

Brooks Automation Ltd  
Annual report and Financial Statements  
for the year ended 30 September 2016

Registered number 4109439

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# **Brooks Automation Ltd**

## **Brooks Automation Ltd**

### **Annual report and Financial Statements for the year ended 30 September 2016**

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# **Brooks Automation Ltd**

## **Directors and advisors**

### **Directors**

J Joseph  
D Pietrantoni  
L G Robertson

### **Registered office**

Gilchrist Road  
Northbank Industrial Park  
Irlam  
Manchester  
M44 5AY

### **Independent auditors**

PricewaterhouseCoopers LLP  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Bankers**

Barclays Bank plc  
Manchester City Office  
PO Box 357  
Mosley Street  
Manchester  
M60 2AU

### **Solicitors**

Brabners Chaffe Street LLP  
55 King Street  
Manchester  
M2 4LQ

# **Brooks Automation Ltd**

## **Strategic report for the year ended 30 September 2016**

This strategic report sets out the Company's aims and strategies whilst also highlighting those aspects of the Financial Statements that best reflect the Company's progress and performance during the year.

This report has been prepared by the directors in accordance with the requirements of Section 414 of the Companies Act 2006. The Company's independent auditor is required by law to report on whether the information given in the Strategic Report is consistent with the financial statements. The independent auditors' report is set out on pages 7 and 8.

### **Review of business and future developments**

Revenue for the twelve month period totalled £20.7m (2015: £24.8m) which resulted in an operating loss of £1.1m (2015: profit £1.9m).

The supply of automated solutions for sample management and sample processing applications in the Life Science and biobanking sectors remains the focus of the Company. Brooks Automation Limited houses sales, service, design, manufacturing and R&D activities as part of the globally based Brooks Life Science Systems business unit.

The Company has delivered multiple large scale projects during the year to customers in Europe and the US, predominantly in the pharmaceutical and biobanking sectors.

The overall strategy is to develop leading edge products for Pharmaceutical and Healthcare markets and provide world class service and support globally.

The business continues to invest in new product development which we believe will position the Company for sustainable growth over the next few years.

The business performance has been strong and the Board would like to thank our highly skilled and loyal staff who have now been fully integrated into the Brooks organisation, it is through the talent, dedication and co-operation of our staff that we are confident about the future prospects of the Company.

### **Key performance indicators (KPIs)**

Management use a range of performance measures to monitor and manage the business. Our KPIs measure past performance and also provide information to allow us to manage the business into the future. Revenue, operating profit and cash indicate the volume of projects, their profitability and the efficiency with which we have turned operating profits into cash; staff numbers show us how effective we have been in recruiting and retaining our key resource. These indicators are presented in the financial statements.

### **Key risks and uncertainties**

There are risks and uncertainties associated with the Company's business activities and listed below are those that the Company thinks could cause the actual results to differ materially from the expected and historical results.

### ***Consistent delivery of complex projects***

We aim to deliver consistently to meet the needs of our customers, this is managed through tight project management.

# Brooks Automation Ltd

## Strategic report for the year ended 30 September 2016 (continued)

### *Managing costs to complete long term projects*

We aim to shorten reporting timescales and improve project management with the effective use of KPIs and a focus on managing technical risks.

### *Attracting, retaining and motivating key staff*

We seek to ensure the workplace is demanding and rewarding. We are keen to emphasise development and internal promotion.

### *Financing risk*

The risk that the Company may not be able to settle its obligations as a result of a mis-match of cash inflows and outflows of the business is monitored through regular cashflow forecasting and a regular review of strategic plans. Significant risks are identified, reported and monitored internally. If required, debt finance is provided by the ultimate parent Company, Brooks Automation Inc.

### *Interest rate, foreign exchange and cash flow risk*

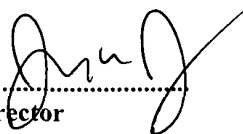
The Company has very few interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances, which earn interest at fixed rate. Foreign exchange is managed internally and speculative trading is not permitted. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

### **BREXIT**

The Company trades throughout Europe and the Directors are continually assessing the impact of the UK's decision to leave the European Union as the political negotiations progress.

The directors will revisit the appropriateness of these policies should the Company's operations change in size or nature.

**By order of the Board**

  
.....  
**Director**

**10 November 2017**

# **Brooks Automation Ltd**

## **Directors' report for the year ended 30 September 2016**

The directors present their report and the audited financial statements of the Company for the year ended 30 September 2016.

### **Principal activities**

The principal activities of the Company during the year was to provide automated products and services for drug discovery, delivery and quality control applications within pharmaceutical, biotech, biobanking and academic institutes.

### **Results and dividends**

The Company did not declare a dividend in the year (2015: £nil). The loss for the financial year, after tax, is £796,000 (2015: profit of £1,611,000) which has been transferred to reserves.

A review of the results for the year is set out in the Strategic report.

Further information regarding the future development of the Company is included in the Strategic report.

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements are given below:

J Joseph  
D Pietrantonio  
L G Robertson

### **Political contributions**

The Company has made no donations during the year for charitable or political purposes (2015: £nil).

### **Research and development**

During the year the Company incurred research and development costs of £2.7m (2015 - £2.6m). These costs are charged to the income statement in the year of expenditure.

### **Disabled employees**

The Company operates a policy of giving disabled people full and fair consideration for all job vacancies for which they present themselves as suitable applicants having due regard for their particular aptitudes and abilities. Whenever feasible the Company endeavours to retain any member of staff who develops a disability during their employment.

Training and career development opportunities are made available to all employees.

### **Going concern**

The directors acknowledge that at 30 September 2016 the Company's current liabilities exceeded its current assets by £8.4m. The directors have received assurances from group undertakings that payment of group liabilities will not be required for the foreseeable future and that these companies will continue to provide the necessary financial support to enable the Company to meet its ongoing liabilities as they fall due. On this basis the directors have prepared the financial statements on the going concern basis.

# **Brooks Automation Ltd**

## **Directors' report for the year ended 30 September 2016 (continued)**

### **Employee participation**

A policy is maintained for providing information to employees aimed at achieving a common awareness of the financial and economic factors affecting the Company and its operations and is accomplished through regular "All Hands" meetings. Employee involvement is actively encouraged at all levels.

### **Directors' responsibilities statement in respect of the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' 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 prepared 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;
- 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.

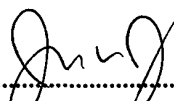
### **Disclosure of information to auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

### **Independent auditors**

During the year BDO LLP resigned as auditors and were replaced by PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP have indicated their willingness to continue in office as independent auditors.

### **By order of the Board**

  
.....  
**Director**

**10 November 2017**

# **Independent auditors' report to the members of Brooks Automation Ltd**

## **Report on the financial statements**

### **Our opinion**

In our opinion, Brooks Automation Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its loss 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.

### **What we have audited**

The financial statements, included within the Annual report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 30 September 2016;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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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.

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



## Independent auditors' report to the members of Brooks Automation Ltd (continued)

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 6, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Edward Moss (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
8 November 2017

# Brooks Automation Ltd

## Income statement

	Note	Year ended 30 September	
		2016 £'000	2015 £'000
<b>Revenue</b>	1	<b>20,726</b>	24,844
<b>Cost of sales</b>		<b>(13,756)</b>	(16,368)
<b>Gross profit</b>		<b>6,970</b>	8,476
Distribution costs		(1,835)	(1,480)
Administrative expenses		(4,997)	(5,094)
Other operating (expense)/ income		(1,292)	1
<b>Operating (loss)/ profit</b>	2	<b>(1,154)</b>	1,903
Interest payable and similar charges		(2)	-
<b>(Loss)/ profit on ordinary activities before taxation</b>		<b>(1,156)</b>	1,903
Tax on (loss)/profit on ordinary activities	5	360	(292)
<b>(Loss)/ profit for the financial year</b>		<b>(796)</b>	1,611

There are no items of other comprehensive income in either year, therefore no separate statement of total comprehensive income is presented.

The results for 2016 and 2015 relate to continuing operations.

The accounting policies and notes on pages 12 to 28 form part of these financial statements.

# Brooks Automation Ltd

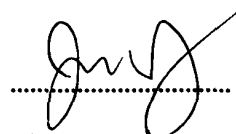
## Statement of financial position

	Note	As at 30 September	
		2016 £'000	2015 £'000
<b>Fixed assets</b>			
Property, plant and equipment	6	956	434
Investments	7	9,769	9,769
Deferred tax asset	12	410	236
		<b>11,135</b>	<b>10,439</b>
<b>Current assets</b>			
Inventories	8	3,415	1,292
Trade and other receivables	9	8,600	8,550
Cash and cash equivalents		2,531	1,323
		<b>14,546</b>	<b>11,165</b>
<b>Current liabilities</b>			
Trade and other payables	10	(22,903)	(18,617)
		<b>(22,903)</b>	<b>(18,617)</b>
<b>Net current liabilities</b>		<b>(8,357)</b>	<b>(7,452)</b>
<b>Total assets less current liabilities</b>		<b>2,778</b>	<b>2,987</b>
Provision for liabilities	11	(713)	(156)
<b>Net assets</b>		<b>2,065</b>	<b>2,831</b>
<b>Equity</b>			
Called up share capital	13	-	-
Capital contribution reserve		794	764
Retained earnings		1,271	2,067
<b>Total shareholders' funds</b>		<b>2,065</b>	<b>2,831</b>

The accounting policies and notes on page 12 to 28 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 10 November 2017

and were signed on its behalf by:



**Director**  
**Brooks Automation Ltd**  
**Registered number 4109439**

## Brooks Automation Ltd

### Statement of changes in equity

	Called up share capital £'000	Capital contribution reserve £'000	Retained earnings £'000	Total shareholders' funds
<b>Balance as at 1 October 2014</b>	-	494	456	950
Profit for the financial year	-	-	1,611	1,611
<b>Total comprehensive income for the year</b>	-	-	1,611	1,611
Share based payments charge	-	270	-	270
<b>Total transactions with owners recognised in equity</b>		270	-	270
<b>Balance as at 30 September 2015</b>	-	764	2,067	2,831
<b>Balance as at 1 October 2015</b>	-	764	2,067	2,831
Loss for the financial year	-	-	(796)	(796)
<b>Total comprehensive expense for the year</b>	-	-	(796)	(796)
Share based payments charge	-	30	-	30
<b>Total transactions with owners recognised in equity</b>	-	30	-	30
<b>Balance as at 30 September 2016</b>	-	794	1,271	2,065

# Brooks Automation Ltd

## Accounting policies

### 1. General Information

Brooks Automation Limited (“the Company”) provides automated products and services for drug discovery, delivery and quality control applications within pharmaceutical, biotech, biobanking and academic institutes.

The Company is a private limited Company by shares and is incorporated in the UK and registered in England. The address of its registered office is set out on page 2.

### 2. Statement of compliance

The financial statements of Brooks Automation Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

### 3. Summary of significant accounting policies

#### a. Basis of preparation of financial statements

These financial statements are prepared on a going concern basis under the historical cost convention. This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 was 1 October 2014. Details of the transition to FRS 102 are disclosed in Note 18.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the accounting policies.

These accounting policies have been applied consistently.

#### b. Going concern

The directors acknowledge that at 30 September 2016 the Company’s current liabilities exceeded its current assets by £8.4m. The directors have received assurances from group undertakings that payment of group liabilities will not be required for the foreseeable future and that these companies will continue to provide the necessary financial support to enable the Company to meet its ongoing liabilities as they fall due. On this basis the directors have prepared the financial statements on the going concern basis.

#### c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company’s shareholders. A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Brooks Automation Limited can take exemptions in its standalone financial statements. As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) the exemption allowed by section 33 of FRS 102 “Related Party Disclosures”, not to disclose transactions or balances with entities which form part of either of the Brooks Automation Inc, Group; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.



# **Brooks Automation Ltd**

## **Accounting policies (continued)**

### **d. Consolidated financial statements**

The financial statements contain information about Brooks Automation Ltd as an individual Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by section 401 of the Companies Act 2006. The ultimate holding Company is Brooks Automation, Inc., a Company incorporated in the United States of America and whose consolidated financial statements are publicly available at [www.brooks.com](http://www.brooks.com).

### **e. Foreign currency**

The Company's functional and presentation currency is the Pound Sterling (£).

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities in the balance sheet are translated into the functional currency at the rates of exchange ruling at the end of the period. Resulting exchange gains and losses are taken to the income statement.

### **f. Revenue**

Revenue is derived from the design and installation of equipment and systems and the provision of design services, either under fixed price or reimbursable contracts. For any design and installation contracts which include an amount for initial support and maintenance, this revenue is recognised in accordance with normal maintenance contracts. Revenue is recognised as a proportion of the total contract value on a percentage of completion basis. Revenue is also derived from maintenance contracts and is recognised on a straight line basis over the period of maintenance. All Revenue is stated net of value added tax.

Revenue on long term contracts represents the estimated contract revenues on work during the period. Contract revenues and profits are computed on the percentage of completion method, primarily by reference to labour, profits being determined after making reserves against all anticipated costs including possible warranty claims.

Revenue on short term contracts is recognised on completion of the contract once the product has been despatched to the customer.

Long-term contract balances included in inventory comprise costs incurred on long-term contracts, net of amounts transferred to cost of sales, after deducting foreseeable losses and related payments on account. Costs include all direct material and labour costs incurred in bringing a contract to its state of completion at the period end, including an appropriate proportion of indirect expenses. Provisions for estimated losses on contracts are made in the period in which such losses are foreseen. Long-term contract balances do not include attributable profit.

The excess of payments received over amounts recorded as revenue is classified under current liabilities, as payments on account. The amount by which recorded revenue is in excess of payments on account, is classified under trade and other receivables as amounts recoverable on contracts.

# Brooks Automation Ltd

## Accounting policies (continued)

### g. Employee benefits

#### *i. Defined contribution pension plans*

The Company operates a defined contribution plan for its employees. The contributions are recognised as an expense when they are due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

#### *ii. Share based payment*

Certain employees of the Company are offered restrictive stock units ("RSUs") in the Company's ultimate parent Company, Brooks Automation Inc. When RSUs are awarded to employees, the fair value of the units at the date of grant is charged to the income statement spread equally over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of RSUs that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

### h. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

#### *i. Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *ii. Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on 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. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.



# Brooks Automation Ltd

## Accounting policies (continued)

### i. Property, plant and equipment

Property, plant and equipment are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the assets to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Leasehold buildings	over the period of the lease
Plant and machinery	10 – 33% per annum straight line
Fixtures, fittings and equipment	20 – 33% per annum straight line

The Directors review the residual values of assets on an annual basis. The carrying values of property, plant and equipment are reviewed for impairment if events or changes indicate the carrying value may not be recoverable.

### j. Borrowing costs

Borrowing costs are recognised in the income statement in the period in which they are incurred.

### k. Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement in equal annual amounts over the periods of the leases.

### l. Inventories

Inventories are valued at the lower of cost or net realisable. Cost is calculated as the cost of materials, direct labour and appropriate production overheads. Net realisable value is based on estimated selling price less additional costs to completion and disposal. Provision is made for obsolete and slow-moving items.

Inventories are recognised as an expense in the period in which the related revenue is recognised.

### m. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probably that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions for warranty costs are based upon estimates of liabilities expected to arise and are accrued throughout the life of each relevant contract. Warranty costs incurred are then charged against the provision.

### n. Research and development

Research and development costs are written off to the income statement as they are incurred.

# Brooks Automation Ltd

## Accounting policies (continued)

### **o. Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

#### **i. Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### **ii. Financial liabilities**

Basic financial liabilities, including trade and other payables, and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires

The Company does not hold or issue derivative financial instruments.

### **p. Related party transactions**

As the Company is a wholly owned subsidiary of Brooks Automation Inc., the Company has taken advantage of the exemption allowed by section 33 of FRS 102 "Related Party Disclosures", and has therefore not disclosed transactions or balances with entities which form part of either of these groups.

# Brooks Automation Ltd

## Accounting policies (continued)

### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### a. Critical judgements in applying the entity's accounting policies

##### i. *Revenue recognition*

Although most of the Company's sales agreements contain standard terms and conditions, certain agreements contain multiple elements or non-standard terms and conditions. Judgement is exercised in interpreting the commercial terms and determining when all revenue recognition criteria have been met to ensure revenue is recognised in the appropriate accounting period.

Revenue is recognised for certain arrangements based on a percentage completion method and profit estimates are developed for long-term contracts based on total revenue expected to be generated from the project and total costs anticipated to be incurred. Significant judgement is required in estimating such total costs and measuring the progress of the project completion, as well as whether a loss is expected to be incurred on the contract.

If the judgement applied proves incorrect, revenue in particular periods may be adversely affected and that could have a material impact on the financial condition and results of operations.

##### ii. *Share based payments*

The share-based payments expense is measured at fair value on the grant date and the expense is recognised over the service periods of the awards expected to vest. The fair value of restricted stock units ("RSUs") is determined based on the number of shares granted and the closing price of the parent Company share price on the date of grant.

The expense for share based payments is recognised on a straight-line basis, net of estimated forfeiture, over the service period. Estimates of forfeitures and the number of awards expected to vest require the use of significant judgement. Many factors are considered in developing forfeiture estimates, including award types, employee classes and historical experience. If the judgement applied proves incorrect, profits in particular periods may be adversely affected and that could have a material impact on the financial condition and results of operations.

#### b. Critical accounting estimates and assumptions

##### i. *Revenue recognition*

The calculation of total profit to be generated from a project and total costs expected to be incurred as set out above involves the use of certain assumptions and estimates based upon a number of factors. These include the degree of required product customisation and the customer's existing environment based on installation work, as well historical experience, project plans and an assessment of the risks and uncertainties inherent in the contract related to implementation delays or performance issues that may or may not be in the Company's control. Losses on contracts are estimated by comparing the total estimated contract revenue to the total estimated contract costs and recognising a loss in the period in which it becomes probable and can be reliably estimated. Profit estimates for long-term contracts are reviewed during each reporting period and revised based upon changes in circumstances.

If the estimates prove incorrect, revenue in particular periods may be adversely affected and that could have a material impact on the financial condition and results of operations.

# Brooks Automation Ltd

## Accounting policies (continued)

### 4. Critical accounting judgements and estimation uncertainty (continued)

#### b. Critical accounting estimates and assumptions (continued)

##### i. *Warranty provisions*

A provision is recorded for the estimated costs of product warranties at the time revenue is recognised. Warranty obligations are affected by product failure rates, material usage or service delivery costs incurred in correcting a product failure. Warranty obligations are adjusted based on actual product failure rates, material usage or service delivery costs, which may result in revisions to the estimated warranty liabilities and additional benefits or charges to the operating profit.

##### ii. *Share-based payments*

As noted above, the calculation of the share-based payments expense involves the use of judgements and estimates. Many factors are considered in developing forfeiture estimates, including award types, employee classes and historical experience. The likelihood of achieving the performance goals for awards that vest upon the satisfaction of those goals, is assessed. Current estimates may differ from actual results and future changes in estimates and which would result in additional benefits or charges to the income statement.

# Brooks Automation Ltd

## Notes to the financial statements

### 1 Revenue

The Company's revenue was all derived from its principal activities. An analysis by geographical market is given below:

<b>Geographical analysis of revenue by destination</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
United Kingdom	3,343	7,947
Other European countries	12,299	11,771
United States	3,008	4,228
Rest of the world	2,076	898
	<b>20,726</b>	<b>24,844</b>

### 2 Operating (loss)/profit

	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>Operating (loss)/profit is after charging:</b>		
Depreciation and amortisation	170	161
Impairment of trade receivables	-	-
Impairment of inventory	593	168
Inventory recognised as an expense	10,875	7,816
Operating lease charges	279	271
Audit fees payable to the Company's auditors	25	25
Foreign exchange losses	1,339	344
Share based remuneration	30	270
Research and development costs	2,747	2,590

# Brooks Automation Ltd

## Notes to the financial statements (continued)

### 3 Employees and directors

#### Employees

The average monthly number of persons (including directors) employed by the Company during the year ended 30 September 2016 was:

By Activity	2016 Number	2015 Number
Production	106	68
Administration	19	14
	125	82

	2016 £'000	2015 £'000
<b>Staff costs during the year</b>		
Wages and salaries	4,381	3,355
Social security costs	592	528
Other pension costs (see note 15)	490	474
Other healthcare costs	59	42
Share based remuneration (see note 4)	30	270
	5,552	4,669

#### Directors

The emoluments of the directors are paid by the parent Company, Brooks Automation Inc., which makes no recharge to the Company. They are directors of both the parent Company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of directors. The total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent Company, Brooks Automation Inc.

# Brooks Automation Ltd

## Notes to the financial statements (continued)

### 4 Share based payments

Certain employees of the Company are offered restrictive stock units ("RSUs") in the Company's ultimate parent Company, Brooks Automation Inc. The only vesting conditions are that the individual remains an employee of the group over the vesting period and in some cases performance related conditions are attached also.

	2016 Number	2015 Number
Outstanding at the beginning of the year	119,098	62,000
Granted during the year	31,750	78,500
Vested during the year	(32,790)	(21,402)
Lapsed during the year	(9,676)	-
Other	6,143	-
At end of the year	114,525	119,098

The fair value of the restrictive stock units is not affected by the volatility of the underlying share price. The weighted average fair value at the measurement date for options granted in the year was \$11.13. The average share price of the options exercised during the year was \$11.39. The remaining contractual lives of the options remaining range from 0 to 3 years.

The share based remuneration expense is £30,000 (2015 - £270,000).

### 5 Taxation on (loss)/ profit on ordinary activities

	2016 £'000	2015 £'000
<b>a) Analysis of (credit)/ charge for year</b>		
<b>Current taxation</b>		
UK Corporation tax for the current year		
Adjustment in respect of previous periods	(186)	275
Total current tax (credit)/charge	(186)	275
<b>Deferred taxation</b>		
Origination and reversal of timing differences	(211)	84
Adjustment in respect of previous periods	(4)	(91)
Changes in tax rates or laws	41	24
Total deferred tax (credit)/ charge (note 12)	(174)	17
<b>Tax on (loss)/ profit on ordinary activities</b>	<b>(360)</b>	<b>292</b>

# Brooks Automation Ltd

## Notes to the financial statements (continued)

### 5 Taxation on (loss)/ profit on ordinary activities (continued)

#### b) Reconciliation of tax (credit)/ charge

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.5%). The differences are explained below:

	2016 £'000	2015 £'000
(Loss)/ profit on ordinary activities before tax	(1,156)	1,903
<b>Current tax</b>		
(Loss)/ profit on ordinary activities multiplied by standard rate in the UK 20% (2015: 20.5%)	(231)	390
Effects of:		
Expenses not deductible for tax purposes	50	51
Effect of share scheme deductions	(84)	28
Effects of group relief claimed	54	-
Utilisation of brought forward losses	-	(224)
Re-measurement of deferred tax – change in UK rates	41	-
Adjustments in respect of previous periods	(190)	-
Other timing differences	-	47
<b>Tax (credit)/ charge for the year</b>	<b>(360)</b>	<b>292</b>

#### Tax rate changes

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profit chargeable to corporation tax for the accounting year was taxed at the effective rate of 20% (2015: 20.5%).

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on October 2015) and the Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.



# Brooks Automation Ltd

## Notes to the financial statements (continued)

### 6 Property, plant and equipment

	Leasehold Buildings	Plant and machinery	Fixtures, fittings and equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 October 2015	969	526	110	-	1,605
Additions	-	182	8	502	692
Disposals	-	(77)	(15)	-	(92)
<b>At 30 September 2016</b>	<b>969</b>	<b>631</b>	<b>103</b>	<b>502</b>	<b>2,205</b>
<b>Accumulated depreciation</b>					
At 1 October 2015	715	358	98	-	1,171
Charge for the year	61	105	4	-	170
Depreciation on disposals	-	(77)	(15)	-	(92)
<b>At 30 September 2016</b>	<b>776</b>	<b>386</b>	<b>87</b>	<b>-</b>	<b>1,249</b>
<b>Net book value</b>					
<b>At 30 September 2016</b>	<b>193</b>	<b>245</b>	<b>16</b>	<b>502</b>	<b>956</b>
At 30 September 2015	254	168	12	-	434

### 7 Investments

	Subsidiary undertakings £'000
<b>Cost</b>	
<b>At 1 October 2015 and 30 September 2016</b>	<b>9,769</b>

#### FluidX Limited

The Company owns the entire share capital of FluidX Limited (2015: 100%), a Company registered in England and Wales, with a registered office of Gilchrist Road, Northbank Industrial Park, Irlam, Manchester, M44 5AY. During the year the Company received no dividends (2015: £nil). The principal activity is the sale and distribution of liquid handling products and instruments.

#### Indirect group investments

The Company has indirect investments, via FluidX Limited, of the following subsidiary undertakings:

Subsidiary undertaking	Principal activity	Holding	%
Biofex Limited <sup>1</sup>	Manufacture and research and development of Instruments	Ordinary shares	100
Cedrex A/S <sup>2</sup>	Manufacture and research and development of Instruments	Ordinary shares	100

<sup>1</sup> Gilchrist Road, Northbank Industrial Park, Irlam, Manchester, M44 5AY

<sup>2</sup> Notgangen 3, DK-2690, Karlslunde, Denmark

# Brooks Automation Ltd

## Notes to the financial statements (continued)

### 8 Inventories

	2016 £'000	2015 £'000
Raw materials and consumables	1,035	741
Work in progress – long term contracts	2,380	551
	<b>3,415</b>	<b>1,292</b>

There is no significant difference between the replacement cost and the values shown for all stock categories. Inventories are stated after provisions for impairment of £1,044,949 (2015: £451,782)

### 9 Trade and other receivables

	2016 £'000	2015 £'000
Trade receivables	1,701	3,581
Amounts recoverable on contracts	1,053	2,441
Amounts owed by Group undertakings	2,971	1,249
Corporation tax recoverable	208	-
Other debtors	2,013	826
Prepayments and accrued income	654	453
	<b>8,600</b>	<b>8,550</b>

Interest is not charged or accrued in respect of amounts receivable from Company or subsidiary undertakings and the amounts are subject to the normal trading terms and conditions of the Company which are 30 days end of month.

Trade receivables are stated after provisions for impairment of £20,225 (2015: £20,225).

The Company's financial assets measured at amortised cost total £6,893,000 (2015: £5,656,000).

The directors consider the carrying value of trade and other receivables to approximate their fair value due to their short-term nature.

# Brooks Automation Ltd

## Notes to the financial statements (continued)

### 10 Trade and other payables

	2016 £'000	2015 £'000
Trade payables	1,376	1,143
Payments received on account	3,930	6,840
Amounts owed to Group undertakings	12,733	9,085
Other taxation and social security	1,429	807
Other creditors	1,041	124
Corporation tax payable	-	275
Accruals and deferred income	2,394	343
	<b>22,903</b>	<b>18,617</b>

Interest of 4% is charged in respect of £9,480k of the amounts owed to Group undertakings, there is no fixed repayment term. The remaining balance due to Group undertakings is subject to the normal trading terms and conditions of the Company which are 30 days end of month. No security is provided over non-trading amounts owed to Group undertakings.

The Company's financial liabilities measured at amortised cost total £20,509,000 (2015: £18,274,000).

The directors consider the carrying value of trade and other payables to approximate their fair value due to their short-term nature.

### 11 Provisions for liabilities

	Other provision £'000	Warranty provision £'000	Total provision £'000
At 1 October 2015	50	106	156
Additional provision during the year	-	650	650
Provision utilised during the year	-	(93)	(93)
<b>At 30 September 2016</b>	<b>50</b>	<b>663</b>	<b>713</b>

A provision is held in the UK for warranty costs based on managements' best estimate of future expected warranty costs. Customers receive a guaranteed warranty for a given period on the purchase of equipment. The provision is calculated by applying experience of claims made against the warranty over a given period. The other provision relates to leasehold dilapidation costs.

# Brooks Automation Ltd

## Notes to the financial statements (continued)

### 12 Deferred tax asset

Deferred tax asset	£'000
At 1 October 2015	236
Credited to income statement	174
<b>At 30 September 2016</b>	<b>410</b>

The above amounts at 30 September 2016 are disclosed as non-current assets.

The deferred tax asset comprises:

	2016 £'000	2015 £'000
Accelerated capital allowances	(39)	(31)
Other timing differences	401	267
Losses	48	-
<b>Deferred tax asset</b>	<b>410</b>	<b>236</b>

The deferred tax asset above has been recognised in the financial statements based on the budgeted future taxable profits.

There was no unprovided deferred tax as at 30 September 2016 or 2015.

### 13 Called up share capital

	2016 £	2015 £
<b>Issued, allotted, called up and fully paid</b>		
1 Ordinary share of £1 each	1	1

# Brooks Automation Ltd

## Notes to the financial statements (continued)

### 14 Operating lease commitments

There were no capital commitments contracted for at the beginning or end of the year.

At 30 September 2016 the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2016 £'000	2015 £'000
Payments due:		
Not later than one year	278	271
Later than one year and not later than five years	565	798
Later than five years	-	-
	843	1,069

### 15 Post-employment 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 pension charge represents contributions payable by the Company to the fund and amounted to £490,000 (2015: £474,034). Amounts totalling £52,848 (2015: £45,086) have been accrued but not paid to the scheme at the year end and these are included within other creditors in the balance sheet.

### 16 Related party transactions

The Company was a wholly owned subsidiary of Brooks Automation, Inc. In accordance with the exemption allowed by section 33 of FRS 102 "Related Party Disclosures", no disclosure is made of transactions or balances with entities which form part of either of these groups.

### 17 Ultimate parent company and controlling party

The Company is a subsidiary of Brooks Automation, Inc. Brooks Automation, Inc. is the largest and smallest Company of undertakings to consolidate these financial statements at 30 September 2016. The consolidated financial statements of Brooks Automation Inc can be obtained from 15 Elizabeth Drive, Chelmsford, MA USA 01824.

The immediate parent undertaking is Brooks Automation Luxembourg Sarl, which is incorporated in Luxembourg. The ultimate parent undertaking is Brooks Automation Inc.

## **Brooks Automation Ltd**

### **18 Transition to FRS 102**

This is the first year that the Company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 30 September 2015. The date of transition to FRS 102 was 1 October 2014. The Company has also early adopted the Amendments to FRS 102 (issued in July 2015).

The only transition adjustments relate to the separate presentation of current and deferred tax assets and liabilities within current liabilities and non-current assets respectively.

The transition to FRS 102 has no impact on the income statement for either financial year presented, therefore no opening balance sheet is considered to be necessary.