Company Registration No. 08330531 (England and Wales)

AMETEK INSTRUMENTS GROUP UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

AMETEK INSTRUMENTS GROUP UK LIMITED

COMPANY INFORMATION

Directors	B P Wilson B Wileman
Secretary	L Carino
Company number	08330531
Registered office	2 New Star Road Leicester LE4 9JD
Auditors	Ernst & Young LLP No 1 Colmore Square Birmingham B4 6HQ

AMETEK INSTRUMENTS GROUP UK LIMITED

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AMETEK INSTRUMENTS GROUP UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present his strategic report for the year ended 31 December 2022.

Fair review of the business
The company has received significant dividend and interest income during the year and the financial position of the business is satisfactory.

On 17 June 2022 the outstanding inter company loan balance with Ametek European Holdings Limited of £93,000,000 was repaid. The financing was by issuance of 1 £1 Ordinary share at a premium of £93,000,000.

On 3 August 2022 Ametek Instruments Group Limited (AIG) purchased a bonus loan note from Ametek European Holdings Limited. The loan note has a 9 year term and accrues interest at a rate 9.32% per annum. In exchange AIG received an interest-bearing loan (IBL) with a fair market value of $700,178,740. The IBL has a 10-year term and accrues interest at a rate of 6.75% per annum. On 4 August 2022, Ametek European Holdings Limited assigned the IBL to a fellow subsidiary company, Ametek Global Limited, on the same terms

No specific key performance indicators are given due to the nature of the company's operations. The Income Statement and Statement of Financial Position are set out on pages 9 and 11 respectively.

Financial risk management
The company does not enter into derivative transactions and it is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

S172(1) statement
A director of a Company must act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard, (amongst other matters), to:
- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- the need to foster the Company's business relationships with the Group's suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

In discharging his Section 172 duties the director of the Company considers that he has had regard in material respects to the factors set out above.

The key stakeholders of the Company are the Group (AMETEK Inc and its global subsidiaries), the Group's employees, and, as the parent of the main contracting subsidiary for the UK Group of companies, some of the Group's suppliers and business partners. As part of the Group, stakeholder engagement, including engagement with lending institutions and some regulatory authorities, takes place at a group level. The company looks to the global position for guidance and takes this into account as part of its decision making process when seeking to promote the success of the company for the benefit of all its stakeholders. The Company follows Group policies and procedures, including those relating to standards of business conduct, employees, the environment, the community, and other stakeholders. More detail regarding the Group's oversight of and responsibility for these policies is set out on page 35 of AMETEK Inc's Form 10-K for 31 December 2022.

AMETEK INSTRUMENTS GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Board meetings are held periodically where the director considers business such as inter-company agreements, acquisitions and compliance requirements. In considering items of business the Company makes autonomous decisions on each transaction's own merits, after consideration of the long term success of the Company, Section 172 factors, where relevant, and the stakeholders impacted.

As regards principal decisions during the year, dividends were paid as detailed in the Director's Report, providing return on investment for the Company's shareholder while taking into account the Company's ongoing financial position and other stakeholders, including level of distributable reserves, available cash and potential impairment risks.

On behalf of the board

DocuSigned by:

Bruce Wilson

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B P Wilson
Director
27 September 2023

AMETEK INSTRUMENTS GROUP UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Company Registration No. 08330531

The directors present their report for the year ended 31 December 2022.

Principal activities
The principal activity of the company during the year was that of a holding company.

Directors
The director who held office during the year and up to the date of signature of the financial statements was as follows:

B P Wilson
B Wileman (Appointed 1 December 2022)

Results and dividends
The results for the year are set out on page 9.

The company made distributions amounting to £6,200,000 (2021: £15,683,000) during the year.

Going concern
Historically, the Company has seen minimal net cash inflows or outflows with dividend income and dividends payable being settled through inter-company balances rather than cash settled. A group restructuring exercise has taken place during 2022 which has resulted in the Company acquiring a fixed rate bonus loan receivable of $700,000,000 for consideration of an interest bearing loan of $700,178,740. The fixed rate bonus loan note is owed to the Company by Ametek International Limited, the interest bearing loan is owed by the Company to Ametek Global Limited.

The bonus loan note, together with the fixed rate income on this loan note is due for settlement to the Company in 2031. The finance costs associated to the interest-bearing loans, which are at a rate of 6.75%, are due to be settled annually. This increases the forecast cash outflows of the Company in the 12 months following approval of these financial statements.

The Directors have prepared a cash flow forecast for the period through until 30 September 2024. These forecasts show that the cash outflows are at a level in excess of historical dividend income within the Company. As a result of this the Directors have sought, and obtained, written confirmation from their immediate parent undertaking, Ametek European Holdings Limited, that they will provide the necessary support to allow the Company to meet their liabilities as they fall due for a period until 30 September 2024. In considering the ability of Ametek European Holdings Limited to provide such support, the Directors note Ametek European Holdings Limited controls its wholly owned subsidiary, Ametek Global Limited, to whom the Company will owe the interest on the acquired interest bearing loans.

On the basis of the assessments made, including obtaining the aforementioned letter of support from Ametek European Holdings Limited, the Directors have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

Directors' insurance
AMETEK Inc. has indemnified the director of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the period and remains in place to the date of this report.

Financial instruments
Details of financial instruments are provided in the strategic report on page 1.

AMETEK INSTRUMENTS GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Employee involvement

It is the Group's policy to keep employees fully informed of matters affecting them as employees and to make them aware of the financial and economic factors influencing company performance. Encouragement is given to employees to contribute towards the Group's financial performance by means of an annual bonus scheme and share scheme for certain employees.

Community and environment

The Group is fully committed to pursuing the best environmental practice and conducting its activities in a way that fully recognises its responsibilities to the environment.

Post reporting date events

The company has received interim dividends amounting to £14,839,000 in respect of the year ending 31 December 2023 since 31 December 2022.

The company has received a capital contribution of £4,097,000 from its parent AMETEK European Holdings Limited.

Future developments

The company intends to continue to act as a holding company.

UK Streamlined Energy and Carbon Reporting (SECR)

The company has complied with the UK Streamlined Energy and Carbon Reporting (SECR) requirements along with other UK entities that are part of the UK organisational structure of AMETEK Inc. The relevant information is reported within the top UK holding company in the AMETEK Group, being AMETEK International Limited.

Auditor

Ernst & Young LLP were appointed auditor to the company and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as the director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director individually has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

Bruce Wilson

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B P Wilson

Director

27 September 2023

AMETEK INSTRUMENTS GROUP UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 accounting policies and then apply them consistently;
- make judgements 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;
- 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.

AMETEK INSTRUMENTS GROUP UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMETEK INSTRUMENTS GROUP UK LIMITED

Opinion

We have audited the financial statements of AMETEK Instruments Group UK Limited for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes 1 to 21, 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, 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 2022 and of its loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months through until 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

AMETEK INSTRUMENTS GROUP UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMETEK INSTRUMENTS GROUP UK LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or has 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.

AMETEK INSTRUMENTS GROUP UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMETEK INSTRUMENTS GROUP UK LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, *including health and safety and GDPR.*
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Due to the nature of the Company as an intermediate holding company no risks of material misstatement due to fraud were identified.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and to respond to the assessed risks. Our procedures included reviewing Board of Directors meeting minutes, verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006 and enquiries with those charged with governance.

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

Use of audit report

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

Ernst & Young LLP

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Date: 27th September 2023

Stephen Kirk (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Birmingham

AMETEK INSTRUMENTS GROUP UK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Administrative expenses		(671)	(1)
Income from fixed asset investments	6	54,873	19,495
Interest payable and similar expenses	7	(17,525)	(137)
Amounts written off investments	8	(44,000)	-
(Loss)/profit before taxation	3	(7,323)	19,357
Taxation	9	-	-
(Loss)/profit for the financial year		(7,323)	19,357

The income statement has been prepared on the basis that all operations are continuing operations.

AMETEK INSTRUMENTS GROUP UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £'000	2021 £'000
(Loss)/profit for the year	(7,323)	19,357
Other comprehensive income	-	-
Total comprehensive income for the year	(7,323)	19,357

AMETEK INSTRUMENTS GROUP UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Investments	11		136,253		180,064
Current assets					
Debtors falling due after one year	12	602,313		-	
Cash at bank and in hand		242		200	
		602,555		200	
Creditors: amounts falling due within one year	13	-		(103,005)	
Net current assets/(liabilities)			602,555		(102,805)
Total assets less current liabilities			738,808		77,259
Creditors: amounts falling due after more than one year	14		(579,855)		-
Net assets			158,953		77,259
Capital and reserves					
Share premium account	16		93,000		-
Capital contribution reserves	17		2,217		-
Profit and loss reserves	18		63,736		77,259
Total equity			158,953		77,259

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

DocuSigned by:
Bruce Wilson
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B P Wilson
Director

Company Registration No. 08330531

AMETEK INSTRUMENTS GROUP UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £'000	Share premium account £'000	Capital contribution reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2021		59,340	14,069	-	176	73,585
Year ended 31 December 2021:						
Profit and total comprehensive income for the year		-	-	-	19,357	19,357
Dividends	10	-	-	-	(15,683)	(15,683)
Reduction of shares		(59,340)	(14,069)	-	73,409	-
Balance at 31 December 2021		-	-	-	77,259	77,259
Year ended 31 December 2022:						
Loss and total comprehensive income for the year		-	-	-	(7,323)	(7,323)
Issue of share capital		-	93,000	-	-	93,000
Dividends	10	-	-	-	(6,200)	(6,200)
Capital contribution	17	-	-	2,217	-	2,217
Balance at 31 December 2022		-	93,000	2,217	63,736	158,953

AMETEK INSTRUMENTS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

AMETEK Instruments Group UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 New Star Road, Leicester, LE4 9JD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The financial statements were approved for issue on the date shown on the Statement of Financial Position.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements;

- The requirement to present a statement of cash flows and related notes,
- financial instrument disclosures, including;
  - categories of financial instruments
  - items of income, expenses, gains or losses relating to financial instruments and
  - exposure to and management of financial risks
- related party transaction disclosures including (i) transactions with wholly owned subsidiaries of the AMETEK Inc group (ii) Disclosures related to key management remuneration.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

AMETEK Instruments Group UK Limited is a wholly owned subsidiary of AMETEK Inc and the results of AMETEK Instruments Group UK Limited are included in the consolidated financial statements of AMETEK Inc which are available from PO Box 36, 2 New Star Road, Leicester LE4 9JQ.

1 Accounting policies (Continued)

1.2 Going concern

Historically, the Company has seen minimal net cash inflows or outflows with dividend income and dividends payable being settled through inter-company balances rather than cash settled. A group restructuring exercise has taken place during 2022 which has resulted in the Company acquiring a fixed rate bonus loan receivable of $700,000,000 for consideration of an interest bearing loan of $700,178,740. The fixed rate bonus loan note is owed to the Company by Ametek International Limited, the interest bearing loan is owed by the Company to Ametek Global Limited.

The bonus loan note, together with the fixed rate income on this loan note is due for settlement to the Company in 2031. The finance costs associated to the interest-bearing loans, which are at a rate of 6.75%, are due to be settled annually. This increases the forecast cash outflows of the Company in the 12 months following approval of these financial statements.

The Directors have prepared a cash flow forecast for the period through until 30 September 2024. These forecasts show that the cash outflows are at a level in excess of historical dividend income within the Company. As a result of this the Directors have sought, and obtained, written confirmation from their immediate parent undertaking, Ametek European Holdings Limited, that they will provide the necessary support to allow the Company to meet their liabilities as they fall due for a period until 30 September 2024. In considering the ability of Ametek European Holdings Limited to provide such support, the Directors note Ametek European Holdings Limited controls its wholly owned subsidiary, Ametek Global Limited, to whom the Company will owe the interest on the acquired interest bearing loans.

On the basis of the assessments made, including obtaining the aforementioned letter of support from Ametek European Holdings Limited, the Directors have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

1.3 Income from fixed asset investments

Income from fixed asset investments represents dividends from subsidiary undertakings. Income is recognised when the company's right to receive payment is established.

Interest income, including income arising from other financial instruments, is recognised using the effective interest method.

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date. The recoverable amount is calculated as the higher of the fair value less costs to sell and the value in use. Where there are indicators of impairment of individual assets, the company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. Any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' or as 'amounts due from group undertakings', if appropriate. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities (which relate to amounts due to group undertakings) are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. After initial recognition, they are measured at amortised cost using the effective interest rate method, less impairment.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.8 Taxation

The tax expense represents the sum of the current and deferred tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that 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, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

-where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination, a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised;and

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax shall be recognised when income and expenses from a subsidiary has been recognised in the financial statements, and will be assessed to, or allowed for tax in a future period except where:

-the reporting entity is able to control the reversal of the timing difference;and

-it is probable that the timing difference will not reverse in the foreseeable future.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The following are considered to have the most significant effect on the amounts recognised in the financial statements:

- Fixed asset investments recoverable amount- The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

3 Profit before taxation

Auditors' remuneration of £5,000 (2021: £5,000) is borne by a fellow group company.

4 Employees

There were no employees during the year apart from the director (2021: nil).

5 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	188	718
Company pension contributions to defined contribution schemes	4	4

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

Remuneration and retirement benefit contributions are met by a fellow subsidiary undertaking.

The number of directors who exercised share options during the year was 1 (2021 - 1).

The number of directors who received shares under long term incentive schemes during the year was 1 (2021 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	188	718
Company pension contributions to defined contribution schemes	4	4

The highest paid director has exercised share options during the year.
The highest paid director has received shares under a long term incentive scheme during the year.

B P Wilson is also a director of other subsidiary companies within the AMETEK group and his emoluments in respect of qualifying services to these companies are also disclosed in these relevant subsidiaries to the extent that his qualifying services can be attributed to these subsidiaries.

B Wileman is remunerated by other group companies and his roles performed for the Company is considered incidental to the wider group roles and accordingly no costs for his services have been re-charged to the Company.

6 Income from fixed asset investments

	2022 £'000	2021 £'000
Interest receivable from group companies	23,329	-
Income from shares in group undertakings	31,544	19,495
Total interest receivable and similar income	54,873	19,495

7 Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest payable to group undertakings	17,525	137

8 Amounts written off investments

	2022 £'000	2021 £'000
Amounts written off fixed asset investments	(44,000)	-

9 Taxation

	2022 £'000	2021 £'000
UK corporation tax on profits for the current period	-	-
Total tax	-	-

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £'000	2021 £'000
(Loss)/profit before taxation	(7,323)	19,357
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,391)	3,678
Tax effect of income not taxable in determining taxable profit	(4,432)	-
Tax effect of expenses not taxable	8,360	-
Dividend income not taxable	(5,993)	(3,704)
Tax losses carried forward not recognised	3,456	26
Taxation for the year	-	-

There is a deferred tax asset amounting to £4,549,000 (2021: £35,000) which has not been recognised in the financial statements because the company is unlikely to be able to utilise the losses in future periods.

Factors that may affect the future tax charge

The company's profits for this accounting period are taxed at a rate of 19%. In his Spring 2023 Budget statement on 15 March 2023, the Chancellor of the Exchequer confirmed that the main corporation tax rate would increase from 19% to 25% with effect from 1 April 2023. Deferred tax balances have been stated at 25%.

10 Dividends

	2022 £'000	2021 £'000
Ordinary dividend paid	6,200	15,683

11 Fixed asset investments

	Notes	2022 £'000	2021 £'000
Investments in subsidiaries	20	136,253	180,064

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2022	180,064
Additions	189
At 31 December 2022	180,253
Impairment	
At 1 January 2022	-
Impairment losses	44,000
At 31 December 2022	44,000
Carrying amount	
At 31 December 2022	136,253
At 31 December 2021	180,064

During the company invested an additional £189,000 to finalise the acquisition of Alphasense Limited, a company registered in England & Wales that was acquired in the previous year.

An impairment review has been performed on all investments where indicators of impairment existed. This identified an impairment of £44,000,000 relating to Alphasense Limited where the current trading performance is below that previously forecast.

12 Debtors

	2022 £'000	2021 £'000
Amounts falling due after more than one year:		
Amounts due from fellow group undertakings	602,313	-

The amounts owed by group undertakings represents a bonus loan note. The loan note has a 9 year term and accrues interest at a rate of 9.32% per annum.

13 Creditors: amounts falling due within one year

	Notes	2022 £'000	2021 £'000
Loans owed to group undertakings	15	-	103,000
Amounts owed to group undertakings		-	5
		-	103,005

14 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Amounts owed to group undertakings	579,855	-

The amount due to fellow subsidiary undertakings represents an interest-bearing loan (IBL) with a fair market value of $700,178,740. The IBL has a 10 year term and accrues interest at a rate of 6.75% per annum.

15 Loans and overdrafts

	2022 £'000	2021 £'000
Loans from group undertakings	-	103,000
Payable within one year	-	103,000

The loan owed to group undertakings due within one year has no fixed repayment date and carries interest at a rate which mirrors that at which the fellow group company has borrowed the funds from their revolving credit facility.

16 Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

During the year the company issued 1 £1 Ordinary share at a premium of £93,000,000 to Ametek European Holdings Limited.

17 Capital contribution reserves

This reserve records amounts contributed to the Company as equity in addition to the share capital.

18 Profit and loss reserves

This account includes all current and prior period retained profits and losses.

AMETEK INSTRUMENTS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Events after the reporting date

The company has received interim dividends amounting to £14,839,000 in respect of the year ending 31 December 2023 since 31 December 2022.

The company has received a capital contribution of £4,097,000 from its parent AMETEK European Holdings Limited.

20 Subsidiaries

These financial statements are separate company financial statements for AMETEK Instruments Group UK Limited.

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking and address of registered office		**Class of shareholding**	% Held
AMETEK (GB) Limited	2 New Star Road, Leicester LE4 9JD, England	Ordinary	100
Taylor Hobson Limited	2 New Star Road, Leicester LE4 9JD, England	Ordinary	100
Alphasense Limited	Sensor Technology House, 300 Avenue West, Skyline 120, Great Notley, Braintree, Essex, CM77 7AA	Ordinary	100

Taylor Hobson Limited is involved in the design, manufacture and distribution of ultra precision instruments.

AMETEK (GB) Limited is involved in the manufacture and distribution of electro - mechanical testing equipment, electric motors, direct current circuits and electronic detection instrumentation.

Alphasense Limited is involved in the manufacture of sensors and provision of sensor solutions to the industrial, safety and air quality markets.

21 Ultimate controlling party

The immediate parent company is AMETEK European Holdings Limited, a company registered in England and Wales, and the ultimate parent company is AMETEK Inc., a company incorporated in the United States of America.

AMETEK Inc. prepares group financial statements which include the company and are the smallest and largest consolidated accounts that the company is included in, and copies can be obtained from 2 New Star Road, Leicester, LE4 9JD.