

Registrar's Copy

Lochinvar Limited

Directors' Report and Financial Statements

Year Ended

31 December 2017

Company Number 03453820

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Lochinvar Limited

Company Information

Directors	HHH Meelen JJ Kita JF Stern TJGM Van Der Hamsvoort
Company secretary	J F Stern Gravitas Company Secretarial Services Limited
Registered number	03453820
Registered office	One, New Change London EC4M 9AF
Independent auditors	BDO LLP Thames Tower Station Road Reading Berkshire RG1 1LX

Lochinvar Limited

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Lochinvar Limited

Directors' Report For the Year Ended 31 December 2017

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

Principal activity

The principal activity of the business continues to be that of supplying heating and water heating equipment, including renewable technologies, for installation in commercial/industrial buildings. Our route to market is via specification and orders for equipment are placed by specialist distributors or contractors.

Results and dividends

The profit for the year, after taxation, amounted to £484,774 (2016 - £389,588).

The directors do not recommend the payment of a dividend for the year (2016 - £Nil).

Directors

The directors who served during the year were:

JJ Kita

JF Stern

HHH Meelen (Appointed 23 August 2018)

TJGM Van Der Hamsvoort (Appointed 23 August 2018)

DJ Pepper (Resigned 31 May 2018)

DR Warren (Resigned 23 August 2018)

Disclosure of information to auditor

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

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

Auditor

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 24 September 2018 and signed on its behalf.



J J Kita
Director

Lochinvar Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Lochinvar Limited

Independent Auditor's Report to the Members of Lochinvar Limited

Opinion

We have audited the financial statements of Lochinvar Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Lochinvar Limited

Independent Auditor's Report to the Members of Lochinvar Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Lochinvar Limited

Independent Auditor's Report to the Members of Lochinvar Limited (continued)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

BDO LLP

Christopher Pooles (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading
United Kingdom

24 SEPTEMBER 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lochinvar Limited

Statement of Comprehensive Income For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	8,700,531	7,887,226
Cost of sales		(4,954,438)	(4,424,140)
Gross profit		3,746,093	3,463,086
Administrative expenses		(3,146,383)	(2,976,516)
Operating profit	5	599,710	486,570
Interest receivable and similar income		4,771	4,401
Profit before tax		604,481	490,971
Tax on profit	8	(119,707)	(101,383)
Profit for the financial year		484,774	389,588

The notes on pages 9 to 18 form part of these financial statements.

Lochinvar Limited
Registered number: 03453820

Statement of Financial Position
As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	9		124,809		140,777
			<u>124,809</u>		<u>140,777</u>
Current assets					
Stocks	10	1,199,746		1,159,371	
Debtors: amounts falling due within one year	11	1,998,281		1,532,277	
Cash at bank and in hand		1,925,805		1,869,774	
		<u>5,123,832</u>		<u>4,561,422</u>	
Creditors: amounts falling due within one year	12	(1,308,184)		(1,246,684)	
Net current assets			<u>3,815,648</u>		<u>3,314,738</u>
Total assets less current liabilities			<u>3,940,457</u>		<u>3,455,515</u>
Provisions for liabilities					
Deferred tax	13		(15,483)		(15,315)
Net assets			<u><u>3,924,974</u></u>		<u><u>3,440,200</u></u>
Capital and reserves					
Called up share capital	15		400,002		400,002
Profit and loss account	16		3,524,972		3,040,198
Total equity			<u><u>3,924,974</u></u>		<u><u>3,440,200</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the the board and were signed on its behalf on **24 SEPTEMBER 2018**.


J J Kita
Director

The notes on pages 9 to 18 form part of these financial statements.

Lochinvar Limited

Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	400,002	3,040,198	3,440,200
Comprehensive income for the year			
Profit for the year	-	484,774	484,774
Total comprehensive income for the year	-	484,774	484,774
At 31 December 2017	400,002	3,524,972	3,924,974

Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	400,002	2,650,610	3,050,612
Comprehensive income for the year			
Profit for the year	-	389,588	389,588
Total comprehensive income for the year	-	389,588	389,588
At 31 December 2016	400,002	3,040,198	3,440,200

The notes on pages 9 to 18 form part of these financial statements.

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. General information

Lochinvar Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Revenue

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover relating to the sale of goods is recognised when the risks and rewards of ownership have passed to the customer. Turnover relating to maintenance and installation services is recognised once the work has been completed.

2.3 Tangible fixed assets and depreciation

~~Tangible fixed assets are stated at cost less depreciation.~~

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property	-	over the term of the lease
Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures, fittings and equipment	-	25% reducing balance
Computer equipment	-	33% straight line

2.4 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.6 Cash and cash equivalents

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

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

2.8 Creditors

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

2.9 Foreign currency translation

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Any differences are taken to profit or loss.

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.10 Operating leases: the company as a lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

2.11 Pensions - defined contribution pension plan

Contributions to the company's defined contribution pension scheme are charged to statement of comprehensive income in the year in which they become payable.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements made in applying the entity's accounting policies are as follows:

(i) Leases

Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

(ii) Impairment of tangible assets

Determine whether there are no indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performances of that unit. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(iii) Stocks (see note 10)

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value. In calculating net realisable value stocks are assessed for impairment. If stock is deemed to be impaired an estimate is made of the value of the impairment and the carrying amount is reduced to selling price less costs to complete and sell.

(iv) Trade debtors impairment loss (see note 11)

Trade debtors are reviewed for impairment loss on an annual basis and provision made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis.

(v) Creditors, provisions and liabilities (see notes 12 and 13)

Liabilities are recognised at the statement of financial position date and include amounts for warranty costs based on an estimate of the costs of satisfying any warranty claims. Although these amounts are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

4. Turnover

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	8,400,089	7,538,438
Rest of the world	300,442	348,788
	<u>8,700,531</u>	<u>7,887,226</u>

Turnover is wholly attributable to the principal activity of the company.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	33,591	34,142
Exchange differences	24,916	79,897
Operating lease rentals	198,495	220,844
Auditor's remuneration - audit services	21,500	19,500
Auditor's remuneration - non audit services	6,700	5,650

6. Employees

The average monthly number of employees, including directors, during the year was 37 (2016 - 37).

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	144,991	130,260
Company contributions to defined contribution pension schemes	12,510	11,235
	<u>157,501</u>	<u>141,495</u>

There was 1 director in the company's defined contribution pension scheme during the year (2016 - 1).

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

8. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	120,975	106,329
Adjustments in respect of previous periods	(1,436)	340
Total current tax	119,539	106,669
Deferred tax		
Origination and reversal of timing differences	(1,529)	(4,249)
Adjustments in respect of prior periods	1,697	114
Effect of tax rate change on opening balance	-	(1,151)
Total deferred tax	168	(5,286)
Taxation on profit on ordinary activities	119,707	101,383

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	604,481	490,971
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	115,259	98,194
Effects of:		
Fixed asset differences	1,001	765
Expenses not deductible for tax purposes	2,984	2,997
Other differences leading to movement in the tax charge	463	(573)
Total tax charge for the year	119,707	101,383

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

8. Taxation (continued)

Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

9. Tangible fixed assets

	Computer equipment £	Plant and machinery £	Motor vehicles £	Fixtures, fitting & equipment £	Leasehold property £	Total £
Cost						
At 1 January 2017	98,700	72,703	43,916	121,167	209,764	546,250
Additions	-	17,623	-	-	-	17,623
At 31 December 2017	98,700	90,326	43,916	121,167	209,764	563,873
Depreciation						
At 1 January 2017	80,299	52,834	34,440	114,600	123,300	405,473
Charge for the year	9,714	9,372	2,369	1,641	10,495	33,591
At 31 December 2017	90,013	62,206	36,809	116,241	133,795	439,064
Net book value						
At 31 December 2017	8,687	28,120	7,107	4,926	75,969	124,809
At 31 December 2016	18,401	19,869	9,476	6,567	86,464	140,777

10. Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,199,746	1,159,371

There is no material difference between the replacement cost of stocks and the amounts stated above.

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

11. Debtors

	2017 £	2016 £
Trade debtors	1,860,628	1,401,904
Prepayments and accrued income	137,653	130,373
	<u>1,998,281</u>	<u>1,532,277</u>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the profit or loss for the year in respect of bad and doubtful trade debtors was £24,000 (2016 - £5,131).

12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	272,886	165,459
Amounts owed to group undertakings	289,797	394,778
Corporation tax	50,777	52,813
Other taxation and social security	352,572	279,073
Accruals and deferred income	342,152	354,561
	<u>1,308,184</u>	<u>1,246,684</u>

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

13. Deferred taxation

	2017 £
At beginning of year	15,315
Charged to profit or loss	168
At end of year	15,483

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	15,565	15,377
Short term timing differences	(82)	(62)
	15,483	15,315

14. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £50,950 (2016 - £47,823). Contributions amounting to £Nil (2016 - £Nil) were payable to the fund and are included in creditors.

15. Share capital

	2017 £	2016 £
400,002 ordinary shares shares of £1 each	400,002	400,002

16. Reserves

The company's capital and reserves are as follows:

Called up share capital

The called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Lochinvar Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

17. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	143,205	201,783
Later than 1 year and not later than 5 years	474,347	455,315
Later than 5 years	147,620	338,657
	<u>765,172</u>	<u>995,755</u>

18. Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of A O Smith Corporation which is the ultimate parent company incorporated in the United State of America. A O Smith Corporation is the parent undertaking of the smallest and largest group to consolidate the results of the company. Copies of the consolidated financial statements of this company are available in the public and can be obtained from A O Smith Corporation, PO Box 245008, Milwaukee, 53224, USA.