

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017
FOR
VARIOHM HOLDINGS LIMITED

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FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

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VARIOHM HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

DIRECTORS:

S M Gibbins
P H Neville

SECRETARY:

J A Harkus Madge (appointed 1 April 2017)

REGISTERED OFFICE:

2 Chancellor Court
Occam Road
Surrey Research Park
Guilford
Surrey
GU2 7AH

REGISTERED NUMBER:

05783452 (England and Wales)

AUDITORS:

Ernst & Young LLP
1 More London Place
London
SE1 2AF

**STRATEGIC REPORT
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

The directors present their strategic report for the period 1 May 2016 to 31 March 2017.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

Principal Activity

The principal activity of the company in the period under review was that of a holding company and providing management services to subsidiary undertakings.

Results and dividends

The profit for the period after taxation amounted to £572,498 (year ended 30 April 2016 - £776,592). A dividend of £400,000 was paid during the period (year ended 30 April 2016 - £450,000).

Transition to FRS 101

During the period, the company transitioned from FRS 102 to FRS 101 - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard. The company's parent undertaking, Variohm Holdings Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There have been no adjustments arising from transition to FRS 101.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal risk is the valuation of its investments which is reliant on trading and performance of subsidiary undertakings. The directors continuously monitor the performance of its subsidiary undertakings and any indicators of impairment.

SIGNED BY ORDER OF THE DIRECTORS:



.....
S M Gibbins - Director

Date: 12/12/17

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

The directors present their report with the financial statements of the company for the period 1 May 2016 to 31 March 2017.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, financial performance and position are described in the Strategic Report on page 2.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the company continues to adopt the going concern basis in preparing the financial statements.

DIVIDENDS

The total distribution of dividends for the period ended 31 March 2017 will be £400,000.

DIRECTORS

The directors who have held office during the period from 1 May 2016 to the date of this report are as follows:

R Moffatt - resigned 19 January 2017
J Moffatt - resigned 19 January 2017
C Donoghue - resigned 19 January 2017
S M Gibbins - appointed 19 January 2017
P H Neville - appointed 19 January 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK 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 judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

AUDITORS

Following a selection process by the Audit Committee of discoverIE Group plc (formerly Acal Plc), PricewaterhouseCoopers LLP was selected as the Group's external auditor for the financial year commencing from 1 April 2017. Consequently, Ernst & Young LLP will remain auditors of the Company until the formal resignation process has been completed later in the year, after which PricewaterhouseCoopers LLP will be appointed as auditors of the Company.

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed reappointed and Ernst & Young LLP will therefore continue in office, until the formal resignation process has been completed.

SIGNED BY ORDER OF THE DIRECTORS:



.....
S M Gibbins - Director

Date:12/12/17.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VARIOHM HOLDINGS LIMITED

We have audited the financial statements of Variohm Holdings Limited for the period ended 31 March 2017 which comprise the Profit and Loss Account, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs at 31 March 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VARIOHM HOLDINGS LIMITED**

Matters on which we are required to report by exception

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

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

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

Ernst & Young LLP

Steven Dobson (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
1 More London Place
London
SE1 2AF

Date: 12/12/17

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

	Notes	Period 1/5/16 to 31/3/17 £'000 £'000		Year Ended 30/4/16 £'000 £'000	
TURNOVER	3		483		516
Distribution costs		11		22	
Administrative expenses		<u>437</u>		<u>473</u>	
			<u>448</u>		<u>495</u>
OPERATING PROFIT			35		21
Income from shares in group undertakings		540		785	
Interest receivable and similar income		<u>-</u>		<u>5</u>	
			<u>540</u>		<u>790</u>
			575		811
Interest payable and similar expenses	6		<u>8</u>		<u>18</u>
PROFIT BEFORE TAXATION	7		567		793
Tax on profit	9		<u>(6)</u>		<u>17</u>
PROFIT FOR THE FINANCIAL PERIOD			<u><u>573</u></u>		<u><u>776</u></u>

The notes form part of these financial statements

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

	Notes	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
PROFIT FOR THE PERIOD		573	776
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>573</u>	<u>776</u>

BALANCE SHEET
31 MARCH 2017

	Notes	2017 £'000	2016 £'000	2016 £'000
FIXED ASSETS				
Tangible assets	11	214		229
Investments	12	<u>2,358</u>		<u>2,358</u>
		2,572		2,587
CURRENT ASSETS				
Debtors	13	678	396	
Cash at bank		<u>51</u>	<u>23</u>	
		729	419	
CREDITORS				
Amounts falling due within one year	14	<u>2,037</u>	<u>1,700</u>	
NET CURRENT LIABILITIES			(1,308)	(1,281)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,264	1,306
CREDITORS				
Amounts falling due after more than one year	15		<u>78</u>	<u>293</u>
NET ASSETS			<u>1,186</u>	<u>1,013</u>
CAPITAL AND RESERVES				
Called up share capital	19	-	-	-
Retained earnings	20	<u>1,186</u>		<u>1,013</u>
SHAREHOLDERS' FUNDS			<u>1,186</u>	<u>1,013</u>

The financial statements were approved by the Board of Directors on 12/12/17 and were signed on its behalf by:


S M Gibbins - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

	Retained earnings £'000	Total equity £'000
Balance at 1 May 2015	687	687
Changes in equity		
Dividends	(450)	(450)
Total comprehensive income	<u>776</u>	<u>776</u>
Balance at 30 April 2016	<u>1,013</u>	<u>1,013</u>
Changes in equity		
Dividends	(400)	(400)
Total comprehensive income	<u>573</u>	<u>573</u>
Balance at 31 March 2017	<u><u>1,186</u></u>	<u><u>1,186</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

1. STATUTORY INFORMATION

Variohm Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's usual place of business is Williams Bam, Tiffeld Road, Towcester, Northamptonshire, NN12 6HP.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 91 to 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:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f) and 39(c) of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 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 paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- 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 transactions is wholly owned by such a member.

The company has also taken advantage of the disclosure exemptions in relation to paragraphs 6 and 21 of IFRS 1 First time adoption of International Financial Standards.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the company continues to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Revenue represents the invoiced value of goods, commission and other services provided to third parties, after deducting discounts, VAT and similar taxes levied overseas. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

In particular:

- a) Revenue from the sale of products is recognised upon transfer to the customer of the significant risks and rewards of ownership. This is generally when goods are dispatched to customers;
- b) Revenue from rendering of services, which primarily comprise maintenance and outsourcing contracts is recognised over the life of the contract reflecting performance of the contractual obligations to the customer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

2. ACCOUNTING POLICIES - continued

Financial instruments

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables are presented in trade and other receivables in the consolidated statement of financial position.

Financial assets are assessed for impairment in accordance with IAS 39 'Financial instruments: Recognition and Measurement', when there are events or changes in circumstances that indicate that the carrying value may not be recoverable.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Trade and other debtors

Trade debtors are recognised initially at fair value plus directly attributable transaction costs, if any, and subsequently measured at amortised costs using the effective interest method. Provision is made for impairment when there is objective evidence that the company will not be able to recover to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Hire purchase and leasing

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. The value capitalised is equal to the present value of the minimum lease payments agreed under the terms of the lease. Finance charges and interest are taken to the Statement of Financial Activities in constant proportion to the remaining balance of capital repayments or net obligations outstanding. Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the lease terms.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017

2. ACCOUNTING POLICIES - continued**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

The company pays pension contributions to the personal pension schemes of certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions payable for the period are charged in the profit and loss account.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
United Kingdom	<u>483</u>	<u>516</u>
	<u><u>483</u></u>	<u><u>516</u></u>

4. EMPLOYEES AND DIRECTORS

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
Wages and salaries	181	187
Social security costs	21	14
Other pension costs	<u>14</u>	<u>14</u>
	<u><u>216</u></u>	<u><u>215</u></u>

The average monthly number of employees during the period was as follows:

	Period 1/5/16 to 31/3/17	Year Ended 30/4/16
Staff	<u><u>5</u></u>	<u><u>5</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

4. EMPLOYEES AND DIRECTORS - continued

	Period 1/5/16 to 31/3/17 £	Year Ended 30/4/16 £
Directors' remuneration	<u>28,639</u>	<u>38,820</u>

5. EXCEPTIONAL ITEMS

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
Exceptional items	<u>(90)</u>	<u>-</u>

Exceptional items comprise a charge which represents the net present value of a continuing contractual obligation to make health insurance contributions in respect of a former director.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
Bank loan interest	-	6
Hire purchase	<u>8</u>	<u>12</u>
	<u>8</u>	<u>18</u>

7. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
Depreciation - owned assets	47	42
Depreciation - assets on hire purchase contracts	72	87
(Profit)/loss on disposal of fixed assets	<u>(64)</u>	<u>4</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017

8. AUDITORS' REMUNERATION

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/04/16 £'000
Current auditor - audit	4	-
Previous auditor - audit	-	4
	<u>4</u>	<u>4</u>

9. TAXATION**Analysis of tax (income)/expense**

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
Current tax:		
Tax	23	17
Deferred tax	<u>(29)</u>	<u>-</u>
Total tax (income)/expense in profit and loss account	<u>(6)</u>	<u>17</u>

Factors affecting the tax expense

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
Profit before income tax	<u>567</u>	<u>793</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	113	159
Effects of:		
Movements in unrecognised deferred tax	-	15
Income from group undertakings	(108)	(157)
Disallowable expenses	18	-
Recognition of previously unrecognised deferred tax asset	<u>(29)</u>	<u>-</u>
Tax (income)/expense	<u>(6)</u>	<u>17</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017

9. TAXATION - continued**Factors affecting future tax changes**

A reduction in the UK corporation tax rate to 17% had been substantively enacted at 1 April 2017 but, before this becomes effective from 1 April 2020, a rate of 19% will be applicable.

10. DIVIDENDS

	Period 1/5/16 to 31/3/17 £'000	Year Ended 30/4/16 £'000
Interim	<u>400</u>	<u>450</u>

An interim dividend of £5,714 per share was declared during the year (2016: £6,429).

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST			
At 1 May 2016	77	550	627
Additions	-	120	120
Disposals	<u>-</u>	<u>(227)</u>	<u>(227)</u>
At 31 March 2017	<u>77</u>	<u>443</u>	<u>520</u>
DEPRECIATION			
At 1 May 2016	58	340	398
Charge for period	15	104	119
Eliminated on disposal	<u>-</u>	<u>(211)</u>	<u>(211)</u>
At 31 March 2017	<u>73</u>	<u>233</u>	<u>306</u>
NET BOOK VALUE			
At 31 March 2017	<u>4</u>	<u>210</u>	<u>214</u>
At 30 April 2016	<u>19</u>	<u>210</u>	<u>229</u>

The net book value of tangible fixed assets includes £207,595 (2016 - £218,624) in respect of assets held under hire purchase contracts.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

12. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 May 2016 and 31 March 2017	<u>2,358</u>
NET BOOK VALUE	
At 31 March 2017	<u>2,358</u>
At 30 April 2016	<u>2,358</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Variohm-Eurosensor Limited

Registered office: 2 Chancellor Court, Occam Road, Surrey Research Park, Guilford, Surrey, GU2 7AH

Nature of business: Sale of electronic sensors

	%
Class of shares:	holding
Ordinary	100.00

The principal place of business for Variohm Eurosensor Limited is Williams Barn, Tiffeld Road, Towcester, Northamptonshire, NN12 6HP.

The investment in the subsidiary is recorded at cost.

Ixthus Instrumentation Limited

Registered office: 2 Chancellor Court, Occam Road, Surrey Research Park, Guilford, Surrey, GU2 7AH

Nature of business: Sale of measuring instrumentation

	%
Class of shares:	holding
Ordinary	100.00

The principal place of business for Ixthus Instrumentation Limited is Williams Barn, Tiffeld Road, Towcester, Northamptonshire, NN12 6HP.

The investment in the subsidiary is recorded at cost.

Heason Technology Limited

Registered office: 2 Chancellor Court, Occam Road, Surrey Research Park, Guilford, Surrey, GU2 7AH

Nature of business: Sale of precision motion control instrumentation

	%
Class of shares:	holding
Ordinary	100.00

The principal place of business for Heason Technology Limited is Unit 11, Spring Copse Business Park, Stane Street, Horsham, RH13 0SZ.

The investment in the subsidiary is recorded at cost.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017**

12. INVESTMENTS - continued

Herga Technology Limited

Registered office:

Nature of business: Manufacture of electrical and engineering products

Class of shares:	%
Ordinary	holding 100.00

The principal place of business for Herga Technology Limited is Northern Way, Bury St Edmunds, IP32 6NN.

The investment in the subsidiary is recorded at cost.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Trade debtors	1	-
Amounts owed by group undertakings	635	-
Directors' current accounts	-	389
VAT	3	6
Deferred tax asset	29	-
Prepayments and accrued income	10	1
	<u>678</u>	<u>396</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Bank loans and overdrafts (see note 16)	-	199
Hire purchase contracts (see note 16)	91	89
Trade creditors	21	12
Amounts owed to group undertakings	1,012	1,118
Tax	23	17
Social security and other taxes	8	7
Other creditors	225	225
Parent company creditor	545	-
Accruals and deferred income	112	33
	<u>2,037</u>	<u>1,700</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £'000	2016 £'000
Hire purchase contracts (see note 16)	78	68
Other creditors	-	225
	<u>78</u>	<u>293</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017

16. FINANCIAL LIABILITIES - BORROWINGS

	2017 £'000	2016 £'000
Current:		
Bank loans	-	199
Hire purchase (see note 17)	<u>91</u>	<u>89</u>
	<u>91</u>	<u>288</u>

Non-current:		
Hire purchase (see note 17)	<u>78</u>	<u>68</u>

Terms and debt repayment schedule

	1 year or less £'000	1-2 years £'000	2-5 years £'000	Totals £'000
Hire purchase	<u>91</u>	<u>54</u>	<u>24</u>	<u>169</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017 £'000	2016 £'000
Gross obligations repayable:		
Within one year	97	96
Between one and five years	<u>80</u>	<u>71</u>
	<u>177</u>	<u>167</u>
Finance charges repayable:		
Within one year	6	7
Between one and five years	<u>2</u>	<u>3</u>
	<u>8</u>	<u>10</u>
Net obligations repayable:		
Within one year	91	89
Between one and five years	<u>78</u>	<u>68</u>
	<u>169</u>	<u>157</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 MAY 2016 TO 31 MARCH 2017

17. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2017	2016
	£'000	£'000
Within one year	85	85
Between one and five years	340	340
In more than five years	<u>404</u>	<u>482</u>
	<u>829</u>	<u>907</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£'000	£'000
Hire purchase contracts	<u>169</u>	<u>157</u>

Borrowings under hire purchase are secured on the related assets.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
70	Ordinary	£1	<u>70</u>	<u>70</u>

20. RESERVES

	Retained earnings £'000
At 1 May 2016	1,013
Profit for the period	573
Dividends	<u>(400)</u>
At 31 March 2017	<u>1,186</u>

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charged represents contributions payable by the company to the fund and amounted to £13,598 (2016: £14,065).

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party and parent undertaking of the smallest and largest group that prepares group financial statements and of which the company is a member is discoverIE Group plc (formerly Acal plc). Copies of the group financial statements of discoverIE Group plc can be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.