

Leybold UK Limited

Annual report and financial statements

Registered number 00668677

31 December 2017

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Company information

Company registration number

00668677

Registered Office

Unit 9 Silverglade Business Park
Leatherhead Road
Chessington
Surrey KT9 2QL

Directors

A Bongaerts (Appointed 15/11/2016)
I Dorman (Appointed 1/3/2018)
V Krupic
T Beyer (Resigned 19/12/2017)

Bankers

Barclays Bank PLC
Luton Corporate Banking Centre
PO Box 729
1 Capability Green
Luton
Beds. LU1 3US

Auditors

KPMG LLP
Altius House
1 North Fourth Street
Central Milton Keynes
MK9 1NE

Solicitors

T Sogalla
Bonner Strasse 498
50968 Cologne

Strategic report

Overview and Objectives

Leybold UK is part of the Business Area Vacuum Technique which belongs to the group Atlas Copco, which is a world-leading provider of sustainable productivity solutions. Leybold UK Limited's principal activity during the year was the marketing and sales of the entire range of Leybold Vacuum products and services in the United Kingdom. There have been no significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Business review

The company turnover during the current year of £3,208,976 (2016: £3,036,123) which was an 8% increase compared to prior year.

To support the future of the business, we maintained our customer base and continued to grow our market share. Continuing their commitment to total quality management, the directors maintained the standard ISO9001:2000.

Employees

The company is committed to a pro-active programme involving employees. Leybold UK Limited strives to be a good employer to attract, develop and keep qualified and motivated people. This includes regular communication through briefings, newsletters and consultation with staff at all levels. The company maintains a computer based internal communication system which provides information to all employees on work related issues and on matters of general interest. Employees are encouraged to provide suggestions for improving efficiency and performance.

The company is committed to the health and safety of its employees and conforms to all required guidelines providing all employees with a health and safety handbook.

The company is an equal opportunities employer. Full and fair consideration is given to all applications regardless of age, gender, ethnic minorities, disabled and any other disadvantaged groups.

Environment

Leybold Vacuum recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with the group policies, which are described elsewhere and do not form part of this report.

Principal risks and uncertainties

The company is exposed to financial risk through its financial assets and liabilities, the most important elements being credit risk. The company's credit risk relates primarily to Trade receivables. The company has a broad customer base and credit ratings and credit limits in accordance with a credit Policy.

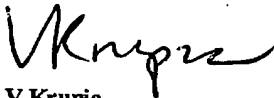
Another main risk remains the competitive pressure in the UK market for Leybold Vacuum products and services. Whilst the Brexit negotiations are being conducted we expect a level of uncertainty concern.

The company manages this risk and we continue to grow and expand our market share by providing high quality innovative products and added value services and solutions, ensuring fast response times not only in supplying products but in handling all customer queries. Maintaining strong relationships with existing customers and developing new customers via focused marketing actions is also at the heart of this strategy.

Results and dividend

The profit for the financial year amounted to £328,122 (2016: Profit £130,381). The directors have proposed a final dividend in respect of the current financial year of £360,000 (2016: £nil).

By order of the board



V Krupic
Director

Directors' report

The directors present their Directors' Report and financial statements for the year ended 31 December 2017.

Directors

The directors who held office during the year were as follows:

V Krupic
A Bongaerts (Appointed 15/11/2016)
I Dorman (Appointed 1/3/2018)
T Beyer (Resigned 19/12/2017)

Political and charitable contributions

Political and charitable donations in the year were £ nil (2016: £nil)

Disclosure of information to auditor

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

Auditor

KPMG have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

By order of the board



V Krupic
Director

Unit 9 Silverglade Business Park
Leatherhead Road
Chessington
Surrey
KT9 2QL

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEYBOLD UK LIMITED

Opinion

We have audited the financial statements of Leybold UK Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

Strategic report and directors' report

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

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

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEYBOLD UK LIMITED (Continued)

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.



Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
Altius House
One North Fourth
Street
Milton Keynes

Date: 14th December 2018

Profit and Loss Account
for the year ended 31 December 2017

| | <i>Note</i> | 2017 £ | 2016 £ |
|--|-------------|----------------|----------------|
| Turnover | 2 | 3,208,976 | 3,036,123 |
| Cost of sales | | (1,949,803) | (1,894,761) |
| | | <hr/> | <hr/> |
| Gross profit | | 1,259,173 | 1,141,362 |
| Administrative expenses | | (843,014) | (985,903) |
| | | <hr/> | <hr/> |
| Operating profit | | 416,159 | 155,459 |
| Other interest receivable and similar income | 6 | - | 57 |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | 3-5 | 416,159 | 155,516 |
| Tax on profit on ordinary activities | 7 | (88,037) | (25,135) |
| | | <hr/> | <hr/> |
| Profit for the financial year | | <u>328,122</u> | <u>130,381</u> |

All profits arise from continuing operations.

The notes on pages 10 to 18 form an integral part of these Financial Statements.

Balance Sheet
at 31 December 2017

| | <i>Note</i> | 2017 £ | 2016 £ |
|---|-------------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 8 | <u>31,015</u> | <u>45,581</u> |
| Current assets | | | |
| Debtors | 9 | 846,331 | 611,380 |
| Cash at bank and in hand | | <u>339,830</u> | <u>209,610</u> |
| | | 1,186,161 | 820,990 |
| Creditors: amounts falling due within one year | 10 | <u>(343,432)</u> | <u>(320,949)</u> |
| Net current assets | | <u>842,729</u> | <u>500,041</u> |
| Net assets | | <u>873,744</u> | <u>545,622</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 300,000 | 300,000 |
| Profit and loss account | | <u>573,744</u> | <u>245,622</u> |
| Shareholders' funds | | <u>873,744</u> | <u>545,622</u> |

The notes on pages 10 to 18 form an integral part of these Financial Statements.

These financial statements were approved by the board of directors on 14/12/18 and were signed on its behalf by:



V Krupic
Director

Company registered number: 00668677

Statement of Changes in Equity

| | <u>Called up Share capital</u> | <u>Profit and loss account</u> | <u>Total equity</u> |
|---|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| Balance at 1 January 2016 | 300,000 | 115,241 | 415,241 |
| Total comprehensive income for the period | | | |
| Profit | - | 130,381 | 130,381 |
| Total comprehensive income for the period | - | 130,381 | 130,381 |
| Balance at 31 December 2016 | 300,000 | 245,622 | 545,622 |

| | <u>Called up Share Capital</u> | <u>Profit and loss account</u> | <u>Total equity</u> |
|---|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| Balance at 1 January 2017 | 300,000 | 245,622 | 545,622 |
| Total comprehensive income for the period | - | 328,122 | 328,122 |
| Total comprehensive income for the period | - | 328,122 | 328,122 |
| Balance at 31 December 2017 | 300,000 | 573,744 | 873,744 |

The notes on pages 10 to 18 form an integral part of these Financial Statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Leybold UK Ltd (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS102:

- the requirements of Section 7 Statement of Cashflows;
- the requirements of Section 1 Financial Instruments paragraphs 11.39 to 11.48A; and
- the requirements of Section 33 Related Party Disclosure paragraph 33.7.

There are no judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements, or estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors have prepared forecasts which demonstrate that the company will be able to operate for the foreseeable future and meet its liabilities as they fall due for payment.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a foreseeable future, thus they continue to adopt the going concern principle in their annual financial statements.

1.3 Foreign currency

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

Notes (continued)

1 Accounting policies (continued)

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- plant and equipment 3-5 years
- fixtures and fittings 10 years

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

1.6 Turnover

Revenue is recognised to the extent that the company obtains the right consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT and other sales taxes or duty. All discounts and rebates have been netted off. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

1.7 Expenses

Operating lease

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

Interest receivable

Interest income is recognised in profit or loss as it accrues.

Notes (continued)

1 Accounting policies (continued)

1.8 Taxation

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

2 Turnover

| | 2017 £ | 2016 £ |
|----------------|------------------|------------------|
| Sale of goods | 3,208,976 | 3,036,123 |
| Total turnover | <u>3,208,976</u> | <u>3,036,123</u> |

The turnover and profit of the company derive from the marketing and sales of vacuum products and services and arise within the United Kingdom

3 Expenses and auditor's remuneration

Included in profit are the following:

| | 2017 £ | 2016 £ |
|---------------------------------------|----------------|----------------|
| Loss on disposal of fixed assets | - | 10 |
| Depreciation of tangible fixed assets | 18,568 | 19,877 |
| Operating lease expense | 183,772 | 186,110 |
| | <u>183,772</u> | <u>186,110</u> |

Auditor's remuneration:

| | 2017 £ | 2016 £ |
|--|--------------|--------------|
| Audit of these financial statements | 18,500 | 12,500 |
| Amounts receivable by the company's auditor in respect of: | | |
| Other services relating to taxation | 7,000 | 7,800 |
| | <u>7,000</u> | <u>7,800</u> |

Notes (continued)

4 Staff numbers and costs

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

| | Number of employees | |
|--------------------------|---------------------|-----------|
| | 2017 | 2016 |
| Service | 10 | 13 |
| Sales and administration | 13 | 14 |
| Research and development | | 2 |
| | <u>23</u> | <u>29</u> |

The aggregate payroll costs of these persons were as follows:

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| Wages and salaries | 1,455,469 | 1,458,413 |
| Social security costs | 301,242 | 274,795 |
| Contributions to defined contribution plans | 105,522 | 108,392 |
| | <u>1,862,233</u> | <u>1,841,600</u> |

5 Directors' remuneration

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Directors' remuneration | 169,474 | 141,308 |
| Company contributions to money purchase pension plans | 17,814 | 14,627 |
| | <u>187,288</u> | <u>155,935</u> |

The aggregate of remuneration of the highest paid director was £169,473 (2016: £141,308) and company pension contributions of £17,814 (2016: £14,627) were made to a money purchase scheme on his behalf.

| | Number of directors | |
|--|---------------------|----------|
| | 2017 | 2016 |
| Retirement benefits are accruing to the following number of directors under: | | |
| Money purchase schemes | <u>1</u> | <u>1</u> |

Notes (continued)

6 Other interest receivable and similar income

| | 2017 £ | 2016 £ |
|-------|-----------|-----------|
| Other | — | 57 |
| | <u>—</u> | <u>57</u> |

7 Taxation

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

| | 2017 £ | 2016 £ |
|--|----------------|-----------------|
| <i>Current tax</i> | | |
| Current tax on income for the period | 83,372 | 16,059 |
| Adjustments in respect of prior periods | 7,435 | (46,033) |
| Total current tax | <u>90,807</u> | <u>(29,963)</u> |
| <i>Deferred tax (see note 11)</i> | | |
| Origination and reversal of timing differences | (1,630) | 131,109 |
| Adjustments in respect of prior periods | (1,140) | 41,989 |
| Total deferred tax | <u>(2,770)</u> | <u>55,098</u> |
| Total tax | <u>88,037</u> | <u>25,135</u> |

Reconciliation of effective tax rate

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Profit for the year | <u>416,159</u> | <u>155,459</u> |
| Tax using the UK corporation tax rate of 19.25% (2016: 20.25%) | 80,110 | 31,092 |
| Non-deductible expenses | 1,417 | 168 |
| Under/(over) provided in prior years | 6,295 | (4,033) |
| Impact of rate difference between deferred and current tax | 216 | (2,092) |
| Total tax expense included in profit or loss | <u>88,037</u> | <u>25,135</u> |

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017). A further reduction to 17% (effective from 1 April 2020) was substantively enacted at the balance sheet date. This will reduce the company's future current tax charge accordingly.

The deferred tax asset at 31 December 2017 has been calculated based on these rates.

Notes (continued)

8 Tangible fixed assets

| | Plant and machinery £ | Fixtures and fittings £ | Total £ |
|------------------------------------|-----------------------------|-------------------------------|------------|
| Cost | | | |
| Balance at 1 January 2017 | 144,650 | 43,057 | 187,707 |
| Additions | 4,002 | - | 4,002 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2017 | 148,652 | 43,057 | 191,709 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation and impairment | | | |
| Balance at 1 January 2017 | 117,490 | 24,636 | 142,126 |
| Depreciation charge for the year | 18,568 | - | 18,568 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2017 | 136,058 | 24,636 | 160,694 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 1 January 2017 | 27,160 | 18,421 | 45,581 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2017 | 12,594 | 18,421 | 31,015 |
| | <hr/> | <hr/> | <hr/> |

9 Debtors

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 711,792 | 474,888 |
| Other debtors | 13,803 | 16,609 |
| Deferred tax assets (see note 11) | 1,596 | |
| Prepayments and accrued income | 119,140 | 119,883 |
| | <u>846,331</u> | <u>611,380</u> |
| Due within one year | 846,331 | 611,380 |
| Due after more than one year | - | - |
| | <u>846,331</u> | <u>611,380</u> |

10 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 11,701 | 9,738 |
| Accruals and deferred income | 173,717 | 209,887 |
| Corporation tax | 98,112 | 16,059 |
| Other creditors | 59,902 | 84,091 |
| Deferred Tax | | 1,174 |
| | <u>343,432</u> | <u>320,949</u> |

11 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | Assets 2017 £ | 2016 £ | Liabilities 2017 £ | 2016 £ | Net 2017 £ | 2016 £ |
|--|---------------------|-----------|--------------------------|----------------|------------------|----------------|
| Depreciation in excess of capital allowances | 1,596 | - | - | (1,217) | 1,596 | (1,217) |
| Losses | - | 43 | - | - | - | 43 |
| Tax assets / (liabilities) | <u>1,596</u> | <u>43</u> | <u>-</u> | <u>(1,217)</u> | <u>1,596</u> | <u>(1,174)</u> |

Notes (continued)

12 Capital and reserves

Share capital

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| <i>Allotted, called up and fully paid</i> | | |
| 300,000 ordinary shares of £1 each | 300,000 | 300,000 |
| | <u>300,000</u> | <u>300,000</u> |
| | <u>300,000</u> | <u>300,000</u> |
| Shares classified in shareholders' funds | | |
| | 300,000 | 300,000 |
| | <u>300,000</u> | <u>300,000</u> |
| | <u>300,000</u> | <u>300,000</u> |

13 Operating leases

Non-cancellable operating lease rentals are payable as follows:

| | 2017 £ | 2016 £ |
|----------------------------|----------------|----------------|
| Less than one year | 84,751 | 174,661 |
| Between one and five years | 344,068 | 393,020 |
| More than five years | 183,667 | 107,666 |
| | <u>612,486</u> | <u>675,346</u> |
| | <u>612,486</u> | <u>675,346</u> |

During the year £183,772 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £186,110)

Notes (continued)

14 Related parties

The Company has taken advantage of the exemption under FRS102, which transactions with wholly owned subsidiaries, do not need to be disclosed.

15 Ultimate parent company and parent company of larger group

The immediate parent undertaking of the company is Leybold GMBH, Germany

The ultimate parent undertaking and controlling party is Atlas Copco AB, Sweden, which is the only entity to consolidate these financial statements. The financial statements of Atlas Copco AB can be obtained at www.atlascopcogroup.com. A printed copy can be ordered by emailing ir@se.atlascopco.com.