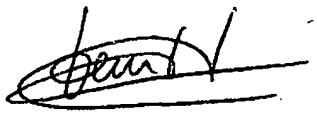
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

DIRECTORS' REPORT

AUDITOR (CONTINUED)

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Sylvain Lemmens
Director
31 July 2015

PENTAIR THERMAL MANAGEMENT UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENTAIR THERMAL MANAGEMENT UK LIMITED

We have audited the financial statements of Pentair Thermal Management UK Limited for the year ended 31 December 2014, which comprise of the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Opinion on 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and 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.



Christopher Powell F.C.A. (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
31 July 2015

PENTAIR THERMAL MANAGEMENT UK LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
TURNOVER	2	17,085	15,907
Net operating expenses	4	(16,159)	(14,230)
OPERATING PROFIT	5	926	1,677
Net interest receivable/(payable)	6	13	(26)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		939	1,651
Tax on profit ordinary activities	7	(217)	(462)
PROFIT FOR THE YEAR	14	722	1,189

The company has no recognised gains or losses in either year other than the results shown above, and therefore no separate statement of total recognised gains and losses has been presented.

All results derive from continuing operations.

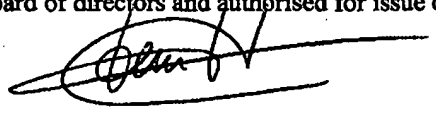
The accompanying notes are an integral part of this profit and loss account.

PENTAIR THERMAL MANAGEMENT UK LIMITED

BALANCE SHEET
As at 31 December 2014

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Tangible assets	8	292	329
CURRENT ASSETS			
Stock	9	336	382
Debtors	10	15,870	22,757
Cash at bank and in hand		78	79
		16,284	23,218
CREDITORS: Amounts falling due within one year	11	(3,962)	(7,655)
NET CURRENT ASSETS		12,322	15,563
NET ASSETS		12,614	15,892
CAPITAL AND RESERVES			
Called-up share capital	13	9,924	9,924
Profit and loss account	14	2,606	5,884
Share option reserve	14	84	84
SHAREHOLDER'S FUNDS	15	12,614	15,892

The financial statements of Pentair Thermal Management UK Limited, company number 03710607, were approved by the board of directors and authorised for issue on 31 July 2015 and signed on its behalf by:



Sylvain Lemmens
Director

The accompanying notes are an integral part of this balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies adopted are described below. They have all been applied consistently throughout the current year and preceding year.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Pentair plc and is included in the consolidated financial statements of Pentair plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Pentair plc group or investees of the Pentair plc group.

Going concern

The directors have undertaken a full and detailed review on the future financial position of the company, covering a period of at least 12 months from the date of approval of the financial statements. Full details of the review are shown in the Strategic Report.

The directors are of the opinion, based on the review they have undertaken, that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, or if hedged, at the forward contract rate.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All gains and losses arising are charged directly to the profit and loss account.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, together with any incidental expenses of acquisition, less accumulated depreciation and provision for impairment. Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful life, as follows:

Asset class	Depreciation method and rate
Plant and machinery	between 5% and 33% straight line
Computer equipment	between 20% and 33% straight line
Fixtures and Fittings	between 10% and 20% straight line

Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease terms.

Stocks

Stocks are valued on a first-in first-out basis at the lower of cost and net realisable value. Costs include all appropriate production overheads in bringing each product to its present location and condition. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability or the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Share based payments

Pentair plc ("the group") issues equity-settled and cash-settled share based payments to certain employees The company has applied the requirements of FRS 20 "Share based payments" in accounting for its share based payments. In both the current year and prior period the share based payments are not material and the directors have determined that no further disclosures in relation to share based payments are necessary.

Equity-settled share based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on managements' best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the goods and services received is recognised at the current fair value determined at each balance sheet date for cash-settled share based payments.

Turnover

Turnover is recognised at the point that the goods sold arrive with the customer or when the risks and rewards of ownership are transferred as determined by the specific incoterms on each sale. Revenue is stated net of value added tax and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

Pension scheme arrangements

The company operates a defined contribution scheme. Pension contributions for this scheme are charged to profit and loss account as incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

2. TURNOVER

Turnover which is stated net of value added tax, represents amounts invoiced to third parties. The turnover is attributable to one continuing activity, as explained in the directors' report.

The split of turnover by geographical market is as follows:

	2014 £'000	2013 £'000
United Kingdom	12,588	12,189
Rest of Europe	2,141	747
North and South America	252	369
Middle East and India	2,035	2,034
Asia and Australia	68	140
Africa	1	428
	17,085	15,907

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The emoluments of the directors were as follows:

	2014 £'000	2013 £'000
Aggregate emoluments and benefits	75	76
Pension contributions	4	4
	79	80

Only one of the directors received emoluments from the company for services provided as a director of the company. The emoluments of the other directors, in both the current year and prior period, are paid by other group entities located outside the United Kingdom. The company does not receive recharges for these directors as it is not possible to make an accurate apportionment of their emoluments in respect of services to the company.

	2014 No.	2013 No.
Average number of persons employed		
Production	8	8
Selling and distribution and administration	58	59
	66	67

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

Staff costs during the period (including directors)	2014 £'000	2013 £'000
Wages and salaries	2,998	3,084
Social security costs	320	342
Redundancy	169	47
Other pension costs	205	217
	3,692	3,690

4. NET OPERATING EXPENSES

	2014 £'000	2013 £'000
Change in stocks of finished goods and work in progress	46	19
Raw materials and consumables	11,410	9,725
Other external charges	55	128
Staff costs (note 3)	3,692	3,690
Depreciation of tangible fixed assets	41	58
Other operating charges	915	610
	16,159	14,230

5. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014 £'000	2013 £'000
Deprecation of owned tangible fixed assets	41	58
Operating lease rentals:		
- Land and buildings	83	80
- Plant and machinery	23	33
Foreign exchange (gains)/losses	(29)	29

5. OPERATING PROFIT (CONTINUED)

The analysis of auditor's remuneration is as follows:

	2014 £'000	2013 £'000
Fees payable to the company's auditor for the audit of the company's financial statements	35	35
Fees payable to the company's auditor for the US GAAP audit of the company's financial statements	45	-
Total audit fees	80	35

6. NET INTEREST (RECEIVABLE)/PAYABLE

	2014 £'000	2013 £'000
Interest receivable on group cash pool	(36)	(56)
Interest payable on loan from a group company	23	82
Net interest (receivable)/payable	(13)	26

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
Current tax		
Total current tax	232	429
Deferred tax		
Total deferred tax (note 12)	(15)	33
Tax on profit on ordinary activities	217	462

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The differences between the total current tax shown above and the amount calculated by applying the average standard rate of UK corporation tax to the profit before tax is as follows:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	939	1,651
Tax on profit on ordinary activities at average standard UK corporation tax rate of 21.49% (2013: 23.25%)	202	384
Effects of:		
Expenses not deductible for tax purposes	9	2
Accelerated capital allowances and other timing differences	21	(23)
Double taxation relief	-	(95)
Adjustments in respect of previous periods	-	161
Total current tax	232	429

Factors that may affect future tax charges

A number of changes to the UK Corporation Tax system were announced in the March 2013 Budget Statement.

The Finance Act 2013 enacted on 17 July 2013 included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and a further reduction from 21% to 20% from 1 April 2015.

8. TANGIBLE FIXED ASSETS

Cost	Plant and machinery £'000	Computer equipment £'000	Fixtures and Fittings £'000	Total £'000
At 1 January 2014	846	32	313	1,191
Additions	-	4	-	4
31 December 2014	846	36	313	1,195
Depreciation				
At 1 January 2013	529	24	309	862
Charge for year	36	4	1	41
31 December 2014	565	28	310	903
Net book value				
At 31 December 2014	281	8	3	292
At 31 December 2013	317	8	4	329

9. STOCKS

	2014 £'000	2013 £'000
Raw materials and consumables	130	133
Work in progress	52	-
Finished goods	154	249
	336	382

In the opinion of the directors there is no material difference between the balance sheet value of stocks and their replacement cost.

10. DEBTORS

Amounts falling due within one year:	2014 £'000	2013 £'000
Trade debtors	3,058	2,951
Amounts recoverable on contracts	1,591	648
Amounts owed by fellow subsidiary undertakings	10,424	18,170
Prepayments and accrued income	679	885
Deferred tax assets (note 12)	118	103
	15,870	22,757

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade creditors	659	542
Amounts owed to fellow subsidiary undertakings	2,066	1,278
Amounts owed to parent undertaking	-	5,000
Other taxation and social security	373	417
Accruals	511	313
Other creditors including payments received on account	353	105
	3,962	7,655

The amounts owed to parent undertakings were unsecured, had no fixed repayment date and carried interest rates of 3 months GBP LIBOR + 1.0%. The loan was repaid in full during 2014.

12. DEFERRED TAX ASSET

	£'000
At 1 January 2014	103
Charged to profit and loss account	15
At 31 December 2014 (note 10)	118

	2014 £'000	2013 £'000
Deferred taxation assets provided in the financial statements comprises:		
Difference between accumulated depreciation and capital allowances	103	100
Other timing differences	15	3
	118	103

There are no unprovided deferred tax amounts in either the current year or preceding year.

13. CALLED-UP SHARE CAPITAL

	2014 £'000	2013 £'000
Authorised		
25,000,000 ordinary shares of £1 each (2013: 25,000,000)	25,000	25,000
Called-up, allotted and fully paid		
9,924,000 ordinary shares of £1 each (2013: 9,924,000)	9,924	9,924

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

14. RESERVES

	Share option reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	84	5,884	5,968
Profit for the financial year	-	722	722
Dividend paid	-	(4,000)	(4,000)
At 31 December 2014	84	2,606	2,690

The company paid a dividend of 40.3p per ordinary share during the year (2013: £nil).

15. RECONCILATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £'000	2013 £'000
Opening shareholder's funds	15,892	14,703
Profit for the year	722	1,189
Dividends paid	(4,000)	-
Closing shareholder's funds	12,614	15,892

16. FINANCIAL COMMITMENTS

Operating leases

At 31 December 2014 the company had the following annual commitments under non-cancellable operating leases expiring as follows:

	2014		2013	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Within one year	-	50	-	17
Between two and five years	80	17	-	7
After five years	-	-	80	-
	80	67	80	24

17. PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The total pension costs for the year were £205,000 (2013: £217,000).

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties that are other wholly owned companies in the same group.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

19. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Pentair SSC UK Limited (formerly Pentair Flow Control (UK) Limited), a company registered in England. Copies of the financial statements of Pentair SSC UK Limited are available from Companies House, Crown Way, Cardiff, CR4 3UZ.

The ultimate parent company and controlling party at the date of signing the financial statements is Pentair plc, a company incorporated in Republic of Ireland. This is the only group for which consolidated financial statements are prepared for the year ended 31 December 2014. Copies of the consolidated financial statements may be obtained from the Company Secretary, Pentair plc, PO Box 471, Sharp Street, Walkden, Manchester, M28 8BU.