

Amphenol Thermometrics (UK) Limited

Annual report and financial statements
for the year ended 31 December 2015

Registered number: 02310013



Amphenol Thermometrics (UK) Limited

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Amphenol Thermometrics (UK) Limited

Strategic report

Review of the business

Amphenol Thermometrics (UK) Limited manufactures, purchases and sells temperature, gas and moisture-based products worldwide. The Amphenol Thermometrics (UK) Limited business works closely with other affiliate companies in the United States, Europe and the Far East.

The results for the Company show turnover of £19.9 million (2014: £18.8 million) and a pre-tax profit of £4.3 million (2014: £4.6 million) giving a net profit margin of 21% (2014: 24%). The gas and moisture product ranges of Telaire and Protimeter, acquired in late 2013, which serve the heating and ventilation and agricultural business sectors, contributed strong sales and profitability in the period and are expected to continue to provide good returns to the Company.

Sales into Europe have been strong with the Aerospace market performing particularly well whilst the Asian markets have seen sales drop versus 2014 due to unfavourable exchange rates.

Key performance indicators

Key performance indicators (KPIs) can be found in the financial statements of Amphenol Corporation. The Company's directors believe that the disclosure of further performance indicators for the Company is not appropriate for an understanding of the development, performance or position of the business, as the group KPIs are consistent with Company KPIs.

Success will be judged by increasing the sales volume and return on sales. It is felt that these measurements are important to assess the future profitability of the Company's growth potential.

Principal risks and uncertainties

As a consequence of the business' profitability, it is cash positive and able to meet both its working capital requirements and its planned capital obligations. There is no current need for any short or long-term financing.

The United Kingdom referendum to exit the European Union has caused some volatility in the foreign exchange markets and is expected to provide beneficial conversion of European exports in the short to medium term. Where possible product pricing in foreign currencies is protected through appropriate contractual amendments. There is no hedging of currencies.

There is also a risk of commodity price fluctuation particularly in precious metals; however, the Company does not hedge these risks as the costs and volumes are not considered material.

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.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Credit risk

The Company's principal financial assets are bank balances and cash, 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

Amphenol Thermometrics (UK) Limited

Strategic report

Financial risk management objectives and policies (continued)

Credit risk (continued)

identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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

Liquidity risk

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Future developments

The Company is subject to pressure from competitors in low-cost manufacturing countries. The Company, however, enjoys the benefits of being part of Amphenol Corporation which has a number of businesses in the sensor and connector markets. Amphenol Thermometrics (UK) Limited will seek to build and develop relationships with these businesses in order to drive profitable growth with both new and existing customers.

Consistent with previous periods the Company conducts research and development on potential new products and expands the application of current technologies. During the year, the Company invested £1.2m (2014: £1.0m) in research and development.

The directors expect the general level of activity to remain consistent with 2015 in the forthcoming year. There have been no indications of any changes to customer behaviour as a consequence of the referendum to leave the European Union.



Craig Lampo

Director

September 7, 2016

100 New Bridge Street

London

EC4V 6JA

Amphenol Thermometrics (UK) Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2015.

Research and development

During 2015 the Company continued to develop its product ranges using its local resources and those of other affiliated companies in the Amphenol Sensors and Technology Group. Research and development expenditure of £1,194,000 (PY: £989,000) was incurred during the year.

Future developments and financial risk management

Details of future developments and financial risk management can be found in the Strategic Report on page 1 and form part of this report by cross-reference.

Going concern

The financial statements have been prepared on a going concern basis. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report above.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to continue to generate operating profits and cash.

The directors have a reasonable expectation 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

Dividends

The directors recommend no dividend to be paid to ordinary shareholders for the year (2014: £nil).

Directors

The directors, who served throughout the year and subsequently, except as noted, were as follows:

J Treanor

R A Norwitt

D G Reardon (resigned 1 July 2015)

C Lampo (appointed 1 July 2015)

Directors' indemnities

The Company has not made any qualifying third party indemnity provisions for the benefit of its directors.

Amphenol Thermometrics (UK) Limited

Directors' report

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint it will be proposed at the forthcoming Annual General Meeting.

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS102 paragraph 1.12 and also intends to take advantage of these exemptions in the financial statements to be issued in the following year. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received. Further objections may be served on the Company by Amphenol Limited, as the immediate parent of the entity.

Approved by the Board and signed on its behalf by:



Craig Lampo

Director

September 7, 2016

100 New Bridge Street

London

EC4V 6JA

Amphenol Thermometrics (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 judgements and accounting estimates that are reasonable and prudent; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Amphenol Thermometrics (UK) Limited

Independent Auditor's report to the members of Amphenol Thermometrics (UK) Limited

We have audited the financial statements of Amphenol Thermometrics (UK) Limited for the year ended 31 December 2015 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 23. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's member 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 member those matters we are required to state to it 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 member, 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 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 the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

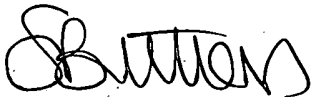
Amphenol Thermometrics (UK) Limited

Independent Auditor's report to the members of Amphenol Thermometrics (UK) Limited

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.



Sonya Butters (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

16 September 2016

Amphenol Thermometrics (UK) Limited

Profit and loss account

For the year ended 31 December 2015

	Note	52 week period ended 31 December 2015 £000	54 week period ended 31 December 2014 £000
Turnover	3	19,859	18,795
Cost of sales		(13,465)	(12,832)
Gross profit		6,394	5,963
Distribution costs		(1,526)	(1,431)
Administrative expenses		(629)	(814)
Exceptional administrative gain	4	-	842
Operating profit		4,239	4,560
Finance costs	5	24	1
Profit on ordinary activities before taxation	6	4,263	4,561
Tax on profit on ordinary activities	10	(849)	1,601
Profit for the year		3,414	6,162

There are no other gains or losses in the year other than as presented in the profit and loss account so no separate Statement of Comprehensive Income is presented.

The profit and loss has been prepared on the basis that all operations are continuing operations.

Amphenol Thermometrics (UK) Limited

Balance sheet

At 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Goodwill	12	1,705	1,918
Tangible assets	13	1,962	2,208
		<u>3,667</u>	<u>4,126</u>
Current assets			
Stocks	14	2,064	1,608
Debtors	15	9,351	5,288
Cash at bank and in hand		1,072	1,452
		<u>12,487</u>	<u>8,348</u>
Creditors: amounts falling due within one year	17	<u>(2,639)</u>	<u>(2,396)</u>
Net current assets		<u>9,848</u>	<u>5,952</u>
Total assets less current liabilities		<u>13,515</u>	<u>10,078</u>
Provisions for liabilities	18	<u>(55)</u>	<u>(32)</u>
Net assets		<u>13,460</u>	<u>10,046</u>
Capital and reserves			
Called up share capital	19	12,757	12,757
Share premium account	20	5,500	5,500
Profit and loss account	20	(4,797)	(8,211)
Shareholders' funds		<u>13,460</u>	<u>10,046</u>

The financial statements of Amphenol Thermometrics (UK) Limited (registered number 02310013) were approved by the board of directors and authorised for issue on September 7, 2016. They were signed on its behalf by:



Craig Lampo
Director

Amphenol Thermometrics (UK) Limited

Statement of change in equity At 31 December 2015

	Called-up share capital £	Share premium account £	Equity reserve £	Profit and loss account £	Total £
At 1 January 2014 as restated	12,757	5,500	9	(14,381)	3,885
Profit for the financial year, being total comprehensive expense	-	-	-	6,162	6,162
At 31 December 2014	12,757	5,500	9	(8,220)	10,046
Profit for the financial year, being total comprehensive expense	-	-	-	3,414	3,414
At 31 December 2015	12,757	5,500	9	(4,806)	13,460

Amphenol Thermometrics (UK) Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Amphenol Thermometrics (UK) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 and 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

There were no adjustments to prior year financial statements arising from the adoption of FRS 102 in the current year. For more information see note 23.

The functional currency of Amphenol Thermometrics (UK) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Amphenol Thermometrics (UK) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

Amphenol Thermometrics (UK) Limited is consolidated in the financial statements of its ultimate parent, Amphenol Corporation, which may be obtained at 358, Hall Avenue, Wallingford, Connecticut, US. Exemptions have been taken in these separate company financial statements in relation to share-based payments, presentation of a cash flow statement and remuneration of key management personnel.

b. 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 strategic report. The directors' report further describes the financial position of the Company; its liquidity position; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility. The Company will enter into a cash pool agreement with other Amphenol entities in the UK providing additional liquidity should any unforeseen circumstances occur.

The directors have 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.

c. Goodwill

Purchased goodwill, representing the excess of the purchase consideration over the fair value of the net assets acquired, is capitalised and written off to the profit and loss account by equal annual instalments over the estimated useful economic life of 10 years.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

d. Intangible assets – research and development

Research expenditure is written off as incurred.

e. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings 20 years / 5% per annum

Plant and machinery 6.7 years / 15% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

f. Financial instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

g. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

h. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements For the year ended 31 December 2015

1. Accounting policies (continued)

h. Impairment of assets (continued)

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

i. 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.

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 Company'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.

Unrelieved tax losses and other deferred tax assets are 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.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

j. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

k. Employee benefits

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 amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

l. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

m. Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

n. Share-based payment

The Company grants to its employees rights to equity instruments of Amphenol Corporation, its parent company. The required disclosures are therefore included in the Amphenol Corporation consolidated financial statements.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements For the year ended 31 December 2015

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 *Revenue* and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. The directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate.

Key source of estimation uncertainty – impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the intangible asset and a suitable discount rate in order to calculate present value.

3. Turnover and revenue

All revenues for the period are related to the sale of goods.

An analysis of the Company's turnover by geographical market is set out below.

	52 week period ended 31 December 2015 £000	54 week period ended 31 December 2014 £000
Turnover		
United Kingdom	2,929	2,939
Rest of European Union	11,938	10,605
Rest of World	4,992	5,251
	<u>19,859</u>	<u>18,795</u>

4. Exceptional administrative gain

Exceptional administrative gain in the prior period relates to a pension charge pursuant to section 75 of the Pension Act 1995, which arose on the agreement for Amphenol Corporation to acquire the Company in 2013.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements For the year ended 31 December 2015

5. Finance costs

	52 week period ended 31 December 2015 £000	54 week period ended 31 December 2014 £000
Other interest receivable and similar income	24	1

6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	52 week period ended 31 December 2015 £000	54 week period ended 31 December 2014 £000
Amortisation of goodwill (note 12)	213	213
Depreciation of tangible fixed assets (note 13)	275	312
Research and development	1,194	989
Operating lease rentals	142	126
Foreign exchange loss	164	319
Loss on disposal of fixed assets	21	-

7. Auditor's remuneration

Fees payable to Deloitte LLP and its associates for the audit of the Company's annual accounts were £29,300 (2014: £26,000).

There were no non-audit services fees payable to Deloitte LLP and its associates.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements For the year ended 31 December 2015

8. Staff numbers and costs

The average monthly number of employees was:

	52 week period ended 31 December 2015 Number	54 week period ended 31 December 2014 Number
Production	89	88
Sales	17	15
Administration	3	3
	<u>109</u>	<u>106</u>

Their aggregate remuneration comprised:

	£000	£000
Wages and salaries	4,085	3,794
Social security costs	417	373
Other pension costs (see note 22)	331	225
	<u>4,833</u>	<u>4,392</u>

9. Directors' remuneration and transactions

All directors' remuneration is reflected in the accounts of Amphenol Corporation. It is not practicable to split their remuneration between their services to group companies.

During the period retirement benefits were accruing to no directors (2014: none) in respect of defined benefit pension schemes.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements

For the year ended 31 December 2015

10. Tax on profit on ordinary activities

	52 week period ended 31 December 2015 £000	54 week period ended 31 December 2014 £000
The tax charge comprises:		
Current tax on profit on ordinary activities		
UK corporation tax	298	65
Adjustments in respect of prior years	(8)	-
Total current tax	290	65
Deferred tax		
Origination and reversal of timing differences	566	(1,795)
Effect of (increase)/decrease in tax rate	(7)	129
Total deferred tax (see note 16)	559	(1,666)
Total tax on profit on ordinary activities	849	(1,601)

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

	£000	£000
Profit on ordinary activities before tax	4,263	4,561
Tax on profit on ordinary activities at the blended UK corporation tax rate of 20.25% (2014: 21.55%)	863	983
Effects of:		
- Expenses not deductible for tax purposes	4	6
- Income not taxable	-	(181)
- Tax rate changes	(7)	129
- R&D uplift	(4)	(4)
- Deferred tax previously unrecognised	-	(2,578)
- Short-term timing differences	-	44
- Adjustments to tax charge in respect of previous periods	(8)	-
Total tax charge/(credit) for period	849	(1,601)

Effects of previously unrecognised deferred tax in 2014 relate to pension contributions and excess of depreciation over capital allowances.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements

For the year ended 31 December 2015

10. Tax on profit on ordinary activities (continued)

The blended rate of tax applied to the reported profit on ordinary activities is 20.25% (2014: 21.55%). A change to the UK corporation tax rate was announced in the Chancellor's Budget on March 2016. The change announced is to reduce the main rate to 17% from 1st April 2020. Changes to reduce the UK corporation tax rate to 19% from 1st April 2017 and to 18% from 1st April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effect is not included in these financial statements.

During the year beginning 1 January 2015, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £558,815. This is due to reversal of the pension paid in 2013.

There is no expiry date on timing differences, unused tax losses or tax credits.

11. Share-based payments

The Company grants to its employees rights to equity instruments of Amphenol Corporation, its ultimate parent Company. The required disclosures are therefore included in Amphenol Corporation's consolidated financial statements.

12. Goodwill

	£000
At 1 January 2015 and 31 December 2015	2,982
Amortisation	
At 1 January 2015	1,064
Charge for the year	213
At 31 December 2015	1,277
Net book value	
At 31 December 2015	1,705
At 31 December 2014	1,918

The Protimeter and Telaire brand, which was purchased in 2013, is considered material to the Company. The carrying amount as at 31 December 2015 was £1,705,000 (31 December 2014: £1,918,000) and the brand has an estimated remaining useful life of eight years.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements For the year ended 31 December 2015

13. Tangible fixed assets

	Short leasehold land and buildings £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 January 2015	1,100	9,242	10,342
Additions	-	50	50
Disposals	-	(92)	(92)
At 31 December 2015	1,100	9,200	10,300
Depreciation			
At 1 January 2015	286	7,848	8,134
Charge for the year	22	253	275
Disposals	-	(71)	(71)
At 31 December 2015	308	8,030	8,338
Net book value			
At 31 December 2015	792	1,170	1,962
At 31 December 2014	814	1,394	2,208

14. Stocks

	2015 £000	2014 £000
Raw materials and consumables	562	440
Work in progress	457	423
Finished goods and goods for resale	1,045	745
	2,064	1,608

Amphenol Thermometrics (UK) Limited

Notes to the financial statements For the year ended 31 December 2015

15. Debtors

	2015 £000	2014 £000
Amounts falling due within one year:		
Trade debtors	2,931	2,398
VAT	151	121
Corporation tax	820	413
Amounts owed by group undertaking	4,224	607
Prepayments and accrued income	118	83
Deferred tax (see note 16)	1,107	1,666
	<u>9,351</u>	<u>5,288</u>

Amounts owed by group undertakings include unsecured loans of £4,000,000. These are interest-bearing at 1-year Euribor + 300bps repayable on September 2016. The remainder is unsecured and payable within 60 days.

16. Deferred taxation

	2015 £000	2014 £000
Amount at the beginning of the period	(1,666)	-
Charge/(credit) in the period	559	(1,666)
	<u>(1,107)</u>	<u>(1,666)</u>

The (provision)/asset for deferred tax is made up as follows:

	£000	£000
Depreciation and capital allowances	(29)	(40)
Short-term timing differences	1,136	1,706
	<u>1,107</u>	<u>(1,666)</u>

Deferred tax assets are recognised because in the opinion of the directors there will be suitable taxable gains available in the foreseeable future. £558,815 of the deferred tax asset is expected to reverse in the year ending 31st December 2016.

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

Amphenol Thermometrics (UK) Limited

Notes to the financial statements For the year ended 31 December 2015

17. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	834	984
Corporation tax	-	65
Other taxation and social security	12	7
Amount owed to group undertakings	1,454	1,205
Accruals and deferred income	339	135
	<u>2,639</u>	<u>2,396</u>

Amounts owed to group undertakings are unsecured and payable within 60 days.

18. Provisions for liabilities

	Product warranties £000
At 1 January 2015	32
Charged to profit and loss account	23
	<u>55</u>
At 31 December 2015	<u>55</u>

Product warranties

The provision for product warranties relates to expected warranty claims on products sold in the last three years. It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within three years of the balance sheet date.

19. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
12,757,360 (2014: 12,757,360) ordinary shares of £1 each	12,757	12,757

Amphenol Thermometrics (UK) Limited

Notes to the financial statements

For the year ended 31 December 2015

20. Financial commitments

Capital commitments as at 31 December 2015 were £48,674 (2014: £1,830). These were authorised but not provided in these financial statements.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015		2014	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
- within one year	75	21	75	34
- between one and five years	301	112	301	87
- after five years	4,434	-	4,509	-
	<u>4,810</u>	<u>133</u>	<u>4,885</u>	<u>121</u>

The Company has a guarantee in favour of HM Revenue & Customs for £12,000 (2014: £12,000). Lease obligations greater than five years arise from a 99-year lease on land due to expire in 2079.

21. Employee benefits

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2015 was £330,865 (2014: £224,685). There were outstanding contributions of £nil (2014: £6,345) at the end of the financial period.

22. Controlling party

The immediate parent company is Amphenol Limited, incorporated in England and Wales.

The ultimate parent company and controlling entity is Amphenol Corporation, a company incorporated in the United States of America, which is the smallest and largest group of which the company is a member and for which consolidated financial statements are available. Copies of those consolidated financial statements can be obtained from Amphenol Corporation, 358 Hall Avenue, Wallingford, Connecticut, CT06492, USA.

23. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, no material prior year adjustments were noted.