

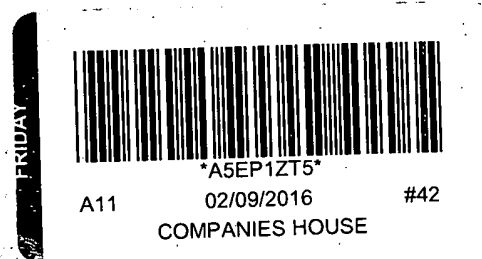
Registration number: 01032313

# WIK A Instruments Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

Rödl & Partner Limited  
170 Edmund Street  
Birmingham  
B3 2HB



## **WIKA Instruments Limited**

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## **WIKA Instruments Limited**

### **Company Information**

<b>Directors</b>	Mr D H Phillips Mr A K Wiegand
<b>Company secretary</b>	Mr D H Phillips
<b>Registered office</b>	4 Gatton Park Business Centre Wells Place Merstham Redhill Surrey RH1 3LG
<b>Auditors</b>	Rödl & Partner Limited 170 Edmund Street Birmingham B3 2HB

## WIKA Instruments Limited

### Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

#### Principal activity

The principal activity of the Company is to manage and develop WIKA's pressure, temperature, level and flow instrument business in the UK and Ireland. The company also manufactures the globally recognised ASL brand of temperature calibration instruments and the TC Fluid Control brand of level instruments

#### Fair review of the business

2015 was a difficult year as up to 40% of our business is related in some way to the Oil and Gas industry. This was particularly the case in our Process Industry, Level and Calibration Divisions. The decline in top line sales can be solely attributed to this. As a contrast, our Industrial Instruments Division performed very well and exceeded its top line sales target. Our main customers are original equipment manufacturers and whilst some of those had challenges in their export markets due to the strength of Sterling, on a whole they performed very well.

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2015	2014
Turnover	£	29,274,287	33,324,443
Gross profit margin	%	34	34
Profit before tax	£	1,919,168	621,827
Profit before tax as a percentage of turnover	%	7	2

#### Customers

The Company once again undertook a customer survey and we were very encouraged to see our performance was rated as improved compared to the results of the previous year. These results are published on our website together with the action plan for the coming year.

#### Employees

Our staff remain our most important asset and we also survey them annually. Once again in 2015, the results of the survey were a further improvement on the high scores of 2014 which is encouraging. The Company continues to take real action on any issues raised as there is no room for complacency.

Approved by the Board on 04.03.16. and signed on its behalf by:

  
.....  
Mr D. H. Phillips  
Director

## **WIKI Instruments Limited**

### **Directors' Report for the Year Ended 31 December 2015**

The Directors present their report and the financial statements for the year ended 31 December 2015.

#### **Directors of the Company**

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

Mr D H Phillips

Mr A K Wiegand

#### **Financial instruments**

#### ***Objectives and policies***

The Company's cash position remains strong and there is no need for the Company to seek external credit facilities to fulfil its investment plans for the future.

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

The business would be somewhat exposed to large fluctuations in exchange rate, particularly Sterling vs Euro and US dollar, but this is managed to some extent by our business conducting over 50% of its sales in these currencies.

Intercompany transfer pricing is calculated 'at arms length' and is fixed for the year.

The business has some exposure to bad debt risk but the company's historic performance and management of this risk has been more than satisfactory. Credit is tightly controlled and the potential credit risk of our customers is constantly monitored.

Liquidity is managed by not needing to service debt and conducting business at margins which generate cash.

Cash flow risk is managed through tight control of managing the business against a realistic budget. Cash flow forecasts are prepared and constantly monitored.

#### **Future developments**

With acquisitions successfully integrated, the cost base is under control and the gross profit stable; we budget for a modest growth in sales in what we believe will be a challenging business environment. We have customers whose investment plans will be sensitive to the oil price and others who need the business conditions in Europe to be favourable.

#### **Disclosure of information to the auditors**

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

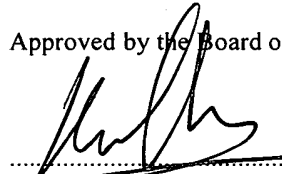
## **WIKA Instruments Limited**

### **Directors' Report for the Year Ended 31 December 2015**

#### **Reappointment of auditors**

The auditors Rödl & Partner Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 04.03.16 and signed on its behalf by:



.....  
Mr D H Phillips  
Director

## **WIKI Instruments Limited**

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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.

## **WIKA Instruments Limited**

### **Independent Auditor's Report**

We have audited the financial statements of WIKA Instruments Limited for the year ended 31 December 2015, set out on pages 8 to 28. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



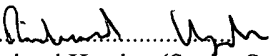
## **WIKA Instruments Limited**

### **Independent Auditor's Report**

#### **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

..........

Richard Haydon (Senior Statutory Auditor)

For and on behalf of Rödl & Partner Limited, Statutory Auditor

170 Edmund Street  
Birmingham  
B3 2HB

Date: 04/03/2016

# WIKA Instruments Limited

## Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	29,274,287	33,324,443
Cost of sales		<u>(19,218,212)</u>	<u>(21,880,081)</u>
Gross profit		10,056,075	11,444,362
Administrative expenses		(8,213,041)	(8,652,082)
Other operating income		<u>139,024</u>	<u>145,604</u>
Operating profit	4	<u>1,982,058</u>	<u>2,937,884</u>
Other interest receivable and similar income	5	5,913	2,163,943
Amounts written off investments		-	(4,424,796)
Interest payable and similar charges	6	<u>(68,803)</u>	<u>(55,204)</u>
		<u>(62,890)</u>	<u>(2,316,057)</u>
Profit before tax		1,919,168	621,827
Taxation	10	<u>(447,035)</u>	<u>(777,234)</u>
Profit/(loss) for the financial year		<u><u>1,472,133</u></u>	<u><u>(155,407)</u></u>

The above results were derived from continuing operations.

# **WIKA Instruments Limited**

## **Statement of Comprehensive Income for the Year Ended 31 December 2015**

	Note	2015 £	2014 £
Profit/(loss) for the year		<u>1,472,133</u>	<u>(155,407)</u>
Remeasurement gain/loss on defined benefit pension schemes		1,386,000	(1,373,000)
Current tax on actuarial loss recognised on defined benefit pension scheme		-	34,800
Deferred tax on remeasurement gain/loss on defined benefit pension schemes		<u>(263,340)</u>	<u>279,800</u>
		<u>1,122,660</u>	<u>(1,058,400)</u>
Total comprehensive income for the year		<u><u>2,594,793</u></u>	<u><u>(1,213,807)</u></u>

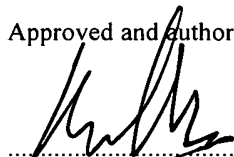
The notes on pages 12 to 28 form an integral part of these financial statements.

# WIKA Instruments Limited

(Registration number: 01032313)  
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	11	1,294,532	1,499,813
Tangible assets	12	1,276,745	1,347,884
Investments	13	<u>13</u>	<u>9,925</u>
		<u>2,571,290</u>	<u>2,857,622</u>
<b>Current assets</b>			
Stocks	14	1,432,531	2,292,788
Debtors	15	7,616,484	8,139,617
Cash at bank and in hand	16	<u>2,539,349</u>	<u>2,795,505</u>
		11,588,364	13,227,910
<b>Creditors: Amounts falling due within one year</b>	17	<u>(3,222,877)</u>	<u>(4,266,118)</u>
Net current assets		<u>8,365,487</u>	<u>8,961,792</u>
Total assets less current liabilities		10,936,777	11,819,414
Provisions for liabilities	18	<u>(163,596)</u>	<u>(152,976)</u>
Net assets excluding pension asset/(liability)		10,773,181	11,666,438
Net pension liability	19	<u>(319,950)</u>	<u>(1,808,000)</u>
<b>Net assets</b>		<u><u>10,453,231</u></u>	<u><u>9,858,438</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	100,000	100,000
Profit and loss account		<u>10,353,231</u>	<u>9,758,438</u>
Total equity		<u><u>10,453,231</u></u>	<u><u>9,858,438</u></u>

Approved and authorised by the Board on 04-03-16 and signed on its behalf by:



Mr. D. H. Phillips  
Director

# **WIKA Instruments Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2015**

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2015	100,000	9,758,438	9,858,438
Profit for the year	-	1,472,133	1,472,133
Other comprehensive income	-	1,122,660	1,122,660
Total comprehensive income	-	2,594,793	2,594,793
Dividends	-	(2,000,000)	(2,000,000)
At 31 December 2015	100,000	10,353,231	10,453,231

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2014	100,000	12,389,023	12,489,023
Loss for the year	-	(155,407)	(155,407)
Other comprehensive income	-	(1,058,400)	(1,058,400)
Total comprehensive income	-	(1,213,807)	(1,213,807)
Dividends	-	(1,416,778)	(1,416,778)
At 31 December 2014	100,000	9,758,438	9,858,438

## **WIKA Instruments Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 General information**

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

The address of its registered office is:

4 Gatton Park Business Centre

Wells Place

Merstham

Redhill

Surrey

RH1 3LG

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

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

##### **Basis of preparation**

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

The presentation currency of these financial statements is Sterling. All amounts have been rounded to the nearest £1.

##### **Summary of disclosure exemptions**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying subsidiary under FRS102 paragraph 1;
- (ii) from disclosing transactions with entities that are part of the WIKA Alexander Wiegand group in accordance with FRS102 paragraph 33.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of WIKA Alexander Wiegand Beteiligungs und Verwaltungs GmbH & Co. KG.

The financial statements of WIKA Alexander Wiegand Beteiligungs und Verwaltungs GmbH & Co. KG may be obtained from Handelsregister, Germany.

##### **Group accounts not prepared**

The company is not required to prepare consolidated accounts on the basis that the inclusion of its subsidiaries are not material for the purpose of giving a true and fair view. Accordingly, these financial statements present information about the company on an individual basis.

## WIKI Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 2 Accounting policies (continued)

##### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

##### Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

##### Tax

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

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

##### Tangible assets

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

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

##### Depreciation

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

Asset class	Depreciation method and rate
Leasehold land and buildings	Straight line over the period of the lease
Plant and machinery	25% straight line on cost
Fixtures and fittings	25% straight line on cost
Motor vehicles	25% straight line on cost
Office equipment	25% straight line on cost

## WIKI Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 2 Accounting policies (continued)

##### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

##### Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10 years straight line

##### Investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

##### Cash and cash equivalents

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

##### Trade debtors

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

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

##### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.



## **WIKI Instruments Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **2 Accounting policies (continued)**

##### **Trade creditors**

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

##### **Research and development**

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

##### **Leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

##### **Share capital**

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

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

##### **Defined benefit pension obligation**

The company operates a defined benefit pension scheme for employees.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method.

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet.

The deferred tax relating to a defined benefit liability is offset against the defined benefit liability and not included with other deferred tax assets or liabilities.

##### **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 of 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.

## WIKA Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Sale of goods	<u>29,274,287</u>	<u>33,324,443</u>

The analysis of the company's turnover for the year by class of business is as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Pressure	20,405,429	22,419,861
Temperature	2,873,648	2,605,605
Other	5,995,210	8,298,977
	<u>29,274,287</u>	<u>33,324,443</u>

The analysis of the company's turnover for the year by market is as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
UK	18,064,600	20,307,321
Europe	4,864,275	5,699,750
Rest of world	6,345,412	7,317,372
	<u>29,274,287</u>	<u>33,324,443</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Depreciation expense	354,543	315,935
Amortisation expense	205,281	225,786
Foreign exchange gains	(14,380)	(42,414)
Operating lease expense - property	350,117	368,712
Operating lease expense - plant and machinery	167,042	181,679
Profit on disposal of property, plant and equipment	-	(102)
Loss on disposal of intangible assets	-	397,455
Loss on disposal of investments	<u>9,912</u>	<u>-</u>

# WIKA Instruments Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 5 Other interest receivable and similar income

	2015 £	2014 £
Interest income on bank deposits	5,913	5,785
Dividend income	-	2,158,158
	<u>5,913</u>	<u>2,163,943</u>

### 6 Interest payable and similar charges

	2015 £	2014 £
Interest on bank overdrafts and borrowings	803	3,204
Other finance costs	68,000	52,000
	<u>68,803</u>	<u>55,204</u>

### 7 Staff costs

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

	2015 £	2014 £
Wages and salaries	4,113,443	4,415,428
Social security costs	484,296	502,800
Pension costs, defined contribution scheme	582,073	553,684
	<u>5,179,812</u>	<u>5,471,912</u>

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

	2015 No.	2014 No.
Administration and support	27	28
Sales, marketing and distribution	81	88
	<u>108</u>	<u>116</u>

## WIKI Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration (including benefits in kind)	233,956	262,339
Contributions paid to money purchase schemes	-	12,499
	<u>233,956</u>	<u>274,838</u>

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	-	1

In respect of the highest paid Director:

	2015 £	2014 £
Remuneration	233,956	262,339
Company contributions to money purchase pension schemes	-	12,499

#### 9 Auditors' remuneration

	2015 £	2014 £
Audit of the financial statements	31,000	30,000
<b>Other fees to auditors</b>		
Taxation compliance services	1,500	1,000
	<u>32,500</u>	<u>31,000</u>

## WIKI Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 10 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
<b>Current taxation</b>		
UK corporation tax	332,495	642,515
UK corporation tax adjustment to prior periods	<u>(9,690)</u>	<u>(169,189)</u>
	322,805	473,326
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>124,230</u>	<u>303,908</u>
Tax expense in the income statement	<u><u>447,035</u></u>	<u><u>777,234</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2014 - higher than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.49%).

The differences are reconciled below:

	2015 £	2014 £
Profit before tax	<u>1,919,168</u>	<u>621,827</u>
Corporation tax at standard rate	388,632	133,631
Amounts credited /(charged) directly to OCI or otherwise transferred	280,618	(300,689)
Effect of revenues exempt from taxation	-	(463,856)
Expenses not deductible for tax purposes	5,062	963,416
Deferred tax expense (credit) relating to changes in tax rates or laws	(9,626)	15,056
Adjustments to tax charge in respect of previous periods - current tax	(9,690)	(169,189)
Adjustments to tax charge in respect of previous periods - deferred tax	(10,579)	26,403
Effect of provision adjustments	-	(171,613)
Capital allowances for the period in excess of depreciation and amortisation	66,026	156,325
Tax increase (decrease) from other short-term timing differences	-	64,739
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(263,408)</u>	<u>523,011</u>
Total tax charge	<u><u>447,035</u></u>	<u><u>777,234</u></u>

# WIKA Instruments Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 10 Taxation (continued)

#### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2015</b>	
Accelerated capital allowances	197,905
Other short term timing differences	(34,309)
	<u>163,596</u>
<b>2014</b>	
Accelerated capital allowances	180,957
Other short term timing differences	(27,981)
	<u>152,976</u>

#### Tax relating to items recognised in other comprehensive income or equity

	2015 £	2014 £
Current tax related to items recognised as items of other comprehensive income	-	(34,800)
Deferred tax related to items recognised as items of other comprehensive income	<u>263,340</u>	<u>(279,800)</u>

### 11 Intangible assets

	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At 1 January 2015	<u>1,936,220</u>	<u>84,300</u>	<u>2,020,520</u>
At 31 December 2015	<u>1,936,220</u>	<u>84,300</u>	<u>2,020,520</u>
<b>Amortisation</b>			
At 1 January 2015	448,479	72,228	520,707
Amortisation charge	<u>193,209</u>	<u>12,072</u>	<u>205,281</u>
At 31 December 2015	<u>641,688</u>	<u>84,300</u>	<u>725,988</u>
<b>Carrying amount</b>			
At 31 December 2015	<u>1,294,532</u>	<u>-</u>	<u>1,294,532</u>
At 31 December 2014	<u>1,487,741</u>	<u>12,072</u>	<u>1,499,813</u>

# WIKI Instruments Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 12 Tangible assets

	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Plant and machinery £	Total £
<b>Cost</b>						
At 1 January 2015	1,087,424	284,375	83,094	554,160	799,240	2,808,293
Additions	<u>62,716</u>	<u>23,788</u>	<u>-</u>	<u>5,999</u>	<u>190,901</u>	<u>283,404</u>
At 31 December 2015	<u>1,150,140</u>	<u>308,163</u>	<u>83,094</u>	<u>560,159</u>	<u>990,141</u>	<u>3,091,697</u>
<b>Depreciation</b>						
At 1 January 2015	397,072	198,644	51,019	487,816	325,858	1,460,409
Charge for the year	<u>120,829</u>	<u>31,134</u>	<u>19,408</u>	<u>44,181</u>	<u>138,991</u>	<u>354,543</u>
At 31 December 2015	<u>517,901</u>	<u>229,778</u>	<u>70,427</u>	<u>531,997</u>	<u>464,849</u>	<u>1,814,952</u>
<b>Carrying amount</b>						
At 31 December 2015	<u>632,239</u>	<u>78,385</u>	<u>12,667</u>	<u>28,162</u>	<u>525,292</u>	<u>1,276,745</u>
At 31 December 2014	<u>690,352</u>	<u>85,731</u>	<u>32,075</u>	<u>66,344</u>	<u>473,382</u>	<u>1,347,884</u>

### 13 Investments held as fixed assets

	2015 £	2014 £
Investments in subsidiaries	<u>13</u>	<u>9,925</u>
<b>Subsidiaries</b>		£
<b>Cost</b>		
At 1 January 2015		9,925
Disposals		<u>(9,912)</u>
At 31 December 2015		<u>13</u>
<b>Carrying amount</b>		
At 31 December 2015		<u>13</u>
At 31 December 2014		<u>9,925</u>

## WIKA Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 13 Investments held as fixed assets (continued)

##### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2015	2014
Subsidiary undertakings				
DH-Budenberg Limited	England	Ordinary	100%	100%
TC Fluid Control Limited	England	Ordinary	100%	100%
Automatic Systems Laboratories Limited	England	Ordinary	100%	100%
Calibration Dynamics Limited	England	Ordinary	100%	100%

#### 14 Stocks

	2015	2014
	£	£
Work in progress	76,406	69,540
Finished goods and goods for resale	1,356,125	2,223,248
	<u>1,432,531</u>	<u>2,292,788</u>

The cost of stocks recognised as an expense in the year amounted to £17,507,453 (2014 - £21,067,746).

#### 15 Debtors

	Note	2015	2014
		£	£
Trade debtors		5,835,634	6,359,008
Amounts owed by related parties	23	1,550,886	1,603,680
Other debtors		2,750	6,001
Prepayments		227,214	170,928
		<u>7,616,484</u>	<u>8,139,617</u>



# WIKI Instruments Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 16 Cash and cash equivalents

	2015 £	2014 £
Cash on hand	1,230	1,522
Cash at bank	2,538,119	2,793,983
	<u>2,539,349</u>	<u>2,795,505</u>

### 17 Creditors

	Note	2015 £	2014 £
<b>Due within one year</b>			
Trade creditors		546,735	809,462
Amounts due to related parties	23	2,007,517	2,519,198
Corporation tax	10	36,139	28,524
Social security and other taxes		480,072	711,831
Other creditors		55,674	63,926
Accruals and deferred income		96,740	133,177
		<u>3,222,877</u>	<u>4,266,118</u>

### 18 Deferred tax and other provisions

	Deferred tax £
At 1 January 2015	152,976
Increase in existing provisions	<u>10,620</u>
At 31 December 2015	<u>163,596</u>

### 19 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £582,074 (2014 - £553,683).

Contributions totalling £55,674 (2014 - £63,926) were payable to the scheme at the end of the year and are included in creditors.

## WIKA Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 19 Pension and other schemes (continued)

##### Defined benefit pension schemes

##### WIKA Instruments Limited Pension Scheme

The company operates a defined benefit pension scheme in the UK. The defined benefit scheme was closed on 31 December 2004, with the exception of further lump sum employer contributions to reduce the deficit. The assets are held separately from those of the company, and have been invested with insurance companies.

The company has agreed a schedule of payments with the actuary to clear the scheme's deficit within 10 years.

In November 2014, the Electrocal Group 2002 Pension Scheme merged into the WIKA Instruments Limited Pension Scheme as part of the group reorganisation in January 2014.

The total contributions in the next year are expected to be £200,000.

The date of the most recent comprehensive actuarial valuation was 31 December 2015. The actuarial valuation was carried out by a qualified independent actuary, using the projected unit method as specified in FRS 102 paragraph 28.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £68,000 (2014 - £52,000).

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The amounts recognised in the statement of financial position are as follows:

	2015 £	2014 £
Fair value of scheme assets	5,790,000	5,129,000
Present value of defined benefit obligation	<u>(6,185,000)</u>	<u>(7,389,000)</u>
Defined benefit pension scheme deficit	<u>(395,000)</u>	<u>(2,260,000)</u>

##### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	2015 £
Present value at start of year	7,389,000
Interest cost	250,000
Actuarial gains and losses	(1,360,000)
Benefits paid	<u>(94,000)</u>
Present value at end of year	<u>6,185,000</u>

## WIKA Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 19 Pension and other schemes (continued)

##### *Fair value of scheme assets*

Changes in the fair value of scheme assets are as follows:

	2015 £
Fair value at start of year	5,129,000
Interest income	182,000
Return on plan assets, excluding amounts included in interest income/(expense)	26,000
Contributions by scheme participants	547,000
Benefits paid	(94,000)
Fair value at end of year	<u>5,790,000</u>

##### *Analysis of assets*

The major categories of scheme assets are as follows:

	2015 %	2014 %
Cash and cash equivalents	0.5	27.5
Equity instruments	66.7	71.2
Debt instruments	32.8	0.8
Property	0.0	0.5
	<u>100.0</u>	<u>100.0</u>

##### *Return on scheme assets*

	2015 £	2014 £
Return on scheme assets	<u>26,000</u>	<u>3,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

##### *Principal actuarial assumptions*

The principal actuarial assumptions at the statement of financial position date are as follows:

	2015 %	2014 %
Discount rate	3.7	3.4
Future pension increases - WIKA Section	5.0	5.0
Inflation	<u>3.1</u>	<u>3.1</u>

# WIKI Instruments Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 19 Pension and other schemes (continued)

#### Post retirement mortality assumptions

	2015 Years	2014 Years
Current UK pensioners at retirement age - male	24.0	24.0
Current UK pensioners at retirement age - female	26.0	26.0
Future UK pensioners at retirement age - male	26.0	26.0
Future UK pensioners at retirement age - female	<u>27.0</u>	<u>27.0</u>

### 20 Share capital

#### Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

### 21 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	497,028	485,569
Later than one year and not later than five years	1,013,882	1,230,725
Later than five years	<u>135,153</u>	<u>234,372</u>
	<u>1,646,063</u>	<u>1,950,666</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £517,159 (2014 - £550,391).

### 22 Dividends

	2015 £	2014 £
Interim dividend of £20.00 (2014 - £14.17) per ordinary share	<u>2,000,000</u>	<u>1,416,778</u>

The Directors are not proposing a final dividend for the year (2014 - nil).

## **WIKA Instruments Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **23 Related party transactions**

##### **Summary of transactions with related parties**

As the company is a wholly owned subsidiary of WIKA Alexander Wiegand Beteiligungs und Verwaltungs GmbH & Co. KG, the company has taken advantage of the exemption in FRS102 paragraph 33 "Related Party Disclosures" from disclosing transactions with entities that are part of the group.

#### **24 Parent and ultimate parent undertaking**

The company's immediate parent is Celbar GmbH, incorporated in Germany.

Celbar GmbH is the parent undertaking of the smallest group of which WIKA Instruments Limited is a member.

The most senior parent entity producing publicly available financial statements is WIKA Alexander Wiegand Beteiligungs und Verwaltungs GmbH & Co. KG. These financial statements are available upon request from Handelsregister, Germany.

The ultimate controlling party is WIKA Alexander Wiegand Beteiligungs und Verwaltungs GmbH & Co. KG.

## WIKA Instruments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 25 Transition to FRS 102

The company prepares its first financial statements that comply with FRS 102 for the year ended 31 December 2015. The date of transition to FRS 102 is 1 January 2014. For the company the transition to FRS 102 has not resulted in any significant changes in accounting policies compared to those used previously.

The following were changes in accounting policies arising from the transition to FRS 102:

#### Profit and Loss Account for the year ended 31 December 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		33,324,443	-	-	33,324,443
Cost of sales		<u>(21,880,081)</u>	<u>-</u>	<u>-</u>	<u>(21,880,081)</u>
Gross profit		11,444,362	-	-	11,444,362
Administrative expenses		<u>(8,652,082)</u>	<u>-</u>	<u>-</u>	<u>(8,652,082)</u>
Other operating income		<u>145,604</u>	<u>-</u>	<u>-</u>	<u>145,604</u>
Operating profit		<u>2,937,884</u>	<u>-</u>	<u>-</u>	<u>2,937,884</u>
Other interest receivable and similar income		2,163,943	-	-	2,163,943
Amounts written off investments		<u>(4,424,796)</u>	<u>-</u>	<u>-</u>	<u>(4,424,796)</u>
Interest payable and similar charges		<u>(29,204)</u>	<u>(26,000)</u>	<u>-</u>	<u>(55,204)</u>
		<u>(2,290,057)</u>	<u>(26,000)</u>	<u>-</u>	<u>(2,316,057)</u>
Profit/(loss) before tax		647,827	(26,000)	-	621,827
Taxation		<u>(777,234)</u>	<u>-</u>	<u>-</u>	<u>(777,234)</u>
Loss for the financial year		<u>(129,407)</u>	<u>(26,000)</u>	<u>-</u>	<u>(155,407)</u>

#### Reclassification of net interest on net defined pension liability

Under previous UK GAAP, the interest on the expected return on plan assets was calculated using an expected asset rate. FRS 102 requires that the net interest on the net defined benefit liability is calculated using the liability discount rate for the scheme. As such there was a decrease of £26,000 in profit arising from this adjustment which was offset by a corresponding increase in other comprehensive income.