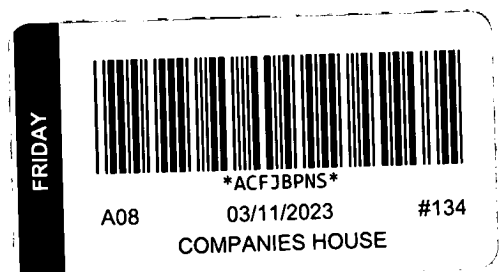


Registration number: 13668801

Badger Meter UK Limited

Pages for filing with Registrar

For the period from incorporation on 8 October 2021 to 31 October 2022



Badger Meter UK Limited

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Badger Meter UK Limited

Company Information

Directors	K C Bockhorst N J Gemmell M Steiner M L Stuyvenberg
Company secretary	N J Gemmell
Registered office	Unit 1 & 2 Gatehead Business Park Delph New Road Delph Saddleworth England OL3 5DE United Kingdom
Bankers	JPMorgan Chase Bank N.A. London Branch 25 Bank Street Canary Wharf London E14 5JP Virgin Money 17-21 Oxford Street Bolton United Kingdom BL1 1RD
Auditors	Xeinadin Audit Limited Riverside House Kings Reach Business Park Yew Street, Stockport Cheshire United Kingdom SK4 2HD

Badger Meter UK Limited

Balance sheet As at 31 October 2022

	Note	2022 £
Non-current assets		
Intangible assets	5	2,067,499
Tangible assets	6	61,444
Deferred tax asset		2,509
		<u>2,131,452</u>
Current assets		
Stocks	7	778,883
Debtors: Amounts falling due within one year	9	651,470
Cash at bank and in hand		1,869,741
		<u>3,300,094</u>
Creditors: Amounts falling due within one year		<u>(881,744)</u>
Net current assets		<u>2,418,350</u>
Net assets		<u>4,549,802</u>
Capital and reserves		
Called up share capital		2
Share premium reserve		4,025,840
Retained earnings		523,960
Total shareholders' funds		<u>4,549,802</u>

The Company's annual accounts and reports have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

As permitted by Section 444 of the Companies Act 2006, the Directors have not delivered to the Registrar a copy of the Company's income statement for the year ended 31 October 2022.

The accounts of Badger Meter UK Limited (registration number: 13668801) were approved by the Board of Directors and authorised for issue on 2 November 2023.

They were signed on its behalf by:

Matt L Stuyvenberg
Matt L Stuyvenberg (Nov 2, 2023 13:38 CDT)
M L Stuyvenberg
Director

The notes on pages 3 to 14 form an integral part of these abridged financial statements.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022

1 General information

Badger Meter UK Limited is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 1 & 2 Gatehead Business Park

Delph New Road

Delph

Saddleworth

England

OL3 5DE

United Kingdom

These financial statements were authorised for issue by the Board on 2 November 2023.

2 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

Disclosure of short period

The Company was incorporated on 08 October 2021 and as such, these financial statements represent the period from 08 October 2021 to 31 October 2022.

Statement of compliance

These financial statements have been prepared on a going concern basis in accordance with Financial Reporting Standard 100 issued by the Financial Reporting Council, and applicable legal and regulatory requirements of the Companies Act 2006.

Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Badger Meter Inc. which are publicly available.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

2 Accounting policies (continued)

As a qualifying entity the company has taken advantage of the following exemptions in its separate financial statements:

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- from the requirement to prepare certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102;
- from the requirement to provide certain share-based payments disclosures as required by paragraphs 26.18(b), 26.19, 26.20, 26.21 and 26.23.; and
- as a small entity, the company has taken advantage of the exemptions available under section 1A of FRS 102.

Going concern

The financial statements have been prepared on the going concern basis at the date of approval of the financial statements. The Directors consider that this is an appropriate basis given financial support available to the Company from its parent company Badger Meter Inc.

Foreign currency translations

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

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

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Company's profit and loss for the year.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

2 Accounting policies (continued)

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is in form of distributing and providing solutions to mainly water utilities. Turnover is recognised once the goods have been dispatched. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met :

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

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Current tax

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

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

2 Accounting policies (continued)

Deferred tax

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Tangible fixed assets

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

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

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

2 Accounting policies (continued)

Depreciation is provided on the following basis:

Asset class	Depreciation rate and method.
Computer software	Straight line basis over useful life of the asset class which is 36 months.
Furniture, fittings and equipment	Straight line basis over useful life of the asset class which is 96 months.
Leasehold assets	Straight line basis over the life of the lease.
Motor vehicles	Straight line basis over useful life of the asset class which is 48 months.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

Research and development

Research and development expenditure is written off to the Profit and Loss Account in the year in which it is incurred.

Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated at Standard cost set by corporate cost of accounting at Badger Meter Inc. Provisions are made for obsolete, slow-moving or defective items where appropriate.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits.

Financial instruments

Initial recognition

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

The Company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other receivables and payables and intercompany receivable and payables.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

2 Accounting policies (continued)

Debtors

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Amounts due from related parties

Amounts due from related parties are amounts due from group companies for products provided in the ordinary course of business.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Amounts due to related parties

Amounts due to related parties are obligations to pay for goods or services that have been acquired in the ordinary course of business from other group companies.

Intangible assets

Intellectual property

Intellectual property is internally generated and was initially valued by an external third party. It is amortised on a straight-line basis over its estimated useful lives.

Amortisation is provided on the following basis:

Asset class	Amortisation rate and method.
Intellectual property	Straight line basis over a period of 12 years.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

2 Accounting policies (continued)

Pensions

Defined benefit pension obligation

Defined benefit pension obligation

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Finance cost

Interest payable and similar costs including bank interest and loan interest payable.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The directors do not consider there to be any significant estimates or judgements used in preparing these financial statements.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

4 Staff numbers

Monthly average number of persons employed by the Company during the period, including Directors.

	For the period from 8 October 2021 to 31 October 2022
Administration staff	43
Directors	4
	<u>47</u>

The Directors did not receive any emoluments in respect of their services to the Company in the current year.

5 Intangible assets

	Intellectual property £
Cost or valuation	
Additions	<u>2,236,966</u>
At 31 October 2022	<u>2,236,966</u>
Amortisation	
Amortisation charge	<u>169,467</u>
At 31 October 2022	<u>169,467</u>
Carrying amount	
At 31 October 2022	<u>2,067,499</u>

Intellectual property is amortised over its useful lives, which is on average 12 years.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

6 Tangible assets

	Computer software £	Furniture, fittings and equipment £	Leasehold assets £	Motor vehicles £	Total £
Cost or valuation					
At 8 October 2021	-	-	-	-	-
Additions	47,769	10,345	17,372	8,604	84,090
At 31 October 2022	47,769	10,345	17,372	8,604	84,090
Depreciation					
At 8 October 2021	-	-	-	-	-
Charge for the period	14,971	2,873	2,412	2,390	22,646
At 31 October 2022	14,971	2,873	2,412	2,390	22,646
Carrying amount					
At 31 October 2022	32,798	7,472	14,960	6,214	61,444

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

7 Stocks

	2022
	£
Stock	<u>778,883</u>

Provision for impairment of inventories during the period was £65,567.

8 Commitments under operating leases

At 31 October the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022
	£
Within 1 year	31,866
Within 2 to 5 years	<u>40,313</u>
	<u>72,179</u>

9 Debtors

	2022
	£
Trade debtors	593,956
Amounts owed by group undertakings	27,689
Prepayments and accrued income	22,133
VAT receivable	<u>7,692</u>
	<u>651,470</u>

Amounts owed by group undertakings are interest free and are expected to be settled within 12 months.

10 Creditors

	2022
	£
Trade creditors	201,739
Other taxation and social security	60,977
Accruals and deferred income	256,915
Amounts owed to group undertakings	<u>362,113</u>
	<u>881,744</u>

Amounts owed by group undertakings are interest free and are expected to be settled within 12 months.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

11 Share capital

Allotted, called up and fully paid shares

	2022	
	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Share premium

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

During the period the Company issued 1 new share for a consideration of £1 and 1 additional share for a consideration of £4,025,841 and this increased the share premium account by £4,025,840.

Retained earnings

The retained earnings account represents cumulative profits or losses.

12 Related party transactions

The Company has availed of the exemption provided in FRS 102 Section 33 'Related Party Disclosures' paragraph 7 for wholly subsidiary undertakings whose voting rights are controlled within the group, from the requirements to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

13 Parent and ultimate parent undertaking

The Company's parent undertaking and controlling party is Badger Meter Inc. a company incorporated in America.

Badger Meter Inc. is the parent company of the smallest and largest group of undertakings for which group financial statements are drawn up and of which Badger Meter UK Limited is a member. The group financial statements are publicly available on the groups website www.badgermeter.com.

14 Pension commitments

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 cost charge represents contributions payable by the Company to the fund and amounted to £72,091. Contributions totaling £nil were payable to the fund at the balance sheet date and are included in other creditors.

15 Subsequent events

There are no events after the balance sheet date that need to be reported.

Badger Meter UK Limited

Notes to the financial statements

For the Period from 8 October 2021 to 31 October 2022 (continued)

16 Audit report

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with Section 444 (5B) of the Companies Act 2006:

- the audit report was unqualified;
- the senior statutory auditor was Philip Jones BA Hons (FCCA); and
- the auditor was Xeinadin Audit Limited.