

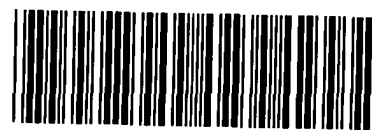
Asco Joucomatic Limited

Annual report and financial statements

Registered number 2861557

30 September 2017

TUESDAY



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COMPANIES HOUSE

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Strategic Report

Business review

During the year ended 30 September 2017 the Company had to deal with difficult trading conditions throughout Europe although the UK remained stable. The Company continued to maintain focus on specific product areas during the year. This was a key factor during the year as the Company benefited by further developing business with industries such as Biotech, Pharmaceutical, Medical, and Packaging. This focus helped to partially offset other sectors that were not growing. The Company will continue to concentrate on specific sectors of industry where we believe that our product and service offering will enable us to improve our market position.

During the year the Company continued to invest in upgrading machinery. This coupled with actions to continually improve lean manufacturing techniques has enabled further improvements to be made to our service and efficiency which has contributed to better customer satisfaction and has protected the Company's profitability.

Overall the result is a pre-tax profit of £2.1 million (2016: £1.5million) and a turnover of £16.9 million (2016: £15.8million). All of the actions taken in the year ended 30 September 2017 give us confidence that we can continue to build up profitable sales and be an attractive supplier for customers looking for high added value.

The Company's net assets at 30 September 2017 were £24 million (2016: £21.5million) which means that we continue to be in a strong financial position with good liquidity, enabling the Company to comfortably meet any working capital requirements for the foreseeable future.

The Company's management uses a number of key measures to monitor and manage the performance of the business. At the Company level the key performance indicators are sales, gross profit, gross profit percentage, EBIT (Earnings before interest and tax), cash generated by operations and the following more specific indicators:

- Daily Sales Outstanding
- Inventory Turnover
- Daily Payments Outstanding
- Trade Working Capital
- Service Levels

Principal risks and uncertainty

The risk factor evaluation shows that we are not substantially exposed to any significant business risks as the Company has a large span of customers all involved in different market segments. In addition the Company's largest customer does not account for more than 9% (2016: 7%) of our total sales.

Brexit

The main concern for the company is the exchange rate volatility. In the aftermath of the Brexit vote the company was affected due to the fall in the value of sterling. With a large proportion of material purchases being in currency the uncertainty remains as the UK head towards exiting the EU at the end of March 2019.

Another concern is the potential disruption to the supply chain with regards to imports and exports. As the company will be importing material items from sister companies we expect to see customs declarations rise significantly and the company will be impacted due to the increased financial cost of the duty. On a positive note, Asco Joucomatic Limited is currently the only Emerson Company in the UK that is an Approved Economic Operator. At this moment, the company is expecting this to limit the exposure to customs delays and our supply chain will remain unaffected.

Strategic Report (continued)

Research and development

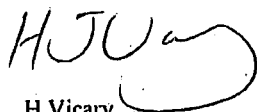
The Company participates in an extensive group product development programme.

Dividends

During the year no dividends were paid in respect of the year ended 30 September 2017 (2016: £nil) and there are no dividends proposed.

Future Developments

The Company is currently working with our European group companies to rationalise production in order to improve overall group efficiency. This involves transferring Valve Assembly from the UK to Poland, and producing coils in the UK for the German Site which were previously sourced from a third party supplier.



H Vicary

Director

13 June 2018

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2017.

Principal activities

The principal activity of the Company is the manufacture and market distribution of solenoid valves, pressure and temperature switches, pneumatic control equipment and associated panels.

Environment

The Company recognises the importance of its environmental responsibilities and operates in accordance with our group policies, legal obligations and international standard ISO 14001 (B.S.I. certificate EMS 509106). Initiatives designed to minimise the Company's impact on the environment include: emergency preparedness, energy management, waste management and reduction where possible, as well as safe disposal of waste arising from operations including recycling materials whenever it is practicable.

Directors

The directors who served during the year were:

Ivan Tejeda – Appointed 2 February 2017

Harry Vicary – Appointed 2 February 2017

SW Patterson – Resigned 2 February 2017

Eddy Gouw – Resigned 2 February 2017

Jean Louis Tenu

Employees

It is the policy of the Company to employ people who are handicapped by disablement provided it is practicable to offer them suitable employment and to make every effort to provide appropriate employment for employees who become disabled. It is the intention to give disabled people opportunities for training, career development and promotion consistent with their capabilities. The individual needs of the disabled are taken into consideration and where practicable, special arrangements are made to enable them to carry out their work.

The Company also recognises the importance of good communications and endeavours, at meetings regularly convened, to keep its employees informed of the Company's progress and about other matters which concern them.

Disclosure of information to auditor

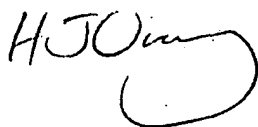
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

H Vicary
Director



13 June 2018

Pit Hey Place
West Pimbo
Skelmersdale
Lancashire
WN8 9PG

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent auditor's report to the members of Asco Joucomatic Limited

Opinion

We have audited the financial statements of Asco Joucomatic Limited ("the company") for the year ended 30 September 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Asco Joucomatic Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Ailsa Griffin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH
Date: 18 June 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 30 September 2017

	<i>Note</i>	2017 £000	2016 £000
Turnover	2	16,937	15,779
Cost of sales		(12,568)	(11,207)
Gross profit		4,369	4,572
Distribution costs		(1,814)	(1,754)
Administrative expenses		(1,674)	(1,390)
Operating profit	3	881	1,428
Other interest receivable and similar income	6	5	46
Income from fixed asset investments	9	1,188	-
Profit before taxation		2,074	1,474
Tax on profit	7	455	(314)
Profit for the financial year		2,529	1,160

All amounts derive from continuing operations. The Company had no other comprehensive income in the current or prior year. The notes on pages 10 to 19 form part of the financial statements.


Balance Sheet

As at 30 September 2017

	Note	2017 £000	£000	2016 £000	£000
Fixed assets					
Tangible assets	8	1,472		1,662	
Investments	9	-		533	
			1,472		2,195
Current assets					
Stocks	10	1,058		894	
Debtors	11	25,440		22,021	
Cash at bank and in hand	12	-		1	
		26,498		22,916	
Creditors: amounts falling due within one year	13	(3,933)		(3,603)	
Net current assets			22,565		19,313
Total assets less current liabilities			24,037		21,508
Net assets			24,037		21,508
Capital and reserves					
Called up share capital	15	776		776	
Share premium account		15,274		15,274	
Profit and loss account		7,987		5,458	
Shareholders' funds			24,037		21,508

The notes to page 10 to 19 form part of the financial statements.

These financial statements were approved by the board of directors on 13th June 2018 and were signed on its behalf by:


H Vicary
Director

Company registered number: 2861557

Statement of Changes in Equity

	Called up share capital	Share Premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance at 1 October 2015	776	15,274	4,298	20,348
Total comprehensive income for the period				
Profit or loss	-	-	1,160	1,160
Balance at 30 September 2016	776	15,274	5,458	21,508
Balance at 1 October 2016	776	15,274	5,458	21,508
Total comprehensive income for the period				
Profit or loss	-	-	2,529	2,529
Balance at 30 September 2017	776	15,274	7,987	24,037

The notes to page 10 to 19 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Asco Joucomatic Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Emerson Electric Co includes the Company in its consolidated financial statements. The consolidated financial statements of Emerson Electric Co are prepared in accordance with United States Generally Accepted Accounting Practice, available to the public and may be obtained from 8000 W Florissant Avenue, PO Box 4100, St Louis, Missouri, MO63136, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Emerson Electric Co include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes (continued)

1 Accounting policies (continued)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis because, after making due enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Buildings 50 years
- Plant and equipment 12 years
- Fixtures and fittings 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Notes (continued)

1 Accounting policies (continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.7 Employee benefits

Group Plans

The company participates in a group hybrid pension scheme (part-defined benefit and part-defined contribution) being The Emerson UK Pension Plan ("the Plan"). The Asco Joucomatic Limited section forms one of the defined benefit sections of the Plan. The Plan is operated by Emerson Holding Company Limited (the "Principal Company"). The assets of the Plan are administered by a Trustee in a fund independent from those of the company. As there is no contractual agreement or stated group policy for charging the UK GAAP net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the company which is legally responsible for the plan, which is Emerson Holding Company Limited, another member of the group. The Company then recognises a cost equal to its contribution payable for the period as if it was a defined contribution scheme. The contributions payable by the participating entities are determined on the funding basis as at the latest triennial valuation of the scheme and are set out within the Schedule of Contributions. The allocation of the cash contribution is determined by the principal employer, Emerson Holding Company Limited.

1.8 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. It is group policy that the seller bears the risk over goods until they reach their destination.

1.9 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Notes (continued)

2 Turnover

The directors are of the opinion that there is only one class of business. The geographical analysis (by destination) is as follows:

	2017 £000	2016 £000
<i>By geographical market</i>		
United Kingdom	11,641	10,597
Europe	4,495	4,106
USA	479	489
Australia and Far East	274	538
Africa	48	49
	<u>16,937</u>	<u>15,779</u>

3 Expenses and auditor's remuneration

Included in profit are the following:

	2017 £000	2016 £000
Depreciation on tangible fixed assets	317	355
Hire of Plant and machinery Operating Leases	143	147
	<u> </u>	<u> </u>

Auditor's remuneration:

	2017 £000	2016 £000
Audit of these financial statements	35	36
Other non-Audit Services	1	1
	<u> </u>	<u> </u>

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Production	73	82
Distribution and marketing	39	39
Administration	10	11
Services	2	2
Other	10	11
	<u>133</u>	<u>145</u>

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	3,513	3,543
Social security costs	292	299
Contributions to defined contribution plans	199	230
	<u>4,004</u>	<u>4,072</u>

Notes (continued)

5 Directors' remuneration

	2017	2016
	£000	£000
Emoluments	72	84
Company contributions to money purchase pension plans	5	5

	Number of directors	
	2017	2016
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1
Defined benefit schemes	-	-

6 Other interest receivable and similar income

	2017	2016
	£000	£000
Bank interest receivable and similar income	5	46

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017		2016	
	£000	£000	£000	£000
<i>Current tax</i>				
Current tax on income for the period	181		331	
Adjustments in respect of prior periods	(629)		(12)	
Total current tax		(448)		319
<i>Deferred tax (see note 13)</i>		(3)		
Origination and reversal of timing differences		(4)		(5)
Total tax		(455)		314

	2017			2016		
	£000	£000	£000	£000	£000	£000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	(448)	(7)	(455)	319	(5)	314
Recognised in other comprehensive income	-	-	-	-	-	-
Recognised directly in equity	-	-	-	-	-	-
Total tax	(448)	(7)	(455)	319	(5)	314

Notes (continued)

7 Taxation (continued)

Analysis of current tax recognised in profit and loss

	2017 £000	2016 £000
UK corporation tax	(455)	319
Total current tax recognised in profit and loss	<u>(455)</u>	<u>319</u>

Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit for the year	2,529	1,160
Total tax expense	(455)	314
Profit excluding taxation	<u>2,074</u>	<u>1,474</u>
Tax using the UK corporation tax rate of 19.5% (2016: 20%)	404	295
Non-deductible expenses	4	7
Income not taxable	(232)	-
Adjustment in respect of prior periods	(632)	-
Other differences	-	18
Reductions in deferred tax rate	1	(6)
Total tax expense included in profit or loss	<u>(455)</u>	<u>314</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2016) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 September 2017 has been calculated based on these rates.

Notes (continued)

8 Tangible fixed assets

	Land and buildings £000	Plant and Equipment £000	Fixtures & fittings £000	Total £000
Cost				
Balance at 1 October 2016	698	3,863	3,719	8,280
Additions	-	78	94	172
Disposals	-	-	(69)	(69)
Transfers	-	(94)	(26)	(120)
Balance at 30 September 2017	698	3,847	3,718	8,263
Depreciation and impairment				
Balance at 1 October 2016	303	3,082	3,233	6,618
Depreciation charge for the year	12	136	169	317
Disposals	-	-	(69)	(69)
Transfers	-	(75)	-	(75)
Balance at 30 September 2017	315	3,143	3,333	6,791
Net book value				
At 30 September 2017	383	704	385	1,472
At 30 September 2016	395	781	486	1,662

9 Fixed asset investments

	Shares in group undertakings £000
Cost	
At beginning of year	533
Disposal	(533)
At end of year	-

During the year, the investment in Asco Power Technologies Limited was disposed of due to the company being liquidated on 21 June 2017. Prior to liquidation as sole shareholder of the company, a dividend payment of £1,720,000 was received from Asco Power Technologies, and the investment was fully written off against this amount.

10 Stocks

	2017 £000	2016 £000
Raw materials and consumables	555	431
Work in progress	5	25
Finished goods and goods for resale	498	438
	1,058	894

Notes (continued)

10 Debtors

	2017 £000	2016 £000
Trade debtors	2,494	2,636
Amounts owed by group undertakings	22,120	19,182
Other debtors	67	33
Deferred tax assets (see note 14)	51	43
Taxation and social security	576	-
Prepayments and accrued income	132	127
	<u>24,850</u>	<u>22,021</u>

11 Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	-	1
	<u>-</u>	<u>1</u>

12 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	850	863
Amounts owed to group undertakings	1,462	1,231
Taxation and social security	-	115
Accruals and deferred income	1,621	1,394
	<u>3,933</u>	<u>3,603</u>

13 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2017 £000	2016 £000	Liabilities 2017 £000	2016 £000	Net 2017 £000	2016 £000
Accelerated capital allowances	40	40	-	-	40	40
Other	11	3	-	-	11	3
	<u>51</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>51</u>	<u>43</u>
Total tax (assets) / liabilities	51	43	-	-	51	43

Notes (continued)

14 Share capital

	2017 £000	2016 £000
<i>Allotted, called up and fully paid</i>		
776 ordinary shares of £1 each	776	776

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 £000	2016 £000
Less than one year	26	101
Between one and five years	212	79
More than five years	-	-
	<u>238</u>	<u>180</u>

During the year £143,000 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £147,000).

16 Commitments

Capital commitments

The Company contractual commitments to purchase tangible fixed assets at the year-end were £64,000 (2016: £73,000).

17 Contingencies

At 30 September 2014 the company had entered into a guarantee to HM Customs and excise in respect of duty deferment amounting to £80,000 (2016: £80,000).

18 Employee benefits

The company participates in a group hybrid pension scheme (part-defined benefit and part-defined contribution) being The Emerson UK Pension Plan ("the Plan"). The Asco Joucomatic Limited section forms one of the defined benefit sections of the Plan.

Defined benefit section

The Plan is operated by Emerson Holding Company Limited (the "Principal Company"). The assets of the Plan are administered by a Trustee in a fund independent from those of the company. A full actuarial valuation of the Plan (including both the defined benefit and the defined contribution sections of the Plan) was carried out on 31 March 2014. This valuation indicated that the market value of the Plan's assets represented a funding level at 31 March 2014 of 104% of the benefits that had accrued to members. An actuarial valuation as at 31 March 2017 is currently underway and is expected to be completed prior to 30 September 2018.

This was the third valuation of the Plan under the scheme specific funding legislation introduced by the Pensions Act 2004. As required by legislation, a Statement of Funding Principles and a new Schedule of Contributions were agreed by the Trustee and the Principal Company and are now in place.

Notes (continued)

19 Employee benefits (Continued)

Following the 31 March 2014 actuarial valuation, it was agreed that the participating employers would contribute to the Plan. The total combined participating employer contributions to the defined benefit sections of the Plan for the year ended 30 September 2017 were £3,500,000 (2016: £7,000,000), all of which was related to a contribution paid by the participating employers in March 2017 as required by the Schedule of Contributions.

The minimum cumulative contributions agreed in the Schedule of Contributions are £20,000,000 between 1 March 2015 and 30 June 2020 of which £17,000,000 needs to be paid before 30 June 2018. As of 30 September 2017, £15,500,000 had been contributed leaving a minimum further contribution to be made before 30 June 2020 of £4,500,000 (£1,500,000 of which needs to be paid by 30 June 2018).

As there is no contractual agreement or stated group policy for charging the UK GAAP net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the company which is legally responsible for the plan, which is Emerson Holding Company Limited, another member of the group. The Company then recognises a cost equal to its contribution payable for the period as if it was a defined contribution scheme. The contributions payable by the participating entities are determined on the funding basis as at the latest triennial valuation of the scheme and are set out within the Schedule of Contributions. The allocation of the cash contribution is determined by the principal employer, Emerson Holding Company Limited.

The profit and loss charge in respect of the company's employer contributions to the Plan for the year amounted to £47,000 (2016: £93,000) and there were £nil contributions outstanding at the year-end (2016: £nil).

Defined contribution section

The company's pension costs for the year in respect of the defined contribution section of the Plan amounted to £155,213 (2016: £136,680). The contributions outstanding at the year end amounted to £nil (2016: £nil).

20 Ultimate parent company and parent company of larger group

The company is a subsidiary undertaking of Emerson Holdings Company Limited incorporated in Great Britain.

The Ultimate parent company and group in which the results of the company are consolidated is headed by Emerson Electric Co, which is incorporated in the USA. Accounts of Emerson Electric Co may be obtained from 8000 W Florissant Avenue, PO Box 4100, St Louis, Missouri, MO63136, USA.

21 Related Party transactions

The company has taken advantage of the exemption available in accordance with FRS102 (33.1A) not to disclose transactions entered into between two or members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.