

Registered number: 09845970

ACLARA METERS UK LIMITED

**DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

MONDAY



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COMPANIES HOUSE

ACLARA METERS UK LIMITED

COMPANY INFORMATION

Directors	Kurt Bruenning (resigned 11 June 2018) Allan Connolly James Rennie (resigned 11 October 2018) Maria Lee (appointed 11 October 2018, resigned 3 June 2019) An-Ping Hsieh (appointed 11 October 2018, resigned 15 March 2019) Jonathan Balmer (appointed 11 October 2018) Katherine Lane (appointed 15 March 2019) Rose O'Brien (appointed 1 June 2019)
Company secretary	Mitre Secretaries Limited
Registered number	09845970
Registered office	Cannon Place 78 Cannon Street London EC4N 6AF
Independent auditor	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

ACLARA METERS UK LIMITED

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ACLARA METERS UK LIMITED

STRATEGIC REPORT FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018

Introduction

The principal activity of the company continued to be the sale of electric meters, gas meters and related in home displays.

Business review

The Company principal activity continues to be to distribute electric and gas meters for the UK smart meter market as mandated by the UK government. This rollout is in the initial deployment stages and has continued its steady improvement during the period under review.

During the current period, the Company generated a turnover of £49.15m and had a net loss of £0.2m. The Company's gross profit margin during the period was 3.54%. At 31 December 2018 the Company was in a net asset position of £2.34m and had a cash balance of £5.68m.

Principal risks and uncertainties

The Company faces a variety of risks in the operation of its business. These risks are actively monitored and managed by the board members of the parent company.

Commercial risks

The Company faces competition in both pricing and market share. This is handled through management of contracts between the Company and its customers. The Company strives to continually enhance its reputation for quality and service.

Legislative risks

In the UK and Europe, the gas and electricity meters must be manufactured to EU standards. These standards are subject to continuous revision and any new Directive may have a material impact on the ability of the Company to supply products at a profit. In addition compliance imposes costs and failure to comply with the standards could materially affect the Company's ability to operate.

Financial Instrument risks

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments.

The Board members the Company has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Credit risk

Credit risk is the risk that one party to financial instrument will cause a financial loss for that other party by failing to discharge an obligation. The Company is mainly exposed to credit risk from credit sales. It is the Company's policy to assess the credit risk of new customers before entering into contracts.

The Board has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The credit risk on cash is limited as cash is placed with substantial financial institutions.

ACLARA METERS UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

Currency risk

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than its functional currency. The Company is predominantly exposed to currency risk on purchases made from outside the United Kingdom.

Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets throughout the Company.

The Board has reviewed forecasts for the next 12 months and considers that available financial resources including financial and operational support from the parent company are sufficient to meet the cash flow requirements of the business

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Financial key performance indicators

The Board monitors and manages the performance of the Company assisted by the production of detailed monthly management reports containing detailed monthly accounts and a number of key financial and nonfinancial performance measures. The main KPIs include turnover, gross margin and operating costs.

Other key performance indicators

The Board monitors backlog and sales forecast on a weekly and monthly basis for the current month and fiscal year.

This report was approved by the board and signed on its behalf.



Rose O'Brien
Director

Date: 27/9/19

ACLARA METERS UK LIMITED

**DIRECTORS' REPORT
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the 11 month period ended 31 December 2018.

Directors' responsibilities statement

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 period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

Results and Dividends

The loss for the 11 month period, after taxation, amounted to £201,797 (2018 - profit £1,268,913).

There were no dividends paid during the 11 month period ended 31 December 2018.

Directors

The directors who served during the 11 month period were:

Kurt Bruenning (resigned 11 June 2018)

Allan Connolly

James Rennie (resigned 11 October 2018)

Maria Lee (appointed 11 October 2018, resigned 3 June 2019)

An-Ping Hsieh (appointed 11 October 2018, resigned 15 March 2019)

Jonathan Balmer (appointed 11 October 2018)

Future developments

The directors aim to maintain the management policies which have resulted in the Company's substantial revenue in the current period. They consider that the next period will show a further significant growth in sales from continuing operations.

ACLARA METERS UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

Financial instruments

Details of financial instruments are provided in the Strategic Report on page 1.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the period end

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Rose O'Brien
Director

Date: 27/9/19

ACLARA METERS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACLARA METERS UK LIMITED

Opinion

We have audited the financial statements of Aclara Meters UK Limited (the 'Company') for the 11 month period ended 31 December 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 2018 and of its loss for the 11 month period 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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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

ACLARA METERS UK LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACLARA METERS UK LIMITED
(CONTINUED)**

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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 Strategic report and the Directors' report for the financial 11 month period 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 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 on page 3, 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.

ACLARA METERS UK LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACLARA METERS UK LIMITED
(CONTINUED)**

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: 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.



Stacy Eden (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date: 27 September 2019

ACLARA METERS UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

		11 month Period ended 31 December 2018 £	4 month period ended 1 February 2018 £
	Note		
Turnover	4	49,148,421	12,050,785
Cost of sales		(47,406,754)	(10,404,157)
Gross profit		1,741,667	1,646,628
Marketing costs		(1,215,343)	(442,243)
Administrative expenses		(696,049)	134,914
Operating (loss)/profit	5	(169,725)	1,339,299
Tax on (loss)/profit	9	(32,072)	(70,386)
(Loss)/profit for the financial 11 month period		(201,797)	1,268,913

There was no other comprehensive income for 2018 (2018:£NIL).

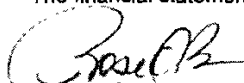
The notes on pages 12 to 25 form part of these financial statements.

ACLARA METERS UK LIMITED
REGISTERED NUMBER: 09845970

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 £	1 February 2018 £
Fixed assets			
Intangible assets	10	2,425,854	2,744,927
Tangible assets	11	25,106	30,977
		<u>2,450,960</u>	<u>2,775,904</u>
Current assets			
Stocks	12	155,418	6,323,861
Debtors: amounts falling due within one year	13	9,447,629	4,692,107
Cash at bank and in hand	14	5,677,228	2,057,359
		<u>15,280,275</u>	<u>13,073,327</u>
Creditors: amounts falling due within one year	15	(15,408,209)	(13,324,408)
Net current liabilities		<u>(127,934)</u>	<u>(251,081)</u>
Total assets less current liabilities		<u>2,323,026</u>	<u>2,524,823</u>
Net assets		<u>2,323,026</u>	<u>2,524,823</u>
Capital and reserves			
Called up share capital	17	15	15
Other reserves	18	4,431,834	4,431,834
Profit and loss account	18	(2,108,823)	(1,907,026)
		<u>2,323,026</u>	<u>2,524,823</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Rose O'Brein
 Director

Date: 9/27/19

The notes on pages 12 to 25 form part of these financial statements.

ACLARA METERS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£	£	£	£
At 2 February 2018	15	4,431,834	(1,907,026)	2,524,823
Comprehensive income for the 11 month period				
Loss for the 11 month period	-	-	(201,797)	(201,797)
At 31 December 2018	15	4,431,834	(2,108,823)	2,323,026

**STATEMENT OF CHANGES IN EQUITY
FOR THE 11 MONTH PERIOD ENDED 1 FEBRUARY 2018**

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2017	15	4,431,834	(3,175,939)	1,255,910
Comprehensive income for the period				
Profit for the period	-	-	1,268,913	1,268,913
At 1 February 2018	15	4,431,834	(1,907,026)	2,524,823

The notes on pages 12 to 25 form part of these financial statements

ACLARA METERS UK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

	31 December 2018 £	1 February 2018 £
Cash flows from operating activities		
(Loss)/profit for the financial 11 month period	(201,797)	1,268,913
Adjustments for:		
Amortisation of intangible assets	319,073	116,027
Depreciation of tangible assets	5,871	2,147
Taxation charge	32,072	70,386
Decrease in stocks	6,168,442	4,223,269
(Increase)/decrease in debtors	(4,755,518)	2,927,320
Increase/(decrease) in creditors	4,312,710	(4,427,636)
(Decrease) in amounts owed to groups	(2,260,984)	(3,140,436)
Net cash generated from operating activities	3,619,869	1,039,990
Net increase in cash and cash equivalents	3,619,869	1,039,990
Cash and cash equivalents at beginning of 11 month period	2,057,359	1,017,369
Cash and cash equivalents at the end of 11 month period	5,677,228	2,057,359
Cash and cash equivalents at the end of 11 month period comprise:		
Cash at bank and in hand	5,677,228	2,057,359
	5,677,228	2,057,359

The notes on pages 12 to 25 form part of these financial statements.

ACLARA METERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

1. General information

The Company is a private limited company (limited by shares), which is incorporated and domiciled in England and Wales (registration number: 09845970)

The address of the registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

During the 11 month period ended 31 December 2018, the company made a loss of £0.2m. At 31 December 2018, the company had net assets of £2.3m, which included a current liability of £15.4m, which included amounts payable to group undertakings of £7.3m. The directors are satisfied that the going concern basis is appropriate for the preparation of these financial statements as they have obtained confirmation that the parent undertaking will continue to support the company for a period of at least 12 months from the date of approval of the financial statement and that no call will be made for the repayment of these debts to the extent that this would prejudice the ability of the company to meet its liabilities as they fall due.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

ACLARA METERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer,
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

ACLARA METERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10 years
Other intangible fixed assets	-	16 months

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 7 years straight line
Plant and machinery	- 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

ACLARA METERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are comprised of trade debtors, prepayments and accrued income and unpaid share capital. They are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

ACLARA METERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements include estimation, where applicable, for items relating to:-

- Impairment of goodwill

4. Turnover

	11 month Period ended 31 December 2018 £	4 month period ended 1 February 2018 £
Sales	<u>49,148,421</u>	<u>12,050,785</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	11 month Period ended 31 December 2018 £	4 month period ended 1 February 2018 £
Exchange differences	97,326	(249,931)
Operating lease rentals	<u>30,910</u>	<u>(12,760)</u>

ACLARA METERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018

6. Auditor's remuneration

	11 month Period ended 31 December 2018 £	4 month period ended 1 February 2018 £
Fees payable to the Company's auditor for the audit of the Company's 11 month period financial statements	<u>21,000</u>	<u>12,500</u>
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	3,500	1,500
All other services	<u>5,000</u>	<u>3,500</u>

ACLARA METERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Period ended 31 December 2018 £	4 month period ended 1 February 2018 £
Wages and salaries	1,134,721	667,190
Social security costs	141,320	54,462
Cost of defined contribution scheme	93,692	30,778
	<u>1,369,733</u>	<u>752,430</u>

The average monthly number of employees, including the directors, during the 11 month period was as follows:

	11 month Period ended 31 December 2018 No.	4 month period ended 1 February 2018 No.
Engineering	3	3
Marketing	9	7
Administration	3	3
	<u>15</u>	<u>13</u>

8. Directors' remuneration

	Period ended 31 December 2018 £	4 month period ended 1 February 2018 £
Directors' emoluments	<u>9,600</u>	<u>14,800</u>

ACLARA METERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

9. Taxation

	Period ended 31 December 2018 £	4 month period ended 1 February 2018 £
Corporation tax		
Current tax on profits for the period	32,072	70,386

Factors affecting tax charge for the 11 month period

The tax assessed for the 11 month period/period is the same as (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	Period ended 31 December 2018 £	4 month period ended 1 February 2018 £
(Loss)/profit on ordinary activities before tax	(169,725)	1,339,299
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(32,248)	254,467
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	61,739	22,453
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,581	162
Utilisation of tax losses	-	(206,696)
Total tax charge for the 11 month period	32,072	70,386

ACLARA METERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 11 MONTH PERIOD ENDED 31 DECEMBER 2018**

10. Intangible assets

	Other intangible asset £	Goodwill £	Total £
Cost			
At 2 February 2018	1,412,200	3,480,799	4,892,999
At 31 December 2018	1,412,200	3,480,799	4,892,999
Amortisation			
At 2 February 2018	1,412,200	735,872	2,148,072
Charge for the year	-	319,073	319,073
At 31 December 2018	1,412,200	1,054,945	2,467,145
Net book value			
At 31 December 2018	-	2,425,854	2,425,854
At 1 February 2018	-	2,744,927	2,744,927

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NOTES TO THE FINANCIAL STATEMENTS
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11. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 2 February 2018	18,854	18,483	37,337
At 31 December 2018	18,854	18,483	37,337
Depreciation			
At 2 February 2018	2,809	3,551	6,360
Charge for the 11 month period on owned assets	2,475	3,396	5,871
At 31 December 2018	5,284	6,947	12,231
Net book value			
At 31 December 2018	13,570	11,536	25,106
At 1 February 2018	16,045	14,932	30,977

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12. Stocks

	31 December 2018 £	1 February 2018 £
Finished goods and goods for resale	155,418	6,323,861
	<u>155,418</u>	<u>6,323,861</u>

Stock recognised in cost of sales during the 11 month period as an expense was £46m (1 Feb 2018 - £10m) .

13. Debtors

	31 December 2018 £	1 February 2018 £
Trade debtors	7,767,450	3,744,335
Called up share capital not paid	15	15
Prepayments and accrued income	1,680,164	947,757
	<u>9,447,629</u>	<u>4,692,107</u>

14. Cash and cash equivalents

	31 December 2018 £	1 February 2018 £
Cash at bank	5,677,228	2,057,359
	<u>5,677,228</u>	<u>2,057,359</u>

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15. Creditors: Amounts falling due within one year

	31 December 2018 £	1 February 2018 £
Trade creditors	6,016,339	3,228,623
Amounts owed to group undertakings	7,312,629	9,573,612
Corporation tax	102,458	70,386
Other taxation and social security	1,279,814	287,078
Other creditors	83,894	63,083
Accruals and deferred income	613,075	101,626
	<u>15,408,209</u>	<u>13,324,408</u>

16. Financial instruments

	31 December 2018 £	1 February 2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>9,243,983</u>	<u>4,681,981</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>14,018,651</u>	<u>13,037,331</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors and the amounts owed to group undertakings

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17. Share capital

	31 December 2018 £	1 February 2018 £
Allotted, called up and fully paid		
20 Ordinary shares of £0.77 each	15	15

18. Reserves

Other reserves

The Members Capital Contribution reserve arose upon the acquisition of assets and business bought by Aclara Meters LLC, a Delaware limited liability company from General Electric Company, a New York corporation.

On 21 December 2015, Aclara Meters LLC, a Delaware limited liability company bought assets and business from General Electric Company ('GEC') for \$220,000,000. 3 percent of the total purchase price with respect of assets purchased from GEC was attributable to Aclara Meters UK Limited which equated to £4,431,834.

Profit and loss account

The Profit & Loss account includes all current retained profits and losses.

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £95,656 (1 Feb 2018: £30,777). Contributions totalling £13,526 (1 Feb 2018: £Nil) were payable to the fund at the balance sheet date and are included in other creditors

20. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2018 £	1 February 2018 £
Not later than 1 year	33,720	36,158
Later than 1 year and not later than 5 years	22,480	29,655
	56,200	65,813

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Related party transactions

The immediate parent company is Aclara Meters LLC a company incorporated in the United States of America. The ultimate parent company was Meter Readings Holding Group, LLP, a company incorporated in the United States of America until 5 February 2018 and since then the ultimate parent company is Hubbell Incorporated, a company listed on The New York Stock Exchange. Hubbell Incorporated prepares consolidated financial statements which are available to the public.

The Company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33.1A "Related Party Disclosures" not to disclose transactions with other members of the group on the grounds that 100% of the voting rights are controlled within the group.