

Registered number  
05048767

Hartridge Limited  
Report and Accounts  
31 December 2017



**Hartridge Limited**  
**Report and accounts**  
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**Hartridge Limited**  
**Company Information**

**Directors**

W Allen  
L Esse  
M Compton  
S Quantrell

**Secretary**

Pinsent Masons Secretarial Ltd

**Auditors**

Ernst & Young LLP  
No. 1 Colmore Square  
Birmingham  
B4 6HQ

**Bankers**

Barclays Bank Plc  
Corporate Banking  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B3 2WN

**Registered office**

Brunel Way  
Stonehouse  
Gloucestershire  
GL10 3SX

**Registered number**

05048767

## Hartridge Limited Strategic Report

### Principal activities and review of business

Hartridge Limited (the company) is a wholly owned subsidiary of the Delphi Technologies Group.

The company's principal activity is the design, manufacture and sale of test equipment for testing diesel fuel injection equipment mainly to the automotive market.

	2017 £000's	2016 £000's	Change %
Turnover	11,661	10,171	15%
Profit on ordinary activities before taxation excluding exceptional items	1,036	675	53%
Profit on ordinary activities after taxation	1,036	698	48%

Year on year turnover increased by 15% in 2017. This was due to the launch of a new project which Hartridge subsequently withdrew from its product range. Hartridge continues to invest in engineering and research & development in new products so that the business can continue to capitalise on new opportunities. 2018 has already seen the successful launch of two machines which are intended to target a wider customer base to support growth and product portfolio expansion.

### Report and Accounts

Unaudited interim results indicate that 2018 will be a year of good profitability and the directors conclude that future prospects are good.

### Principal risks and uncertainties

#### *Financial risk management*

The company does not use derivatives to manage its financial risk. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business, and the assets and liabilities contained within the company's balance sheet, the only financial risks that directors consider relevant to this company are credit risk and currency risk. Credit risk is mitigated by the company's credit control policies.

#### *Currency risk management*

The company undertakes some trade in foreign currencies, primarily Euros, and is exposed to a level of currency risk. Currency risk for the Delphi group is managed by the central treasury function of the Delphi group on a portfolio basis across all of its subsidiaries.

Approved by the Board of Directors  
and signed on behalf of the Board *25<sup>th</sup> October* 2018.



William Allen  
Director  
Registered number 05048767

**Hartridge Limited**  
**Registered number: 05048767**  
**Directors' Report**

The directors present their report and audited financial statements for the year ended 31 December 2017.

**Going concern**

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future.

The directors have reviewed the forecasts for future trading and the forecast cash requirements and have confirmed that adequate financing is available to enable the company to meet its liabilities as they fall due. The company is part of the Delphi group of companies and is a party to cash pooling arrangements across the European group.

**Directors and their interests**

The following persons served as directors during the year and up to the date of signing the financial statements:

W Allen (Appointed 4.12.17)  
L Esse (Appointed 4.12.17)  
M Compton (Appointed 4.12.17)  
D Turner (Resigned 15.2.17)  
G Gray (Resigned 4.12.17)  
M Conlon (Resigned 4.12.17)  
C G Smith (Resigned 4.12.17)  
S Quantrell (Resigned 4.12.17 and re-appointed 29.1.18 )

**Political contributions**

The company made no political contributions during the period.

**Disabled employees**

The company gives full consideration to the possibility of employing disabled persons wherever suitable opportunities exist.

**Employee involvement**

Employee involvement is actively encouraged in all areas of the company and is seen as fundamental to our continuing success. Regular and open communication is carried out to encourage participation and update all employees on group objectives and progress towards them.

**Disclosure of information to the 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

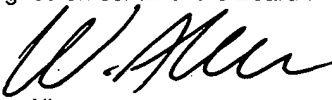
**Hartridge Limited**  
**Registered number: 05048767**  
**Directors' Report**

(continued)

**Auditor**

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the annual general meeting for reappointment of Ernst & Young LLP as auditor of the company.

Approved by the Board of Directors  
and signed on behalf of the Board *25<sup>th</sup> October* 2018.

  
William Allen  
Director

## **Hartridge Limited**

### **Statement of Directors' Responsibilities**

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 including Financial Reporting Standard 102 (FRS 102), (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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, as has been the case

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTRIDGE LIMITED**

### **Opinion**

We have audited the financial statements of Hartridge Limited for the year ended 31 December 2017 which comprise the Income Statement, the Statement of financial position, the Statement of changes in equity, and the related notes 1 to 19, 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 company's affairs as at 31 December 2017 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 below. 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Director's Report and the Strategic Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTRIDGE LIMITED

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

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

- the information given in the Director's Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report and the Strategic 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 5, 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.

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.

### 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.

*Ernst & Young LLP*

John Howarth (Partner)  
for and on behalf of Ernst & Young LLP, Statutory Auditors  
Birmingham

*26 OCTOBER*  
.....2018

**Hartridge Limited**  
**Income Statement**  
**for the year ended 31 December 2017**

	Notes	2017 £000's	2016 £000's
<b>Turnover</b>	4	11,661	10,171
Cost of sales		(8,454)	(7,746)
<b>Gross profit</b>		<u>3,207</u>	<u>2,425</u>
Distribution costs		(241)	(42)
Administrative expenses		(2,050)	(1,837)
<b>Operating profit</b>	5	<u>916</u>	<u>546</u>
Interest receivable		120	129
<b>Profit on ordinary activities before taxation</b>		<u>1,036</u>	<u>675</u>
Tax on profit on ordinary activities	8	-	23
<b>Profit for the financial year</b>		<u>1,036</u>	<u>698</u>

All of the activities of the company are classified as continuing.

The Company has no other comprehensive income other than the profit for the above two financial years.

The notes on pages 11 to 18 form part of these financial statements.

**Hartridge Limited**  
**Statement of financial position**  
**31 December 2017**

	Notes	2017 £000's	2016 £000's
<b>Fixed assets</b>			
Property, plant and equipment	9	1,216	1,207
		<u>1,216</u>	<u>1,207</u>
<b>Current assets</b>			
Inventories	10	2,522	2,354
Debtors	11	13,013	11,611
Cash at bank and in hand		76	657
		<u>15,611</u>	<u>14,622</u>
<b>Creditors: amounts falling due within one year</b>	12	(3,148)	(3,222)
<b>Net current assets</b>		<u>12,463</u>	<u>11,400</u>
<b>Total assets less current liabilities</b>		<u>13,679</u>	<u>12,607</u>
<b>Provisions for liabilities</b>	13	(295)	(259)
<b>Net assets</b>		<u>13,384</u>	<u>12,348</u>
		<b>2017</b>	<b>2016</b>
<b>Capital and reserves</b>			
Called up share capital	14	30	30
Share premium account		1	1
Profit and loss account		13,353	12,317
<b>Shareholders' funds</b>		<u>13,384</u>	<u>12,348</u>

Approved by the Board of Directors *25<sup>th</sup> October* and signed on behalf of the Board .....2018.



William Allen  
Director  
Registered number 05048767

**Hartridge Limited**  
**Statement of changes in equity**  
**for the year ended 31 December 2017**

	Share capital £000's	Share premium £000's	Retained earnings £000's	Total Equity £000's
Balance at 1 January 2016	30	1	11,619	11,650
Profit for the year	-	-	698	698
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	698	698
Balance at 31 December 2016	30	1	12,317	12,348
Profit for the year	-	-	1,036	1,036
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	1,036	1,036
Balance at 31 December 2017	30	1	13,353	13,384

**Hartridge Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**1 General information**

The company's principal activity is the design, manufacture and sale of test equipment for testing diesel fuel injection equipment mainly to the automotive market.

Hartridge Limited is a limited liability company incorporated in England, registration number 05048767. The principal place of business is the Hartridge Building, Network 421, Radclive Road, Gawcott, Buckinghamshire MK18 4FD. The registered office is Brunel Way, Stonehouse, Gloucestershire, GL10 3SX.

The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £'000.

**2 Statement of compliance**

The individual financial statements of Hartridge 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. The amendments to FRS 102 have been applied early and prior to 1 January 2016.

**3 Accounting policies**

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

**3.1. Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- from preparing a statement of cash flows under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company included the company's cash flows in its own consolidated financial statements.
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, on the basis that it is a qualifying entity and its ultimate parent company included financial instrument disclosures in its own.
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

**Going concern**

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future.

The directors have reviewed the forecasts for future trading and the forecast cash requirements and have confirmed that adequate financing is available to enable the company to meet its liabilities as they fall due. The company is part of the Delphi group of companies and is a party to cash pooling arrangements across the European group.

**Hartridge Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**3 Accounting policies (continued)**

***Property, plant and equipment***

Property, plant and equipment asset additions are recorded at cost.

***Depreciation***

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Land	Indefinite life
Buildings	over 16 to 20 years
Plant and machinery	over 3 to 15 years

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

***Inventories***

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis

Work in progress and finished goods - 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.

***Impairment of non-financial assets***

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists the company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates, the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease. An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

**Hartridge Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**3 Accounting policies (continued)**

***Research and development***

Research and development expenditure is written off as incurred.

***Deferred taxation***

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax have occurred.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Operating leases***

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

***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

***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 discounts, rebates, value added tax and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

***Sale of goods***

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

***Short term contracts***

Short term contracts are accounted under the completed contract method under which revenue is recognised upon substantial completion. Revenues derived from variations on contracts are recognised only when they have been accepted by the buyer.

***Interest income***

Revenue is recognised as interest accrues using the effective interest method.

**3.2. Judgements and key sources of estimation uncertainty**

***Warranty provisions***

Provision is made for liabilities arising in respect of expected customer claims based on historic experience. The company offers a 12 month warranty on its products and accrues warranty at a rate of 2% of Sales Value. This methodology is based on a historic 12 month warranty usage. See note 13 for additional information.

**Hartridge Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**4 Analysis of turnover**

Turnover originates in the UK from the company's principal activities and represents amounts derived from the provision of goods and services after deduction of trade discounts and value added tax.

By geographical market:	2017 £000's	2016 £000's
UK	1,972	2,589
Europe	4,585	1,802
Rest of world	5,104	5,780
	<u>11,661</u>	<u>10,171</u>

**5 Operating profit**

This is stated after charging:

	2017 £000's	2016 £000's
Depreciation of tangible fixed assets	155	162
Research and development expenditure	1,706	1,799
Operating lease rentals - plant and machinery	35	41
Auditors' remuneration for audit services	17	18
Foreign currency exchange losses	17	30
	<u>17</u>	<u>30</u>

**6 Directors' emoluments**

	2017 £000's	2016 £000's
Emoluments	<u>123</u>	<u>123</u>
	<u>123</u>	<u>123</u>

The company bears a share of the salary of certain directors, who in addition to being director of this company, are also directors of other companies within the group or play a role in group management. This recharge is managements' best estimate of the proportion of the directors' salaries relating to their activity as directors of this company. Additionally, certain directors roles within the company are deemed to be incidental to their wider roles as group director within group management, and therefore the company bears no costs in relation to those directors.

**7 Staff costs**

	2017 £000's	2016 £000's
Wages and salaries	1,994	2,393
Social security costs	212	233
Other pension costs (see note 17)	151	162
	<u>2,357</u>	<u>2,788</u>

**Average number of employees during the year**

	Number	Number
Development	11	13
Manufacturing	17	17
Sales and marketing	9	11
Administration	15	16
	<u>52</u>	<u>57</u>



**Hartridge Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**8 Taxation**

**2017**  
**£000's**

**2016**  
**£000's**

**(a) Tax on profit on ordinary activities**

The tax charge/(credit) is made up as follows:

Deferred tax:

Origination and reversal of timing differences

Change in tax rate

-	(26)
-	3
-	(23)

Tax credit on profit on ordinary activities

-	(23)
---	------

**(b) Factors affecting tax credit for period**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19.25% (2016 – 20%). The differences are reconciled below:

**2017**  
**£000's**

**2016**  
**£000's**

Profit on ordinary activities before tax

1,036	675
-------	-----

Standard rate of corporation tax in the UK

19.25%	20.00%
--------	--------

**£000's**

**£000's**

Profit on ordinary activities multiplied by the standard rate of corporation tax

199	135
-----	-----

Effects of:

Expenses not deductible for tax purposes

14	14
----	----

Adjustments to deferred tax in respect of prior years

-	2
---	---

Difference between standard rate and closing deferred tax rate on timing differences

-	5
---	---

Re-measurement of deferred tax - change in UK tax rate

-	3
---	---

Group relief surrendered for nil consideration

(213)	(182)
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Total tax credit for period

-	(23)
---	------

**Deferred tax asset**

**2017**  
**£000's**

**2016**  
**£000's**

Movement on deferred taxation balance in the period:

Opening balance

(86)	(63)
------	------

Credit to profit and loss account

-	(23)
---	------

Closing balance (included in Debtors see below note 11)

(86)	(86)
------	------

**2017**  
**£000's**

**2016**  
**£000's**

Deferred taxation consists of the following amounts:

Deferred tax asset

(48)	(45)
------	------

Capital allowance in excess of depreciation

(38)	(41)
------	------

Deferred tax (assets);(note 11)

(86)	(86)
------	------

There are no unused tax losses or tax credits.

**Hartridge Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**8 Taxation (continued)**

**Factors affecting future tax charges**

Finance No. 2 Bill 2015, which was substantively enacted on 26 October 2015, provided for reductions in the main rate of corporation tax in the UK from the current rate of 20% to 19% with effect from 1 April 2017 and to 18% from 1 April 2020.

Finance Bill 2016, which was substantively enacted on 6 September 2016 provided for a reduction in the main rate of UK Corporation tax to 17% from 1 April 2020 rather than the 18% previously announced. Deferred tax at the balance sheet date has therefore been calculated at 17%.

**9 Property, plant and equipment**

	Land £000's	Buildings £000's	Plant and machinery £000's	Total £000's
<b>Cost</b>				
At 1 January 2017	106	977	1,071	2,154
Additions	-	-	164	164
At 31 December 2017	106	977	1,235	2,318
<b>Depreciation</b>				
At 1 January 2017	-	130	817	947
Charge for the year	-	54	101	155
At 31 December 2017	-	184	918	1,102
<b>Net book value</b>				
At 31 December 2017	106	793	317	1,216
At 31 December 2016	106	847	254	1,207

**10 Inventories**

	2017 £000's	2016 £000's
Work in progress	508	497
Finished goods and goods for resale	2,014	1,857
	2,522	2,354

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The amount of stock provision charged to income statements and included in the cost of sales during the year was £10,110 (2016: £62,244).

**11 Debtors**

	2017 £000's	2016 £000's
Trade debtors	1,839	727
Amounts due from group undertakings	10,370	10,271
VAT recoverable	51	19
Deferred tax asset	86	86
Other debtors	552	437
Prepayments and accrued income	115	71
	13,013	11,611

£8.5m (2016: £8.3m) included in the amounts due from group undertakings represents cash balances held in a group treasury function and are readily convertible to cash.

**Hartridge Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

<b>12 Creditors: amounts falling due within one year</b>	<b>2017 £000's</b>	<b>2016 £000's</b>
Trade creditors	1,295	1,400
Amounts owed to group undertakings	1,513	1,494
Other creditors	266	169
Accruals and deferred income	74	159
	<u>3,148</u>	<u>3,222</u>

**13 Provisions for liabilities**

	<b>Warranty provision £000's</b>
At 1 January 2017	259
Charged to profit and loss account	187
Utilised	<u>(151)</u>
At 31 December 2017	<u>295</u>

A provision of £295,000 (2016: £259,000) has been recognised for expected warranty claims on products sold during the last three financial years, based on historic claims experience. It is expected that most of this expenditure will be incurred in the following two financial years. The company offers a 12 month warranty on its products and accrues warranty at a rate of 2% of Sales Value. This methodology is based on a historic 12 month warranty usage.

In addition the company launched a new product (test bench Sabre) in 2017. Due to not having completed a full 12 month warranty cycle at year end the warranty provision on these benches was increased to 3% to provide for unknown issues. Additional 3% warranty provision was made for £49,215.

Furthermore, in 2017 Hartridge agreed with the distributor to the Turkish market to provide a 24 month warranty on all Hartridge products to support our distributor with local market pressures. Due to the failure rate on a product older than 12 months likely to increase, a further 3% of provision was made for £14,010.

<b>14 Share capital</b>	<b>2017 Number</b>	<b>2016 Number</b>	<b>2017 £000's</b>	<b>2016 £000's</b>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	30,000	30,000	<u>30</u>	<u>30</u>

**15 Other financial commitments**

At the year end the company had total commitments under non-cancellable operating leases as set out below:

	<b>2017 £000's</b>	<b>2016 £000's</b>
Operating leases which expire:		
within one year	8	-
within two to five years	<u>22</u>	<u>33</u>
	<u>30</u>	<u>33</u>

**Hartridge Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**16 Related Parties**

The company has taken advantage of the exemption within FRS102 section 33, not to disclose transactions with directly or indirectly wholly owned group companies. During the year there were no transactions with associates that were not directly or indirectly wholly owned group companies of the Delphi group.

**17 Pensions**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. There were no outstanding contributions at the year end (2016: £nil). The expense for the period was £150,781 (2016: £162,391).

**18 Events after the reporting date**

None to report.

**19 Controlling Party**

The immediate parent undertaking is Delphi Automotive Operations UK Ltd., with registered address 1 Park Row, Leeds, United Kingdom, LS1 5AB.

Delphi Technologies PLC is the ultimate parent undertaking of the Company. Delphi Technologies PLC is incorporated in Jersey and is traded on the New York Stock Exchange. Its registered address is: One Angel Court, 10th Floor, London, EC2R 7HJ, United Kingdom.

The parent of both the smallest and largest group for which the results of the Company were consolidated as of 31 December 2017 was Delphi Technologies PLC. The group financial statements of Delphi Technologies PLC are available from the Securities and Exchange Commission in the U.S.