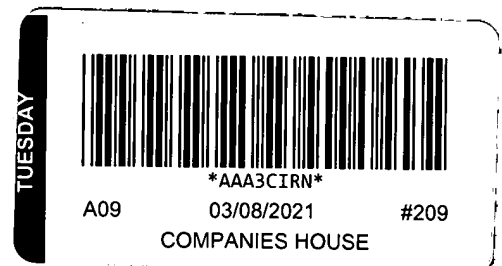


Company Registration No. 04220056 (England and Wales)

SOLARTRON METROLOGY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



SOLARTRON METROLOGY LIMITED

COMPANY INFORMATION

Directors	B P Wilson T C Bache P Zetti
Secretary	L Carino
Company number	04220056
Registered office	2 New Star Road Leicester LE4 9JD
Auditors	Ernst & Young LLP Apex Plaza Forbury Road Reading RG1 1YE
Business address	Steyning Way Southern Cross Industrial Estate Bognor Regis West Sussex PO22 9ST

SOLARTRON METROLOGY LIMITED

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SOLARTRON METROLOGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the year ended 31 December 2020.

Review of the business

The company's key financial indicators for the year were as follows:

	2020	2019	Change
	£'000	£'000	%
Turnover	16,952	24,185	(29.91)
Operating profit	4,405	7,636	(42.31)
Operating profit as a % of sales	25.99%	31.57%	-
Net current assets	6,590	6,076	8.46
Total equity	8,819	9,040	(2.44)

2020 results showed a 30% drop in sales revenue as the company was impacted by both the continuing slowdown in the automotive sector, and to a larger extent by the impact of the Covid-19 pandemic. As the product margins are high, with a significant proportion of the cost base being largely fixed, the operating profit from the lower sales fell by 42% to £4,405,000.

The company has a wide range of niche products, for which underlying demand remains strong, and for which competitors struggle to match customers' quality expectations. This is an area where future development is being focused. Sales of these niche products pull through associated sales of pencil probes and electronics.

Covid-19 Impact

The company experienced a significant and rapid drop in orders during the April to September 2020 period as a result of the Covid-19 pandemic. When appropriate the company took advantage of the UK Coronavirus Job Retention Scheme and implemented significant other cost reductions including short-time working and temporary pay cuts for staff not on furlough. Other discretionary spending was reduced or postponed.

As some regions of the World started to recover from the pandemic, the company saw sales in those regions return to pre-Covid-19 levels. Initially the recovery started in the Asia region, but subsequently orders in all regions apart from continental Europe have recovered to 2019 levels. Trading during Q1 2021 has been consistently at these higher levels, and the forecast for the rest of the year shows orders and sales holding at the same rate.

Principal risks and uncertainties

The company operates in a competitive global environment. Where customers only require mainstream products, they can switch to competitor products if they judge that the competitor product offers better value. We continue to focus on the quality and reliability of our products to give good value over the product life and to monitor competitor activity to maintain our competitiveness.

The company is impacted by exchange fluctuations, especially of the Euro and USD, but we continue to mitigate this as far as possible by increasing the proportion of purchases made in these currencies to reduce our overall exposure.

In addition, the directors have also considered the specific new risks arising from the Covid -19 pandemic such as customer and supply chain interruption.

Financial risk management

The company's principal financial instruments comprise trade debtor, trade creditor and inter-company balances. The company does not enter into derivative transactions and it is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the company's financial instruments is foreign currency risk. The company has translational currency exposures arising from sales and purchases in foreign currencies. It is AMETEK Group policy not to hedge against foreign currency transactions and balances in subsidiary operations.

SOLARTRON METROLOGY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

S172(1) statement

The Directors promote the success of the company for the benefit of the sole shareholder and that of the shareholders of its ultimate parent (AMETEK Inc) while taking into account, amongst other matters, the following:

- Long-term consequences – by preparing 5-year strategic plans as well as short term forecasts, all of which are discussed with and approved by Divisional and Group Management
- Interests of company employees – see statement headed “Employee Involvement” in the Directors’ Report
- Relationships with suppliers, customers and others – by agreeing contracts and terms of trade with, rather than imposing on, our trading partners to ensure they are mutually beneficial.
- The impact on the community and the environment– see statement headed “Community & Environment” in the Directors’ Report
- The desirability of maintaining a high reputation for standards of business conduct – including overseeing an annual reporting and certification process to ensure all relevant employees are aware of the high standards set in this regard and a mechanism to notify the company of any shortcomings, including a “whistle-blowing” hotline.

On behalf of the board



B P Wilson
Director
28 July 2021

SOLARTRON METROLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registration No. 04220056

The directors present their report for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of the manufacture and sale of sensor measurement products.

Results and dividends

The results for the year are set out on page 11.

The total distribution of dividends for the year ended 31 December 2020 was £4,746,000 (2019: £9,830,000).

Going Concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and details of the company's exposure to risk are described in the strategic report on page 1. As noted on pages 11 and 13 respectively, the company has generated a profit after tax of £4,433,000 for the year-ended 31 December 2020 and has net current assets of £6,590,000 and net assets of £8,819,000 at this date.

In assessing whether the financial statements should be prepared on a going concern basis the Directors have considered the impact of COVID-19 on the Company. In this regard, the Directors note the Company operates in diverse markets and industries and has a wide customer base. Market conditions have been mixed during the year with the Bearings markets remaining relatively strong, while the Automotive and Aerospace sectors saw a decline. Towards the end of the year and into the following year, demand for products in all markets has seen a significant upturn back towards pre-COVID levels. The company's products are purchased both as part of capital projects and for ongoing maintenance of existing plant. As customers sought to protect their balance sheets during the pandemic, large orders for capital installations fell sharply in the earlier part of the year whilst ongoing run-rate demand was not impacted to the same extent.

As a result, the Company has seen a significant reduction in orders and sales in 2020 compared with the 2019 orders year. The impact of COVID-19 was swift and dramatic with orders and sales falling rapidly as governments around the world locked down communities to impede the spread of the virus.

Following the first UK lockdown, that commenced in March 2020, the Company saw a reduction in sales to around 50% of the expected level in April 2020 with temporary shut-downs of the Company's manufacturing operations for two three week periods (which the Company used to ensure future manufacturing could be undertaken in a COVID secure manner to protect its employees). As COVID-19 impacted different regions at different times (for example Europe later than Asia), the Company was able to continue to trade throughout the downturn period with trade returning to more normal levels in the second half of 2020.

Throughout 2020, the Company took significant actions to counteract, assess and ensure that the Company has mitigated the impact of the current economic situation to control costs and conserve cash, while maintaining supply and sales to customers. This included closing the factory in Bognor Regis completely for two 3-week periods and utilising the UK Government Coronavirus Job Retention Scheme (CJRS) support as part of the mitigating actions taken by management.

As part of its ongoing thorough analytical review process, the Company produces monthly financial reporting packs which are reviewed both internally and by the AMETEK UPT Division. A regional operating review was conducted in May 2021, for which the company provided analysis of performance, including incremental sales and decremental margin, comparing month to month movements to highlight the strong performance achieved through strong cost controls and cash management. A Strategic Plan has also been prepared and presented to AMETEK showing the anticipated orders, sales and profit for the years 2021 to 2024. This also included a SWOT and competitive analysis (Porter's Five Forces) which were updated to ensure that there is a clear view of the challenges faced, and the actions needed to adapt to changing circumstances.

SOLARTRON METROLOGY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

During the twelve months ended 31 December 2020, and primarily driven by the impact of COVID-19, the Company has seen a reduction of sales of 29% compared to 2019. However, through these actions the Company sustained a profitable position each month throughout 2020 and managed to maintain a positive cash position during this time. Over the second half of 2020, both orders and sales showed a consistent return back to pre-COVID levels. The Directors note the Company is part of the larger AMETEK Inc group which also traded profitably in each quarter of 2020 and has significant undrawn lines of credit.

While past performance is no guarantee of the future, the Directors believe that the right actions were taken to navigate uncertain times. Furthermore, the forecasts for the next 12 months, which have been updated to reflect the risks associated with COVID-19, show the Company is expected to continue to trade profitably and generate operating cash inflows on a standalone basis. The level of sales being forecast in 2021 is 20% higher than those achieved during 2020, and with further growth in the region of 5% as the business moves into 2022. These forecasts also show the Company will be more profitable than in 2020 and generate a higher level of operating cash inflows.

The Directors' have stress tested the forecasts for the remainder of 2021 and for the first 7 months of 2022 noting the most significant factor impacting the cash inflows for the Company is the level of revenues being generated. These stress tests show that, without minimal management actions to mitigate costs, a fall in forecast revenues of 50% would be required over 12 months from date of approval of these financial statements for the Company to run out of liquid funds.

The Directors' overall assessment is that the economic impact of COVID-19, while significant, has not impacted the longer-term viability or sustainability of the Company. The Directors assess that with the Company's customer, industry and market diversification alongside its innovative and niche product lines the Company is well positioned to continue business and can effectively overcome future market shocks, which the Company has proven in its performance during the months since the World Health Organisation declared COVID-19 a global pandemic. Based on this analysis, the Directors consider the aforementioned 50% fall in revenues that would be required for the Company to run out of liquid funds is highly unlikely to occur.

On the basis of their assessment, including the factors detailed above, the Directors have concluded it is appropriate for the Company's 2020 financial statements to be prepared on a going concern basis.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B P Wilson
T C Bache
P Zetti

Directors' insurance

AMETEK Inc. has indemnified all directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and remains in place to the date of this report.

Financial instruments

Details of financial instruments are set out in the strategic report on page 1.

Research and development

The company continues an active programme of research and development in all areas of its activities, with the constant review of existing products and development of new products being an integral part of its programme.

SOLARTRON METROLOGY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Employee involvement

It is the company's policy to keep employees fully informed of matters affecting them as employees and to make them aware of the financial and economic factors influencing company performance. Encouragement is given to employees to contribute towards the company's financial performance by means of an annual bonus scheme for certain employees.

Community and Environment

The company is fully committed to pursuing the best environmental practice and conducting its activities in a way that fully recognises its responsibilities to the environment.

UK Streamlined Energy and Carbon Reporting (SECR)

The company has complied with the UK Streamlined Energy and Carbon Reporting (SECR) requirements along with other UK entities that are part of the UK organisational structure of AMETEK Inc. The relevant information is reported in our highest UK entity, AMETEK European Holdings Limited.

Post reporting date events

The company has declared and paid dividends amounting to £3,066,000 since 31 December 2020.

The company has also carried out a capital reduction of 3,000,000 ordinary shares of £1 each. These shares were cancelled for nil consideration.

On 28 May 2021, the company acquired the assets of Gagesoft Inc for a consideration of US\$1,500,000.

Auditor

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



B P Wilson

Director

28 July 2021

SOLARTRON METROLOGY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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 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;
- 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.

SOLARTRON METROLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOLARTRON METROLOGY LIMITED

Opinion

We have audited the financial statements of Solartron Metrology Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes 1 to 26 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue through until 31 July 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

SOLARTRON METROLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOLARTRON METROLOGY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SOLARTRON METROLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOLARTRON METROLOGY LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the company has to comply with laws and regulations relating to its operations, including health and safety, and GDPR.
- We understood how the company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Through these procedures we determined there to be a risk of management override and a fraud risk around revenue recognition and in particular revenue recognition around the year end date. We selected a sample of revenue transactions recognised around the year end date and performed detailed testing, including agreeing to source documentation to validate that the revenue had been recognised in the appropriate period. In relation to management override to the posting of non-standard manual journals including non-standard journals to revenue, we used data analytics to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria which we investigated further to gain an understanding of the transaction and agree to source documentation ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and to respond to the assessed risks. Our procedures included verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through our inquiry with no indication of non-compliance identified.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

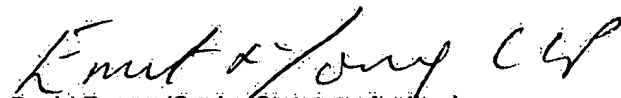
SOLARTRON METROLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOLARTRON METROLOGY LIMITED

Use of our report

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



David Brown (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Reading:

28-07-2021

SOLARTRON METROLOGY LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	16,952	24,185
Cost of sales		(7,401)	(9,562)
Gross profit		9,551	14,623
Distribution costs		(2,743)	(3,412)
Administrative expenses		(2,848)	(3,575)
Other operating income	4	445	-
Operating profit	5	4,405	7,636
Interest receivable and similar income	9	30	39
Profit before taxation		4,435	7,675
Taxation	10	(2)	(6)
Profit for the financial year		4,433	7,669

The income statement has been prepared on the basis that all operations are continuing operations.

SOLARTRON METROLOGY LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £'000	2019 £'000
Profit for the year	4,433	7,669
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,433</u>	<u>7,669</u>

SOLARTRON METROLOGY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Goodwill	12		194		788
Tangible assets	13		2,039		2,186
			<u>2,233</u>		<u>2,974</u>
Current assets					
Stocks	14	1,260		1,352	
Debtors	15	4,969		5,607	
Cash at bank and in hand		2,341		1,539	
		<u>8,570</u>		<u>8,498</u>	
Creditors: amounts falling due within one year	17	(1,980)		(2,422)	
Net current assets			6,590		6,076
Total assets less current liabilities			8,823		9,050
Provisions for liabilities	18		(4)		(10)
Net assets			<u>8,819</u>		<u>9,040</u>
Capital and reserves					
Called up share capital	19		6,000		6,000
Profit and loss reserves	21		2,819		3,040
Total equity			<u>8,819</u>		<u>9,040</u>

The financial statements were approved by the board of directors and authorised for issue on 28 July 2021 and are signed on its behalf by:



B P Wilson
Director

Company Registration No. 04220056

SOLARTRON METROLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Profit and loss reserve £'000	Total equity £'000
Balance at 1 January 2019		6,000	5,124	11,124
Profit for the year		-	7,669	7,669
Dividends	11	-	(9,830)	(9,830)
Equity settled share-based payments		-	77	77
Balance at 31 December 2019		6,000	3,040	9,040
Profit for the year		-	4,433	4,433
Dividends	11	-	(4,746)	(4,746)
Equity settled share-based payments		-	92	92
Balance at 31 December 2020		6,000	2,819	8,819

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Solartron Metrology Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 New Star Road, Leicester, LE4 9JD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The financial statements were approved for issue on the date shown on the Statement of Financial Position.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- The requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments
 - items of income, expenses, gains or losses relating to financial instruments and;
 - exposure to and management of financial risks
- share based payment disclosures, including:
 - a description of each type of share based payment arrangement that has existed and;
 - details of exercises and vests during the period
- related party transaction disclosures, including (i) transactions with wholly owned subsidiaries of the AMETEK Inc group and (ii) disclosures related to key management remuneration.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and details of the company's exposure to risk are described in the strategic report on page 1. As noted on pages 11 and 13 respectively, the company has generated a profit after tax of £4,433,000 for the year-ended 31 December 2020 and has net current assets of £6,590,000 and net assets of £8,819,000 at this date.

In assessing whether the financial statements should be prepared on a going concern basis the Directors have considered the impact of COVID-19 on the Company. In this regard, the Directors note the Company operates in diverse markets and industries and has a wide customer base. Market conditions have been mixed during the year with the Bearings markets remaining relatively strong, while the Automotive and Aerospace sectors saw a decline. Towards the end of the year and into the following year, demand for products in all markets has seen a significant upturn back towards pre-COVID levels. The company's products are purchased both as part of capital projects and for ongoing maintenance of existing plant. As customers sought to protect their balance sheets during the pandemic, large orders for capital installations fell sharply in the earlier part of the year whilst ongoing run-rate demand was not impacted to the same extent.

As a result, the Company has seen a significant reduction in orders and sales in 2020 compared with the 2019 orders year. The impact of COVID-19 was swift and dramatic with orders and sales falling rapidly as governments around the world locked down communities to impede the spread of the virus.

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Following the first UK lockdown, that commenced in March 2020, the Company saw a reduction in sales to around 50% of the expected level in April 2020 with temporary shut-downs of the Company's manufacturing operations for two three week periods (which the Company used to ensure future manufacturing could be undertaken in a COVID secure manner to protect its employees). As COVID-19 impacted different regions at different times (for example Europe later than Asia), the Company was able to continue to trade throughout the downturn period with trade returning to more normal levels in the second half of 2020.

Throughout 2020, the Company took significant actions to counteract, assess and ensure that the Company has mitigated the impact of the current economic situation to control costs and conserve cash, while maintaining supply and sales to customers. This included closing the factory in Bognor Regis completely for two 3-week periods and utilising the UK Government Coronavirus Job Retention Scheme (CJRS) support as part of the mitigating actions taken by management.

As part of its ongoing thorough analytical review process, the Company produces monthly financial reporting packs which are reviewed both internally and by the AMETEK UPT Division. A regional operating review was conducted in May 2021, for which the company provided analysis of performance, including incremental sales and decremental margin, comparing month to month movements to highlight the strong performance achieved through strong cost controls and cash management. A Strategic Plan has also been prepared and presented to AMETEK showing the anticipated orders, sales and profit for the years 2021 to 2024. This also included a SWOT and competitive analysis (Porter's Five Forces) which were updated to ensure that there is a clear view of the challenges faced, and the actions needed to adapt to changing circumstances.

During the twelve months ended 31 December 2020, and primarily driven by the impact of COVID-19, the Company has seen a reduction of sales of 29% compared to 2019. However, through these actions the Company sustained a profitable position each month throughout 2020 and managed to maintain a positive cash position during this time. Over the second half of 2020, both orders and sales showed a consistent return back to pre-COVID levels. The Directors note the Company is part of the larger AMETEK Inc group which also traded profitably in each quarter of 2020 and has significant undrawn lines of credit.

While past performance is no guarantee of the future, the Directors believe that the right actions were taken to navigate uncertain times. Furthermore, the forecasts for the next 12 months, which have been updated to reflect the risks associated with COVID-19, show the Company is expected to continue to trade profitably and generate operating cash inflows on a standalone basis. The level of sales being forecast in 2021 is 20% higher than those achieved during 2020, and with further growth in the region of 5% as the business moves into 2022. These forecasts also show the Company will be more profitable than in 2020 and generate a higher level of operating cash inflows.

The Directors have stress tested the forecasts for the remainder of 2021 and for the first 7 months of 2022 noting the most significant factor impacting the cash inflows for the Company is the level of revenues being generated. These stress tests show that, without minimal management actions to mitigate costs, a fall in forecast revenues of 50% would be required over 12 months from date of approval of these financial statements for the Company to run out of liquid funds.

The Directors' overall assessment is that the economic impact of COVID-19, while significant, has not impacted the longer-term viability or sustainability of the Company. The Directors assess that with the Company's customer, industry and market diversification alongside its innovative and niche product lines the Company is well positioned to continue business and can effectively overcome future market shocks, which the Company has proven in its performance during the months since the World Health Organisation declared COVID-19 a global pandemic. Based on this analysis, the Directors consider the aforementioned 50% fall in revenues that would be required for the Company to run out of liquid funds is highly unlikely to occur.

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

On the basis of their assessment, including the factors detailed above, the Directors have concluded it is appropriate for the Company's 2020 financial statements to be prepared on a going concern basis.

1.3 Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT and other sales taxes. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, which is dependent on the specific customer agreements in place.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life, and is amortised on a systematic basis over the estimated useful life of the goodwill.

The goodwill recorded relates to the acquisition of the Solartron Metrology business in 2001. The goodwill was considered to have a useful economic life of 20 years from the acquisition date and this is considered to remain appropriate.

1.5 Intangible fixed assets other than goodwill

Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	over 30 years
Plant and machinery	over 10 years
Fixtures, fittings & equipment	over 7 to 10 years
Computer equipment	over 3 years
Motor vehicles	over 3 years
Toolings and moulds	over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials, consumables and goods for resale are stated at purchase cost on a first in, first out basis.
- Work in progress and finished goods are stated at cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, 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. Other financial assets classified as fair value through the income statement are measured at fair value.

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' or as 'amounts due from group undertakings', if appropriate. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.11 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Other financial liabilities classified as fair value through the income statement are measured at fair value.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.13 Taxation

The tax expense represents the sum of the current tax payable and deferred tax movements in the period.

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. No expense is recognised for awards that do not ultimately vest.

At each year end date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions that impact on the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous statement of financial position date is recognised in the income statement for the year (as part of wages and salaries) with a corresponding reserve transfer to the profit and loss reserve.

There are no non-equity settled share-based payments.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.20 Research and development

Research expenditure is written off to the income statement in the year in which it is incurred.

1.21 Government grants

Government grants are recognised as income over the periods when the related costs are incurred.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The following are considered to have the most significant effect on the amounts recognised in the financial statements:

- Stocks – the determination of provision required to ensure that stock is recorded at the lower of cost and net realisable value.
- Fixed assets – the determination on whether impairment provisions are required to reduce the carrying value of tangible and intangible fixed assets.
- Warranty provision - the warranty provision is estimated based on current forecasts of the likely amount required to settle the liability.

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

Turnover analysed by geographical market

	2020 £'000	2019 £'000
Europe	5,858	8,692
Asia	4,649	5,709
Americas (excluding USA)	1,070	1,734
USA	5,375	8,050
	<u>16,952</u>	<u>24,185</u>

4 Other income

Other income includes Government grants received amounting to £445,000 (2019: £nil).

5 Operating profit

	2020 £'000	2019 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(3)	171
Research and development costs	675	835
Depreciation of owned tangible fixed assets	422	397
Amortisation of intangible assets	594	594
Cost of stocks recognised as an expense	3,107	4,694
Impairment of stocks recognised or reversed	14	(2)
Hire of plant and machinery	29	26
	<u></u>	<u></u>

6 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2020 £'000	2019 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	<u>32</u>	<u>32</u>

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Production staff	86	89
Engineering staff	10	10
Sales and Marketing staff	4	4
Administrative staff	9	9
	<u>109</u>	<u>112</u>

Their aggregate remuneration comprised:

	2020 £'000	2019 £'000
Wages and salaries	3,472	3,836
Social security costs	367	354
Pension costs	230	251
	<u>4,069</u>	<u>4,441</u>

Included in wages and salaries is a total expense for share-based payments in relation to equity-settled transactions of £92,000 (2019: £77,000), of which £55,000 (2019: £44,000) relates to restricted shares and £37,000 (2019: £33,000) relates to share options.

Further details of the share-based payment arrangements applicable are given in the group financial statements of the ultimate parent entity AMETEK Inc.

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8	Directors' remuneration	2020 £'000	2019 £'000
	Remuneration for qualifying services	290	357
	Company pension contributions to defined contribution schemes	29	31
		<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

The number of directors who exercised share options during the year was 2 (2019 - 2).

The number of directors who received shares under long term incentive schemes during the year was 2 (2019 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £'000	2019 £'000
Remuneration for qualifying services	187	244
Company pension contributions to defined contribution schemes	28	28
	<u> </u>	<u> </u>

The highest paid director has exercised share options during the year.

The highest paid director has received shares under a long term incentive scheme during the year.

9	Interest receivable	2020 £'000	2019 £'000
	Interest income		
	Bank interest receivable	1	4
	Interest receivable from group companies	29	35
		<u> </u>	<u> </u>
	Total interest receivable	30	39
		<u> </u>	<u> </u>

10	Taxation	2020 £'000	2019 £'000
	Current tax		
	UK corporation tax on profits for the current period	-	3
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	8	3
	Changes in tax rates	(7)	-
	Adjustment in respect of prior periods	1	-
		<u> </u>	<u> </u>
	Total deferred tax	2	3
		<u> </u>	<u> </u>
	 Total tax charge	 2	 6
		<u> </u>	<u> </u>

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the profit per the income statement as follows:

	2020 £'000	2019 £'000
Profit before taxation	4,435	7,675
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	843	1,458
Tax effect of expenses that are not deductible in determining taxable profit	49	-
Tax effect of income not taxable in determining taxable profit	-	(42)
Amortisation of intangible assets	-	121
Effect of change in tax rates	(7)	-
Group relief received for nil payment	(884)	(1,534)
Under provided in prior years	1	3
Taxation for the year	2	6

Factors that may affect the future tax charge

The Company's profits for this accounting period are taxed at a rate of 19% and closing deferred tax balances are stated at this rate. It was announced in the Budget on 3 March 2021 that Corporation Tax rates will increase to 25% from 1 April 2023 but as that change was not substantively enacted at the balance sheet date, it is not reflected in these financial statements.

11 Dividends

	2020 £'000	2019 £'000
Ordinary dividends paid	4,746	9,830

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Intangible fixed assets

	Goodwill	Patents and trademarks	Total
	£'000	£'000	£'000
Cost			
At 1 January 2020 and 31 December 2020	11,870	1,600	13,470
Amortisation and impairment			
At 1 January 2020	11,082	1,600	12,682
Amortisation charged for the year	594	-	594
At 31 December 2020	11,676	1,600	13,276
Carrying amount			
At 31 December 2020	194	-	194
At 31 December 2019	788	-	788

13 Tangible fixed assets

	Freehold property	Fixtures, fittings & equipment	Plant and machinery	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2020	1,750	1,130	5,574	8,454
Additions	-	14	261	275
Disposals	-	-	(2)	(2)
At 31 December 2020	1,750	1,144	5,833	8,727
Accumulated depreciation and impairment				
At 1 January 2020	1,170	1,019	4,079	6,268
Charge for the year	42	31	349	422
Eliminated on disposal	-	-	(2)	(2)
At 31 December 2020	1,212	1,050	4,426	6,688
Carrying amount				
At 31 December 2020	538	94	1,407	2,039
At 31 December 2019	580	111	1,495	2,186

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Stocks

	2020 £'000	2019 £'000
Raw materials and consumables	930	966
Work in progress	52	39
Finished goods and goods for resale	278	347
	<u>1,260</u>	<u>1,352</u>

15 Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade debtors	1,385	1,965
Amounts due from fellow subsidiary undertakings	2,405	2,173
Corporation tax recoverable	808	1,089
Other debtors	265	272
Prepayments and accrued income	41	41
Deferred tax asset (note 16)	65	67
	<u>4,969</u>	<u>5,607</u>

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Deferred taxation

The following are the major deferred tax assets recognised by the company and movements thereon:

	2020 £'000	2019 £'000
Balances:		
Decelerated capital allowances	22	25
Other timing differences	43	42
	<u>65</u>	<u>67</u>
Movements in the year:		2020 £'000
Asset at 1 January 2020		(67)
Net origination differences taken to income statement		8
Effect of change in tax rates taken to income statement		(7)
Adjustment in respect of prior years taken to income statement		1
Asset at 31 December 2020		<u>(65)</u>

The effect of future changes in tax rates is not considered to have a material effect on the deferred tax balance.

The company expects deferred tax assets of £12,000 to reverse in 2021.

17 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	920	951
Amounts due to fellow subsidiary undertakings	503	646
Other taxation and social security	111	141
Accruals and deferred income	446	684
	<u>1,980</u>	<u>2,422</u>

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

18 Provisions for liabilities	2020	2019
	£'000	£'000
Warranty provision	4	10
	<u>4</u>	<u>10</u>
Movements on provisions:		
		£'000
At 1 January 2020		10
Utilisation of provision		(6)
		<u>4</u>
At 31 December 2020		<u>4</u>
19 Share capital	2020	2019
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
6,000,000 Ordinary Shares of £1 each	6,000	6,000
	<u>6,000</u>	<u>6,000</u>
20 Retirement benefit schemes		
The total costs charged to income in respect of defined contribution schemes was £230,000 (2019: £251,000).		
21 Profit and loss reserves		
This account includes all current and prior period retained profits and losses.		
22 Operating lease commitments		
At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:		
	2020	2019
	£'000	£'000
Within one year	24	27
Between two and five years	31	31
	<u>55</u>	<u>58</u>
	<u>55</u>	<u>58</u>
23 Financial commitments, guarantees and contingent liabilities		
The company has issued bank guarantees to the value of £150,000 (2019: £150,000) in favour of HM Revenue and Customs.		

SOLARTRON METROLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020 £'000	2019 £'000
Acquisition of tangible fixed assets	128	37

25 Events after the reporting date

The company has declared and paid dividends amounting to £3,066,000 since 31 December 2020.

The company has also carried out a capital reduction of 3,000,000 ordinary shares of £1 each. These shares were cancelled for nil consideration.

On 28 May 2021, the company acquired the assets of Gagesoft Inc for a consideration of US\$1,500,000.

26 Controlling party

The immediate parent company is Taylor Hobson Limited, a company registered in England and Wales.

The ultimate parent company and controlling party is AMETEK Inc., a company incorporated in the United States of America. AMETEK Inc. prepares group financial statements which include the company and are the smallest and largest consolidated accounts that the company is included in, and copies can be obtained from 2 New Star Road, Leicester LE4 9JD.