

Company Registration No. 00611624 (England and Wales)

GEA MECHANICAL EQUIPMENT UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



GEA MECHANICAL EQUIPMENT UK LIMITED

COMPANY INFORMATION

Directors	Mr T J Donbavand Mrs T A ONeill Mr B G Dumble (Appointed 15 May 2019)
Secretary	Mr N R Preston
Company number	00611624
Registered office	Westfalia House Old Wolverton Road Wolverton Milton Keynes MK12 5PY
Auditor	KPMG LLP Chartered accountant & statutory auditor 15 Canada Square London E14 5GL
Banker	Danske Bank 75 King William Street London EC4N 7DT
Solicitor	DWF LLP Scott Place 2 Hardman Street Manchester M3 3AA

GEA MECHANICAL EQUIPMENT UK LIMITED

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GEA MECHANICAL EQUIPMENT UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report and financial statements for the year ended 31 December 2018.

Review of Business

We aim to present a balanced and comprehensive review of the development of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

As a subsidiary of GEA Group Holdings (UK) Limited and the main supplier of equipment manufactured by GEA Mechanical Equipment GmbH in the UK, we continue to deal in new and used centrifugal separation equipment, provide servicing, repairs and spare parts.

The company's centrifugal separation equipment business grew during the year with substantial orders being received in the renewable marine and environmental sectors. All other sectors performed in line with expectations.

	2018	2017
	£	£
Turnover for the year	18,056,049	16,381,032
Gross profit margin (%)	29	29
Operating profit per employee	7,171	25,645
Total comprehensive income (loss) for the year before tax	585,265	226,150
Shareholders' funds at the year end	5,759,889	5,174,624
Cash at bank and in hand at the year end	1,982	11,440

Principal Risks and Uncertainties

Risk management continues to be a significant part of management's time. The principal risks are as set out below.

Business Risk

The UK market for centrifugal separation equipment is mature and highly competitive. We face competition for the supply of new machines and after sale business. We are also subject to changes in spending as a result of interest rate changes, fluctuation in exchange rates and the current economic climate.

Credit Risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

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

GEA MECHANICAL EQUIPMENT UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Exchange Rate Risk

Sales of new equipment represent about 42% of the total business and this equipment is purchased in Euros from group companies and sold in Euros. Accordingly, there is no foreign exchange rate risk on this part of the business.

Sales arising from the original manufacture service, comprising spares, servicing and repairs, represent about 58% of the total business. Sales for this part of the business are in Sterling and costs for this part of the business are in Sterling with the exception of purchases from group companies made in Euros. The company manages the exchange rate risk by having a relatively short purchase lead time and by regularly updating its Sterling sales prices to reflect movements in the Sterling/Euro exchange rate.

Future Developments

The strategic aims of the company are to increase its installed base of centrifugal equipment, whilst expanding the after sales offering to our new and existing customers. In addition, our goal is to improve profitability by prudent cost management and a competitive pricing policy.

Brexit will affect the company but until the Brexit negotiations have been concluded, the impact on the company is uncertain although it is not considered to be significant.

Research & Development

As part of a major German based engineering group, our research & development policy is devised by our parent company with the objective of providing innovative products for an extensive range of applications and solutions to meet the demands of our global customers, including the United Kingdom.

Going Concern

The company has long term contracts with a number of customers and suppliers together with support from GEA Mechanical Equipment GmbH, who are leading the introduction of new product development into the marketplace. The company's financial position, also supported by the GEA Group, is considered to be appropriate for the trading plans of the business. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

On behalf of the board



Mr T J Donbavand

Director

31-10-19

GEA MECHANICAL EQUIPMENT UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Results and dividends

The results for the year are set out on page 7.

No ordinary or preferred dividends were paid. The directors do not recommend payment of a final dividend. (2017 - £-)

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr I Aprcovic
Mr T J Donbavand
Mrs T A O'Neill
Mr B G Dumble

(Resigned 15 May 2019)

(Appointed 15 May 2019)

Future developments

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the strategic report on page 1 and 2.

Auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a 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 directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr T J Donbavand
Director

Date: 31-10-19

GEA MECHANICAL EQUIPMENT UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEA MECHANICAL EQUIPMENT UK LIMITED

Opinion

We have audited the financial statements of GEA Mechanical Equipment UK Limited ("the company") for the year ended 31 December 2018 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Brexit other matter paragraph

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial me



statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

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

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

Chrissy Douka (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 31/10/2019

GEA MECHANICAL EQUIPMENT UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	2	18,056,049	16,381,032
Cost of sales		(12,756,235)	(11,695,787)
Gross profit		5,299,814	4,685,245
Administrative expenses		(5,644,023)	(3,428,649)
Operating (loss)/profit	3	(344,209)	1,256,596
Interest receivable and similar income	7	16,124	21,325
Interest payable and similar expenses	8	(112,005)	(109,632)
(Loss)/profit before taxation		(440,090)	1,168,289
Tax on (loss)/profit	9	78,355	(227,139)
(Loss)/profit for the financial year		(361,735)	941,150

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes of pages 12 to 30 form an integral part of the financial statements.

GEA MECHANICAL EQUIPMENT UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
(Loss)/profit for the year	<u>(361,735)</u>	<u>941,150</u>
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on defined benefit pension schemes	1,169,000	(882,000)
Tax relating to items not reclassified	<u>(222,000)</u>	<u>167,000</u>
Total items that will not be reclassified to profit or loss	<u>947,000</u>	<u>(715,000)</u>
Total comprehensive income for the year	<u>585,265</u>	<u>226,150</u>

The notes of pages 12 to 30 form an integral part of the financial statements.

GEA MECHANICAL EQUIPMENT UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Fixed assets			
Intangible assets	10		580
Tangible fixed assets	11	886,134	886,368
Investments	12	1	1
		<u>886,135</u>	<u>886,949</u>
Current assets			
Stocks	13	1,505,269	1,354,202
Deferred tax asset	16	643,186	903,563
Trade and other receivables	14	16,106,677	16,128,028
Cash at bank and in hand		1,982	11,440
		<u>18,257,114</u>	<u>18,397,233</u>
Creditors: amounts falling due within one year			
Creditors	15	9,390,023	8,328,859
Taxation and social security		623,337	914,931
		<u>10,013,360</u>	<u>9,243,790</u>
Net current assets		<u>8,243,754</u>	<u>9,153,443</u>
Total assets less current liabilities		<u>9,129,889</u>	<u>10,040,392</u>
Provisions for liabilities			
Retirement benefit obligations	17	3,370,000	4,749,000
Deferred tax liabilities	16		116,768
		<u>3,370,000</u>	<u>4,865,768</u>
Net assets		<u>5,759,889</u>	<u>5,174,624</u>

GEA MECHANICAL EQUIPMENT UK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Capital and reserves			
Called up share capital	18	1,300,000	1,300,000
Share premium account	19	140,000	140,000
Profit and loss reserves		4,319,889	3,734,624
Total equity		5,759,889	5,174,624

The financial statements were approved by the board of directors and authorised for issue on 31-10-19 and are signed on its behalf by:



Mr T J Donbavand
Director

Company Registration No. 00611624

The notes of pages 12 to 30 form an integral part of the financial statements.

GEA MECHANICAL EQUIPMENT UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Share premium account	Retained earnings	Total
	£	£	£	£
Balance at 1 January 2017	<u>1,300,000</u>	<u>140,000</u>	<u>3,508,474</u>	<u>4,948,474</u>
Year ended 31 December 2017:				
Profit for the year	-	-	941,150	941,150
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(882,000)	(882,000)
Tax relating to other comprehensive income	-	-	167,000	167,000
	<u>-</u>	<u>-</u>	<u>226,150</u>	<u>226,150</u>
Total comprehensive income for the year	-	-	226,150	226,150
Balances at 31 December 2017	<u>1,300,000</u>	<u>140,000</u>	<u>3,734,624</u>	<u>5,174,624</u>
Year ended 31 December 2018:				
Loss for the year	-	-	(361,735)	(361,735)
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	1,169,000	1,169,000
Tax relating to other comprehensive income	-	-	(222,000)	(222,000)
	<u>-</u>	<u>-</u>	<u>585,265</u>	<u>585,265</u>
Total comprehensive income for the year	-	-	585,265	585,265
Balances at 31 December 2018	<u>1,300,000</u>	<u>140,000</u>	<u>4,319,889</u>	<u>5,759,889</u>

The notes of pages 12 to 30 form an integral part of the financial statements.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company Information

GEA Mechanical Equipment UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Westfalia House, Old Wolverton Road, Wolverton, Milton Keynes, MK12 5PY.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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 £.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of GEA Group AG in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Where required, equivalent disclosures are given in the group accounts of GEA Group AG. The group accounts of GEA Group AG are available to the public and can be obtained as set out in note 23.

The company has taken advantage of the exemption under section 400 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.

GEA Mechanical Equipment UK Limited is a wholly owned subsidiary of GEA Group AG and the results of GEA Mechanical Equipment UK Limited are included in the consolidated financial statements of GEA Group AG which are available from Peter-Muller-Strasse 12, D-40468 Dusseldorf, Germany.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Review of Business on page 1. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities excluding customs duties, trade discounts and Value Added Tax.

Turnover from the distribution of high speed centrifugal and other process plant derived from contracts is recognised on a cost percentage of completion basis. All other related income is accounted for on customer acceptance of goods or services.

Turnover from the manufacture and distribution of tank cleaning solutions and devices is recognised on delivery of the goods.

Service turnover relates to the provision of repairs and maintenance. This is recognized upon the provision of the related service.

Long term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative cost incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.4 Intangible assets (goodwill and negative goodwill)

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Patents and trademarks 10 years
- Licenses 5 years

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	between 4 and 10%
Plant, vehicles and other equipment	between 10 and 25%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.9 Cash at bank and in hand

Cash and cash equivalents 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.

1.10 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

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'. 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 at FVTPL, 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 of the investment have been affected.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.12 Equity instruments

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

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the fair value of the assets at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, less any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Turnover

	2018	2017
	£	£
Turnover analysed by class of business		
Distribution and maintenance of high speed centrifugal and other process plant	18,056,049	16,381,032
	<u> </u>	<u> </u>
	2018	2017
	£	£
Other significant revenue		
Interest income	16,124	21,325
	<u> </u>	<u> </u>

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Turnover

(Continued)

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	17,025,089	15,071,985
Europe	812,624	660,371
North America	37,004	16,910
Africa	13,946	21,367
Asia	146,375	610,399
Australia	21,011	-
	<u>18,056,049</u>	<u>16,381,032</u>

3 Operating (loss)/profit

	2018 £	2017 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Depreciation of property, plant and equipment	74,224	72,548
Amortisation of intangible assets	580	631
Cost of inventories recognised as an expense	12,756,235	11,695,787
Operating lease charges	116,738	114,020
	<u>12,947,577</u>	<u>11,883,006</u>

4 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	12,480	20,500
	<u>12,480</u>	<u>20,500</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Production staff	22	21
Distribution staff	17	19
Management staff	9	9
	<u>48</u>	<u>49</u>

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,501,246	2,251,915
Social security costs	289,134	271,882
Pension costs	1,307,041	(49,076)
	<u>4,097,421</u>	<u>2,474,721</u>

6 Directors' remuneration

	2018 £	2017 £
Remuneration	<u>71,134</u>	<u>135,219</u>

During the year there was one director who was a member of the GEA Westfalia Separator UK Limited Retirements Benefit Scheme (2017 - 1), the defined benefit scheme operated by the company. The fund is contributory.

Remuneration of the highest paid director in respect of qualifying services:

	2018 £	2017 £
Aggregate remuneration	<u>71,134</u>	<u>112,395</u>

The highest paid director had accrued annual pension benefits at the year end of £31,382 (2017 - £29,235) under the defined benefit scheme.

The notional cost of other directors' remuneration to the Company was £nil during the year (2017 - £10,000).

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest receivable from group companies	<u>16,124</u>	<u>21,325</u>

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	1,005	1,632
Net pension finance cost	111,000	108,000
	<u>112,005</u>	<u>109,632</u>

9 Income tax expense

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	36	45,201
	<u>36</u>	<u>45,201</u>
Deferred tax		
Origination and reversal of temporary differences	(78,391)	181,938
	<u>(78,391)</u>	<u>181,938</u>
Total tax charge/(credit)	<u>(78,355)</u>	<u>227,139</u>

	2018 £	2017 £
(Loss)/profit before taxation	<u>(440,090)</u>	<u>1,168,289</u>
Expected tax (credit)/charge based on a corporation tax rate of 19.00%	(83,617)	221,975
Effect of expenses not deductible in determining taxable profit	5,262	6,638
Difference in tax rate		(430)
Other differences		(1,044)
Taxation (credit)/charge for the year	<u>(78,355)</u>	<u>227,139</u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2018 £	2017 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	<u>222,000</u>	<u>(167,000)</u>

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Intangible fixed assets

	Patents, trademarks and licences £
Cost	
At 31 December 2017	3,157
At 31 December 2018	3,157
Amortisation and impairment	
At 31 December 2017	2,577
Charge for the year	580
At 31 December 2018	3,157
Carrying amount	
At 31 December 2018	
At 31 December 2017	580

11 Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost			
At 31 December 2017	1,571,828	611,541	2,183,369
Additions	9,445	64,545	73,990
Disposals	-	(15,209)	(15,209)
At 31 December 2018	1,581,273	660,877	2,242,150
Accumulated depreciation and impairment			
At 31 December 2017	784,576	512,425	1,297,001
Charge for the year	36,453	37,771	74,224
Eliminated on disposal	-	(15,209)	(15,209)
At 31 December 2018	821,029	534,987	1,356,016
Carrying amount			
At 31 December 2018	760,244	125,890	886,134
At 31 December 2017	787,252	99,116	886,368

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Tangible fixed assets

(Continued)

Net book value of land, buildings at 31 December 2018, comprised:

	2018 £	2017 £
Freehold buildings (depreciated)	657,754	684,762
Freehold land (not depreciated)	102,490	102,490
	<u>760,244</u>	<u>787,252</u>

12 Investments

Movements in fixed asset investments

Shares in
group
undertakings
£

Cost or valuation

At 1 January 2018 & 31 December 2018

1

Carrying amount

At 31 December 2018

1

At 31 December 2017

1

The £1 investment represents 1 ordinary share of £1 in Breconcherry Limited, being 100% of the issued share capital. Breconcherry Limited is incorporated in England and Wales, is dormant with net assets of £1 and its registered office is Westfalia House, Old Wolverton Road, Old Wolverton, Milton Keynes, MK12 5PY

13 Stocks

2018
£

2017
£

Raw materials and consumables	1,285,154	1,148,575
Finished goods and goods for resale	220,115	205,627
	<u>1,505,269</u>	<u>1,354,202</u>

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

14 Debtors

	2018	2017
	£	£
Trade debtors	6,946,128	4,862,448
Amounts owed by fellow group undertakings	9,084,097	10,628,811
Prepayments	76,452	636,769
	<u>16,106,677</u>	<u>16,128,028</u>

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Amounts owed by fellow group undertakings disclosed above are receivable on demand and interest bearing.

15 Creditors

	Due within one year	
	2018	2017
	£	£
Trade creditors	1,542,921	816,210
Payments received on account	3,548,442	3,557,768
Amounts owed to fellow group undertakings	3,787,518	3,535,498
Accruals	410,524	324,006
Other creditors	100,618	95,377
	<u>9,390,023</u>	<u>8,328,859</u>

Amounts owed to fellow group undertakings disclosed above are payable on demand and interest bearing.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Other timing differences	Accelerated depreciation	Pension liability	Total
	£	£	£	£
Deferred tax liability at 1 January 2017	23,725	-	-	23,725
Deferred tax asset at 1 January 2017	-	(4,458)	(821,000)	(825,458)
Deferred tax movements in prior year				
Credit to profit or loss	93,043	2,895	86,000	181,938
Credit to other comprehensive income	-	-	(167,000)	(167,000)
Deferred tax liability at 1 January 2018	116,768	-	-	116,768
Deferred tax asset at 1 January 2018	-	(1,563)	(902,000)	(903,563)
Deferred tax movements in current year				
Credit to profit or loss	(119,181)	790	40,000	(78,391)
Credit to other comprehensive income	-	-	222,000	222,000
Deferred tax liability at 31 December 2018	-	-	-	-
Deferred tax asset at 31 December 2018	(2,413)	(773)	(640,000)	(643,186)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018 £	2017 £
Deferred tax liabilities	-	116,768
Deferred tax assets	(643,186)	(903,563)
	<u>(643,186)</u>	<u>(786,795)</u>

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Retirement benefit schemes

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 October 2016. This scheme was closed to new members on 26 March 2002.

The assumptions, which have the most significant effect on the results of the valuations are those relating to the rate of return on investments, the discount rate and the rates of increase in salaries and pensions. It was assumed that the annual investment return in the period to retirement would be 1.6% more than the total return on the UK FTSE Actuaries over-15 years gilts price index and 1.1% per annum in the period after retirement, that salary increases would be at the rate of Retail Prices Inflation ('RPI') and that the present and future pensions would increase at the rate of RPI on pension earned after November 2010, capped at 5%, subject to a minimum increase of 4% per annum on pension earned before November 2010. The pension charge for the year was £1,174,466 (2017 - £181,652 credit). The level of funding (i.e. the total value of assets expressed as a percentage of past service liabilities) as at 1 October 2016 was 70%.

The rate of RPI assumed is found by taking the annualised redemption yield on indexed-linked gilts (UK FTSE Actuaries index with term over five years - average of 0% and 5% inflation) from conventional gilt yields (UK FTSE Actuaries index with term over fifteen years). At the 1 October 2016 assessment this resulted in RPI of 3.2%.

With effect from 26 March 2002 the company operates a defined contribution scheme for newly eligible employees. Contributions are charged to the profit and loss account as they accrue. The total pension costs charged for the period in respect of this scheme was £124,047 (2017 - £132,575).

The actuarial valuation as at 1 October 2016 has been updated to 31 December 2018 for the purposes of FRS101, by a qualified independent actuary. The major actuarial assumptions used by the actuary were:

Defined benefit scheme

	2018	2017
Key assumptions	%	%
Discount rate (%)	2.7	2.4
Retail price inflation (%)	3.5	3.4
Consumer price inflation (%)	2.5	2.4
Salary increase rate (%)	5.3	5.15
Pensions increases (as Limited Price Indexation)		
- RPI maximum 5% minimum 4%	4.3	4.3
- RPI maximum 5%	3.3	3.4
Deferred pension revaluation (CPI 5% cap)	2.5	2.6
Deferred pension revaluation (CPI 2.5% cap)	2.5	2.5

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Retirement benefit schemes

(Continued)

Assuming a retirement age of 65, based on mortality assumptions, the life expectancy in years are as follows:

	2018 Years	2017 Years
For a male aged 65 now	22.0	22.3
At 65 for a male member aged 45 now	23.4	24.1
For a female aged 65 now	23.9	24.4
At 65 for a female member aged 45 now	25.4	26.3

The net defined benefit liability is determined as follows:

	2018 £	2017 £
Present value of defined benefit obligations	(18,190)	(19,873)
Fair value of plan assets	14,820	15,124
Net liability for defined benefits obligation	<u>(3,370)</u>	<u>(4,749)</u>

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Retirement benefit schemes

(Continued)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2018 £	2017 £	2018 £	2017 £	2018 £	2017 £
Balance at 1 January	(19,873)	(19,506)	15,124	15,187	(4,749)	(4,319)
Included in profit and loss						
Current service cost	(492)	(247)			(492)	(247)
Interest (cost)/income	(385)	(417)	274	309	(111)	(108)
Contributions paid	(23)	(21)	836	828	813	807
Actuarial (loss)/gain arising from:						
- Financial assumptions	1,696	(478)	(1,002)	(224)	694	(702)
- Demographic assumptions	614	626			614	626
- Experience adjustment	(3)	(106)			(3)	(106)
- Return on plan assets			(136)	(700)	(136)	(700)
Benefits paid	276	276	(276)	(276)		
	<u>(18,190)</u>	<u>(19,873)</u>	<u>14,820</u>	<u>15,124</u>	<u>(3,370)</u>	<u>(4,749)</u>

The fair value of the major categories of plan assets are as follows:

	2018 £	2017 £
Equity	5,246	5,455
Cash	1,222	163
Bonds	5,654	5,806
Insured pensions	2,698	3,700
	<u>14,820</u>	<u>15,124</u>

The company expects to contribute £824,000 to the defined benefit pension plan in the year to 31 December 2019 (2018 - £806,000).

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Retirement benefit schemes

(Continued)

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have changed based on an increase in discount rate or a decrease in inflation rate by one percent.

	2018 £	2017 £
Discount rate	2,566,000	2,830,768
Inflation (RPI, CPI)	968,000	1,009,932

The calculation of the annual gross service cost is sensitive to the assumptions set out above. The following table summarises how the impact on the gross service cost for the year would have changed based on an increase in discount rate or a decrease in inflation rate by one percent.

	2018 £	2017 £
Discount rate	66,000	57,152
Inflation (RPI, CPI)	60,000	45,008

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 1 October 2016 and are applied to adjust the defined benefit obligation at the end of the reporting period and the gross service cost for the year for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

18 Share capital

Ordinary share capital

Issued and fully paid

Ordinary shares of £1 each

	2018 £	2017 £
Ordinary shares of £1 each	1,300,000	1,300,000
	<u>1,300,000</u>	<u>1,300,000</u>

19 Reserves

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

Profit and loss account - This reserve records retained earnings and accumulated losses.

GEA MECHANICAL EQUIPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Contingent liabilities

The company has entered into a number of performance contracts with customers, which are supported by bank guarantees to the value of £81,375 (2017 - £71,340), in the normal course of business.

21 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2018 £	2017 £
Less than one year	108,305	106,463
Between one and five years	120,957	180,517
	<u>229,262</u>	<u>286,980</u>

During the year £116,738 was recognised as an expense in the profit and loss account in respect of operating leases (2017 - £114,020).

22 Related party transactions

Remuneration of key management personnel

The company has taken advantage of the exemption for disclosure of related party transactions with other group companies as it is a wholly owned subsidiary of a company preparing consolidated accounts that are publicly available.

23 Parent undertaking

The immediate parent company is GEA Group Holdings (UK) Limited, a company registered in England and Wales. GEA Group Holdings (UK) Limited does not prepare group accounts.

The ultimate parent company is GEA Group AG. The company is incorporated in Germany and is listed on the German Stock Exchange. This is the largest group within which the company belongs for which group accounts are prepared. These accounts can be obtained from GEA Group AG, Peter-Muller-Strasse 12, D-40468 Dusseldorf, Germany.