

Company Registration No. 00784278

Amphenol Limited

Annual Report and Financial Statements

For the year ended 31 December 2015



Amphenol Limited

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

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Amphenol Limited

Officers and professional advisers

Directors

Luc Walter
Richard Adam Norwitt
Craig Lampo

Secretary

Abogado Nominees Limited
Edward Charles Wetmore

Registered Office

Amphenol Limited
Thanet Way
Whitstable
Kent
CT5 3JF

Bankers

Barclays Bank Plc
London Office
1 Churchill Place
London
E14 5HP

Solicitors

Baker & McKenzie Ltd
100 New Bridge Street
London
EC4V 6JA

Independent auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley
United Kingdom

Amphenol Limited

Strategic report

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Review of the business and key performance indicators

Amphenol Limited is a BSEN9100:2003 accredited company which holds further accreditations for the Military & Aerospace markets. The position of the company at 31 December 2015 is set out in the balance sheet on page 9.

The key performance indicators include turnover, operating profit and profit after taxation. During the year the company's turnover was £29,319,000 (2014: £31,544,000). Operating profit was down by 23.4% to £4,373,000 (2014: £5,706,000) due to year on year customer project phasing changes; trading profit for the year after taxation was £4,682,000 (2014: £4,461,000).

Principal risks and uncertainties

The key business and uncertainties affecting the company are considered to relate to competition from both national and international competitors, fluctuations in demand, new technology advances, commodity price increases and foreign exchange rates. These risks are actively monitored by management, with strategies implemented to respond appropriately to imminent risks identified.

Furthermore, since the EU referendum decision to exit the European Union in June 2016, the Pound Sterling has weakened in value which has resulted in the business being adversely affected by FX translation on raw material and component costs sourced in foreign currency. However, this has been partly offset by favourable translation of foreign currency income, and the weakening of the Pound Sterling has generated increased enquiries from overseas clients.

Future developments

The company has performed a strategic review over the next 3 years and has forecast revenue to continue to grow throughout the forecast period, with benefits to its profitability resulting from investments and improvements in its manufacturing strategy.

Details of significant events since the balance sheet date are contained in note 19 to the financial statements.

Approved by the Board and signed on its behalf by:



Craig Lampo
Director

21 September 2016

Registered Office:

Amphenol Limited
Thanet Way
Whitstable
Kent
CT5 3JF

Amphenol Limited

Directors' report

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

Principal activity

The principal activity of the company consists of the design, development, manufacturing and marketing of connectors, connector systems and cable assemblies for diversified markets. There have not been any significant changes in the company's principal business activities in the year under review.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic report on page 2.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic report on page 2. The financial position of the company and its liquidity position are outlined in the profit and loss account and balance sheet.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the date of approving the financial statements. The company has sufficient financial resources for its operations and as a consequence, the directors believe that the company is well placed to manage its business risks. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in the US dollar to GBP exchange rate. In addition the company is exposed to interest rate risk as its loans bear interest at a margin over Euribor. The company does not manage these risks by use of derivatives due to cost benefit considerations; additionally, the company does not have external borrowings as all loans to the company are of an intercompany nature.

Credit risk

The company's principal financial assets are cash and trade receivables.

The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. Credit risk is mitigated by balances being spread over a large number of customers and credit control policies. A thorough monthly review of outstanding balances is undertaken by senior management, and actions for each item are targeted through these meetings.

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

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term debt finance from its parent undertakings.

Dividends

The directors do not recommend payment of a dividend (2014: £Nil).

Amphenol Limited

Directors' report (continued)

Directors

The directors who served during the year and subsequently to the date of this report are as follows:

Luc Walter
Diana Gentile Reardon (resigned 1 July 2015)
Richard Adam Norwitt
Craig Lampo (appointed 1 July 2015)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approval of reduced disclosures

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The company's parent company, Amphenol Corporation, has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the company by Amphenol Corporation as the parent of the entity.

Approved by the Board and signed on its behalf by:



Craig Lampo
Director

24 September 2016

Registered Office:

Amphenol Limited
Thanet Way
Whitstable
Kent
CT5 3JF

Amphenol Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 and then apply them consistently;
- make judgments 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.

Independent auditor's report to the members of Amphenol Limited

We have audited the financial statements of Amphenol Limited for the year ended 31 December 2015 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

William Farren

William Farren FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

21 September 2016

Amphenol Limited

Profit and loss account For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Turnover	3	29,319	31,544
Cost of sales		(19,916)	(20,442)
Gross profit		9,403	11,102
Distribution costs		(2,098)	(2,461)
Administrative expenses		(2,932)	(2,935)
Operating profit		4,373	5,706
Income from shares in group undertakings		3,200	1,500
Finance costs (net)	6	(2,593)	(1,906)
Profit on ordinary activities before taxation	5	4,980	5,300
Tax on profit on ordinary activities	7	(298)	(839)
Profit for the financial year attributable to the equity shareholders of the company		4,682	4,461

All the results derive from continuing operations.

Amphenol Limited

Statement of comprehensive income For the year ended 31 December 2015

		2015 £'000	2014 £'000
Profit for the financial year		4,682	4,461
Net actuarial movement relating to the pension scheme	15	2,346	(6,915)
Current tax attributable to net pension deficit contributions		53	56
Deferred tax attributable to net actuarial movement		(942)	1,331
Other comprehensive income		<u>1,457</u>	<u>(5,528)</u>
Total comprehensive income attributable to the equity shareholders of the company		<u><u>6,139</u></u>	<u><u>(1,067)</u></u>

Amphenol Limited

Balance sheet As at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	8	3,115	3,449
Investments	9	80,211	54,139
		<u>83,326</u>	<u>57,588</u>
Current assets			
Stocks	10	6,883	6,391
Debtors	11	33,760	33,649
Cash at bank and in hand		3,341	3,104
		<u>43,984</u>	<u>43,144</u>
Creditors: amounts falling due within one year	12	<u>(76,279)</u>	<u>(54,172)</u>
Net current liabilities		<u>(32,295)</u>	<u>(11,028)</u>
Debtors: amounts falling due after more than one year	11	<u>3,775</u>	<u>4,717</u>
Net assets excluding pension liability		<u>54,806</u>	<u>51,277</u>
Net pension liability	15	<u>(20,975)</u>	<u>(23,585)</u>
Net assets including pension liability		<u>33,831</u>	<u>27,692</u>
Capital and reserves			
Called-up share capital	14	4,079	4,079
Share premium	14	140	140
Profit and loss account	14	29,612	23,473
Total shareholder's funds		<u>33,831</u>	<u>27,692</u>

The financial statements of Amphenol Limited, (registered number 00784278) were approved by the board of directors and authorised for issue on *19 September*, 2016. They were signed on its behalf by:



Craig Lampo
Director

Amphenol Limited

Statement of changes in equity

At 31 December 2015

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 31 December 2013 as previously stated	4,079	140	24,540	28,759
Changes on transition to FRS 102 (see note 20)	-	-	-	-
At 1 January 2014 as restated	4,079	140	24,540	28,759
Profit for the financial year	-	-	4,461	4,461
Net actuarial movement relating to the pension scheme	-	-	(6,915)	(6,915)
Current tax attributable to net pension deficit contributions	-	-	56	56
Deferred tax attributable to net actuarial movement	-	-	1,331	1,331
Total comprehensive income	-	-	(1,067)	(1,067)
At 31 December 2014	4,079	140	23,473	27,692
Profit for the financial year	-	-	4,682	4,682
Net actuarial movement relating to the pension scheme	-	-	2,346	2,346
Current tax attributable to net pension deficit contributions	-	-	53	53
Deferred tax attributable to net actuarial movement	-	-	(942)	(942)
Total comprehensive income	-	-	6,139	6,139
At 31 December 2015	4,079	140	29,612	33,831

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

1. Accounting policies

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

General information and basis of accounting

Amphenol Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic report and Directors' report on page 2 and 3 respectively.

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

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. More information is set out in note 20.

The functional currency of Amphenol Limited is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the company operates.

Amphenol Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Amphenol Limited is consolidated in the financial statements of its parent, Amphenol Corporation, which may be obtained at 358 Hall Avenue, Wallingford Connecticut, USA. Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The company's business together with the factors likely to affect its future development, performance and position are set out in the Strategic report. The Directors' report describes the company's financial risk management objectives and its exposure to cash flow, credit and liquidity risks.

The company makes use of its parent company treasury department in respect of interest rate risk and exchange rate risk. Credit risk is managed through the use of external credit reference agencies. The company does not enter into speculative derivative transactions.

The company has no loans from sources outside of the Amphenol group. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term debt finance from its parent undertakings.

In considering current budgets and long-term forecasts, the directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from this date. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts derived from the provision of goods which fall within the company's ordinary activities and comprises the invoiced cost of goods sold during the year, excluding value added tax, and net of trade discounts. The company's policy is to recognise a sale when the significant risks and rewards in connection with the goods are considered to have been passed to the buyer.

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Notes to the financial statements (continued) For the year ended 31 December 2015

Accounting policies (continued)

Tangible fixed assets

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

Freehold buildings	Over 40 years
Plant and machinery	Between 4 and 10 years
Fixtures and fittings	Between 4 and 10 years
Vehicles	Over 4 Years

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(i) Financial assets and liabilities

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

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

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

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Notes to the financial statements (continued)

For the year ended 31 December 2015

1. Accounting policies (continued)

Financial instruments (continued)

(i) Financial assets and liabilities (continued)

- f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, non-moving or defective items where appropriate.

Impairment of assets

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

Non-financial assets

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

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

Financial assets

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

Amphenol Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

1. Accounting policies (continued)

Impairment of assets (continued)

Financial assets (continued)

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

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

Research and development

Research and development expenditure is written off as incurred.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

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

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

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

Amphenol Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

1. Accounting policies (continued)

Leases

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. These translation differences are dealt with in the Profit and loss account.

Pension costs

For defined benefit schemes, the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan benefit changes and settlements. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded with the assets of the scheme held separately from those of the company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet net of deferred tax.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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Notes to the financial statements (continued) For the year ended 31 December 2015

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the company's accounting policies

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

Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value-in-use of the subsidiaries held as investments within the company. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the subsidiaries over the long-term and a suitable discount rate in order to calculate present value, which requires a high level of judgement given the period under assessment. The directors have considered that the appropriate period for assessing the value in use to be 30 years, with a pre-tax discount rate of 10.4% applied on all investments held in subsidiaries. No impairment was recognised on any of the investments held at 31 December 2015.

Key source of estimation uncertainty

Stock obsolescence provision

Stock that is held within the company is subject to an obsolescence provision for items in which supply exceeds demand. In order to calculate the obsolescence provision, there is the need to estimate the forecast level of demand in the upcoming 12 months from the date in which the obsolescence provision is calculated. This forecast demand is uncertain, and is based on management's best estimate at that point in time.

3. Turnover

Turnover represents amounts derived from the sale of goods which fall within the company's ordinary activities after deduction of trade discounts and value added tax. An analysis of the company's turnover by geographical market is set out below.

	2015 £'000	2014 £'000
United Kingdom	18,720	20,360
Rest of Europe	7,055	7,576
Other	3,544	3,608
	<u>29,319</u>	<u>31,544</u>

Amphenol Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

4. Information regarding directors and employees

Directors' remuneration was borne by another group company in the current and preceding financial year. No apportionment was made to the company in respect of qualifying services.

	2015 No.	2014 No.
Average number of persons employed:		
Office and management	127	129
Manufacturing	100	96
	<u>227</u>	<u>225</u>
	£'000	£'000
Staff costs during the year:		
Wages and salaries	6,595	6,280
Social security costs	679	647
Pension costs	1,702	1,679
	<u>8,976</u>	<u>8,606</u>

Pension costs include £nil (2014 - £nil) of current service cost measured in accordance with Section 28 of FRS 102, but exclude finance costs and amounts recognised in other comprehensive income.

5. Profit on ordinary activities before taxation

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amortisation:		
Owned assets	612	605
Leased assets and hire purchase contracts	87	82
Research and development	920	773
Profit on disposal of fixed assets	-	(1)
Rentals under operating leases:		
Other operating leases	162	134
Restructuring costs	82	230
	<u></u>	<u></u>

The analysis of auditor's remuneration is as follows:

	2015 £'000	2014 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>51</u>	<u>65</u>

Amphenol Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

6. Finance costs (net)

	2015 £'000	2014 £'000
Interest receivable and similar income	84	47
Loan interest payable to group company	(1,868)	(1,210)
Finance lease interest payable	(2)	(2)
Pension related - net (note 15)	(807)	(741)
	<u>(2,593)</u>	<u>(1,906)</u>

7. Tax on profit on ordinary activities

	2015 £'000	2014 £'000
Current tax		
United Kingdom corporation tax at 20.25% (2014 – 21.5%) based on the profit for the year	(328)	(751)
Adjustments in respect of prior years	56	(23)
Total current tax	<u>(272)</u>	<u>(774)</u>
Deferred tax		
Timing differences, origination and reversal	(6)	(70)
Adjustment in respect of previous periods	(31)	-
Effect of changes in tax rates	11	5
Total deferred tax	<u>(26)</u>	<u>(65)</u>
Total tax on profit on ordinary activities	<u>(298)</u>	<u>(839)</u>

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	<u>4,980</u>	<u>5,300</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014 – 21.5%)	(1,008)	(1,139)
Effects of:		
Expenses not deductible	(5)	(15)
Income not taxable	647	321
Adjustment from previous periods	25	(23)
Tax rate changes	12	5
Deferred tax not provided	(22)	(24)
Research and development uplift	53	36
Total tax charge for the year	<u>(298)</u>	<u>(839)</u>

Amphenol Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

7. Tax on profit on ordinary activities (continued)

A change to the UK corporation tax rate was announced in the UK Chancellor of the Exchequer's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

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

8. Tangible assets

	Freehold land and buildings £'000	Vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost					
At 1 January 2015	4,068	6	9,714	458	14,246
Additions	2	-	333	31	366
Disposals	-	(6)	(22)	-	(28)
At 31 December 2015	4,070	-	10,025	489	14,584
Accumulated depreciation					
At 1 January 2015	3,214	6	7,297	280	10,797
Charge for the year	109	-	547	43	699
Disposals	-	(6)	(21)	-	(27)
At 31 December 2015	3,323	-	7,823	323	11,469
Net book value					
At 31 December 2015	747	-	2,202	166	3,115
At 31 December 2014	854	-	2,417	178	3,449

Included within the cost of freehold land and buildings is land of £42,000 (2014 - £42,000). Included with plant and machinery are £nil of net assets under finance leases (2014 - £nil).

Amphenol Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

9. Investments

The company's investments are as follows:

Subsidiary undertakings:	Country of Incorporation	Principal activity	Holding	%
Jaybeam Wireless Limited	England	Manufacture of wireless infrastructure antenna solutions	Ordinary	100
Ionix Aerospace Limited	England	Manufacture of wiring Devices	Ordinary	100
Amphenol Thermometrics (UK) Limited	England	Manufacture of thermistors and surge protection devices	Ordinary	100
Ionix Systems Limited	England	Manufacturer of inert wiring harnesses	Ordinary	100
Ionix Holdings Limited	England	Holding company	Ordinary	100
Invotec Circuits Limited	England	Manufacturer of PCB's	Ordinary	100
Amphenol-Borg Pension Trustees Limited	England	Dormant	Ordinary	100
Spectra Strip Limited	England	Dormant	Ordinary	100
RSI International Ltd	England	Dormant	Ordinary	100
CSA Limited	England	Dormant	Ordinary	100
C&S Antennas Limited	England	Dormant	Ordinary	100

	£'000
Cost and net book value	
At 1 January 2015	54,139
Additions	26,072
At 31 December 2015	<u>80,211</u>

On 25 February 2015, the company acquired 100% of the issued share capital of Invotec Circuits Limited for consideration of £26,072,000.

Subsidiary undertakings have not been consolidated by Amphenol Limited as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of Amphenol Corporation.

Amphenol Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

9. Investments (continued)

The material investee companies recorded the following financial position and performance for the year ended 31 December 2015:

	Capital and reserves for the year ended 31 December 2015 £'000	Profit for the year ended 31 December 2015 £'000
Jaybeam Wireless Limited	9,241	813
Ionix Aerospace Limited	5,471	1,870
Invotec Circuits Limited	24,349	1,807
Amphenol Thermometrics (UK) Limited	13,460	3,414

10. Stocks

	2015 £'000	2014 £'000
Raw materials and consumables	360	866
Work-in-progress	5,577	4,640
Finished goods and goods for resale	946	885
	<u>6,883</u>	<u>6,391</u>

11. Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	5,817	5,495
Amounts owed by group undertakings	27,418	27,581
Corporation tax receivable	182	-
Other debtors	-	16
Prepayments and accrued income	343	557
	<u>33,760</u>	<u>33,649</u>
Amounts falling due after more than one year:		
Deferred tax asset on pension liability	<u>3,775</u>	<u>4,717</u>

Amphenol Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

12. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Finance lease obligations	-	-
Trade creditors	1,580	1,680
Amounts owed to group undertakings	73,563	51,467
Corporation tax payable	-	55
Other taxes and social security	574	490
Accruals and deferred income	458	402
Deferred tax liability (note 13)	104	78
	<u>76,279</u>	<u>54,172</u>

13. Deferred tax

The deferred tax liability is made up as follows:

	As at 1 January 2015 £'000	Movement in year £'000	As at 31 December 2015 £'000
Deferred tax liability (note 12)	(78)	(26)	(104)

The amounts provided in the financial statements are as follows:

	2015 £'000	2014 £'000
Accelerated capital allowances	(127)	(123)
Short-term timing differences	<u>23</u>	<u>45</u>

14. Called-up share capital

	2015 £'000	2014 £'000
Allotted, called-up and fully paid:		
4,079,139 (2014 – 4,079,139) ordinary shares of £1 each	<u>4,079</u>	<u>4,079</u>

The company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

Amphenol Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

15. Retirement benefit schemes

The company participates in the Amphenol Pension Plan. The scheme is a defined benefit plan providing benefits to certain employees within the company based on final pensionable pay. The assets are held separately to the company's assets and are invested with Legal & General, Fidelity and Standard Life Investments.

The company closed the defined benefit plan to future accrual as at 31 December 2009 after full and open consultation with its employees and replaced this with a defined contribution plan. The company will continue to make payments into the defined benefit plan to reduce the deficit in line with the agreed plan. Total employer contributions for the year ended 31 December 2015 paid into the scheme was £1,071,000 (2014: £1,001,000).

Pension costs are assessed with the advice of a qualified actuary using the projected unit method. The latest actuarial valuation of the Amphenol Pension Plan was at 1 January 2014, which assessed the market value of the pension scheme assets to be £23,341,000. The actuarial value of these assets represented 58% of the value of benefits that had accrued to members of the pension scheme based on service to 1 January 2014 after allowing for future increases in earnings. The actuarial valuation carried was updated to 31 December 2015 by a qualified actuary, independent of the scheme's sponsoring employer, and reflected in the below. The deficit is being recovered over a period of 12 years and 8 months under a recovery plan which has been agreed with the trustees by the payment of monthly contributions of £91,250 from 1 April 2015.

The costs associated with the defined contribution section are charged to the Profit and loss account in the year they are payable.

Defined benefit schemes

	2015	2014
Rate of increase in pensions in payment	0.0%	0.0%
Discount rate	3.9%	3.5%
Inflation assumption	3.4%	3.1%

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the company's defined benefit scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. Using PNMA00 and PNFA00 (year of birth) tables, the assumed life expectations on retirement at age 65 are:

	Valuation at	
	2015	2014
	Years	Years
Retiring today:		
Males	87.0	87.2
Females	89.3	89.5
Retiring in 20 years:		
Males	88.7	89.0
Females	91.2	91.4

Amphenol Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

15. Retirement benefit schemes (continued)

The fair value of the assets and the present value of the liabilities in the schemes and the expected rate of return at each balance sheet date were:

	2015 £'000	2014 £'000
Equities	16,286	15,910
Bonds	8,771	8,693
Cash	30	23
Total fair value of assets	25,087	24,626
Present value of scheme liabilities	(46,062)	(48,211)
Net pension liability	(20,975)	(23,585)

Movements in the present value of defined benefit liabilities were as follows:

	2015 £'000	2014 £'000
At 1 January	(48,211)	(40,271)
Interest cost	(1,667)	(1,789)
Actuarial gains / (losses)	2,636	(7,211)
Benefits paid	1,180	1,060
At 31 December	(46,062)	(48,211)

Movements in the fair value of scheme assets were as follows:

	2015 £'000	2014 £'000
At 1 January	24,626	23,341
Interest income	860	1,048
Actuarial gains / (losses)	(290)	296
Contributions from employer	1,071	1,001
Benefits paid	(1,180)	(1,060)
At 31 December	25,087	24,626

Amounts included as other finance costs

	2015 £'000	2014 £'000
Net interest cost (note 6)	(807)	(741)

Amphenol Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

15. Retirement benefit schemes (continued)

Amounts included in other comprehensive income

	2015 £'000	2014 £'000
Difference between actual and expected return on scheme assets	(290)	296
Experience gains arising on scheme liabilities	1,244	1,460
Effects of charges in assumptions underlying the present value of scheme liabilities	1,392	(8,671)
Total actuarial gains/(losses) recognised in other comprehensive income	2,346	(6,915)

16. Financial commitments

	2015 £'000	2014 £'000
Capital commitments		
Contracted for but not provided	98	8

Operating lease commitments

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

	Land and buildings		Other	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Leases which expire:				
Within one year	28	24	114	69
Within two to five years	-	-	79	134
	28	24	193	203

Other commitments

The company has given a guarantee to HM Revenue & Customs of £400,000 (2014: £400,000) in the normal course of business.

The company has entered into an intercompany cross guarantee with Barclays Bank plc between Amphenol Limited, Amphenol-Borg Limited and Spectra Strip Limited. There was no exposure throughout the year.

17. Controlling party

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

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

Amphenol Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

18. Related party transactions

Under the provision of Section 33 of Financial Reporting Standard 102 "Related party disclosures", the company has taken advantage of the exemption from disclosing transactions with other wholly owned members of the group headed by Amphenol Corporation.

19. Subsequent events

On the 14 March 2016, the company acquired 100% of the issued share capital of Martec Limited for consideration of £5,305,000. This is a non-adjusting post balance sheet event.

20. Explanation of transition to FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, there are no material accounting policy changes to comply with that standard other than the restatement of the pension funding adjustments as summarised below.

Reconciliation of equity

	At 31 December 2014 £'000
Equity reported under previous UKGAAP	27,692
Adjustments to equity on transition to FRS 102:	
- change in net pension scheme interest	(386)
- change in actuarial gains	386
- tax effect on pension changes taken to profit and loss	(56)
- tax effect on pension changes taken to other comprehensive income	56
Equity reported under FRS 102	<u>27,692</u>

Reconciliation of profit for 2014

	£'000
Profit for the financial year under previous UK GAAP	4,903
- change in net pension scheme interest	(386)
- tax effect on pension changes	(56)
Profit for the financial year under FRS 102	<u>4,461</u>

Under the previous UK GAAP, the expected return on defined benefit plan assets was recognised in the profit and loss account. Under FRS 102, the interest income is calculated by reference to the discount rate and does not reflect the expected return on the assets. Prior year figures have been restated as a result of this change in accounting treatment. The adjustment in tax was the tax effect of the change, net of a tax credit through other comprehensive income.