

Godiva Limited

**Annual report and financial statements
for the year ended 31 December 2016**

Registered number: 00011943

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GODIVA LIMITED

Annual Report and Financial Statements for the year ended 31 December 2016

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GODIVA LIMITED

**Annual Report and Financial Statements for the year ended
31 December 2016**

OFFICERS AND PROFESSIONAL ADVISERS

Directors

W Simmons
R Yarnall
M Goddard

Secretary

Abogado Nominees Limited

Registered office

100 New Bridge Street
London
EC4V 6JA

Bankers

Barclays Bank PLC
PO Box 544
54 Lombard Street
London
EC3V 9EX

Solicitors

Baker & McKenzie
100 New Bridge Street
London
EC4V 6JA

Auditor

Deloitte LLP
Statutory Auditor
Leeds, UK

GODIVA LIMITED

STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activities of the company are the design, manufacture and supply of firefighting, pumping, rescue and related equipment for the world's emergency services.

The company supplies products to worldwide markets.

KEY PERFORMANCE INDICATORS AND REVIEW OF THE BUSINESS

	2016 £000	2015 £000
TURNOVER	15,300	15,501
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (P.B.T)	4,461	3,032
P.B.T as % of turnover	29.2	19.6
NET ASSETS	15,453	15,869

The turnover for 2016 reduced by £201k (1%) compared to 2015. Although there was a recovery of sales into Asia, there were fewer one off projects than in previous years.

Operating profitability (PBT) during the year was 29.2%, up 9.6% from 2015. Continued productivity in manufacturing costs and sales mix, saw profitability increase even though sales remained level.

Total Net Assets before net pension liabilities increased from £16.2m to £17.1m. Trade debtors remain consistent with prior years. Stocks increased by £578k compared to 2015 due to a large order for the Middle East in January 2017. Trade Creditors increased in turn by £61k. Amounts owed by fellow subsidiaries decreased to £7.8m from £11.6m due to repayments in the year. There is no fixed date for this repayment.

FUTURE DEVELOPMENTS

The forecast for 2017 shows the business growing turnover to levels last seen in 2014. The Sales Department has been enhanced following acquisitions by Godiva's parent company. Via the new business units, sales routes into established fire and rescue markets have been expanded across the globe by utilising the larger team. The directors do not envisage any significant change in the company's operations in 2017.

FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk.

Cash flow risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates. The company does not use foreign currency exchange forward contracts to hedge this. The company considers that this risk is mitigated through a natural hedge in its main trading currencies, Euros and US Dollars, due to buying and selling in both currencies.

GODIVA LIMITED

STRATEGIC REPORT (continued)

Credit risk

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

The company's primary credit risk is attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. Where specific receivables are identified as irrecoverable these are written off. Where specific receivables are viewed as doubtful these are provided for. The company also mitigates its risk by using irrevocable letters of credit drawn on reputable international banks. There is no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company assesses the credit ratings of these counterparties on a frequent basis to ensure that any potential credit risk is mitigated.

Liquidity risk


Liquidity is managed through the profitable ongoing business transactions. Short-term financing in the form of bank overdraft facilities are provided by a UK bank. The company has sufficient cash to manage its liquidity risk and does not rely either on its existing bank facility or parent companies and fellow subsidiaries, for underpinning the regular cash flow facilities.

Price risk

The company is exposed to commodity price risk, notably on aluminium and copper. Wherever possible the risk is managed by passing these price risks on to customers. The company does not hedge against these risks.

Going concern

The financial statements are prepared on the basis of 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 the business above. The company has considerable financial resources together with contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. 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, they continue to adopt the going concern basis in preparing the financial statements.


R Yamall
Director

29 September 2017

GODIVA LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

DIRECTORS

The directors of the company during the year and up to the date of this report were:

W Simmons
R Yarnall
R Reynolds

DIVIDENDS AND TRANSFERS TO RESERVES

Dividends paid in the year were £nil (2015: £nil). The profit for the year of £4,185k (2015: £3,334k) has been added to reserves.

AUDITOR

Each of the persons who is a Director at the date of approval of these financial statements confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

In accordance with section 385 of the Companies Act 2006, appropriate arrangements have been put in place for Deloitte LLP to be deemed reappointed as auditor in the absence of an Annual General Meeting.

INFORMATION INCLUDED IN THE STRATEGIC REPORT

As permitted by section 414 of the Companies Act 2006, a review of the business, indication of future developments, strategies for management of financial risk and a description of the Company's principal activities are given in the strategic report on pages 1 to 2.

OTHER INFORMATION

The Company made no political or charitable donations in the year (2015: same). There are no material post balance sheet events, in the opinion of the directors.

GODIVA LIMITED

DIRECTORS' REPORT

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Hale Products Europe Ltd, as the immediate parent of the entity.



Approved by the Board and signed on its behalf by:

R Yarnall

Director

29th September 2017

100 New Bridge Street

London

EC4V 6JA

GODIVA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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), 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 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 Godiva Limited

We have audited the financial statements of Godiva Limited for the year ended 31 December 2016 which comprise of the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 annual report 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 as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 any material misstatements in the Strategic Report and the Directors' Report.

Independent auditor's report to the members of Godiva Limited

Matters on which we are required to report by exception

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.



Matthew Hughes BSc (Hons), ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

29 September 2017

GODIVA LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	3	15,300	15,501
Cost of sales		(8,463)	(9,114)
Gross profit		6,837	6,387
Distribution costs		(1,335)	(1,771)
Administrative expenses		(1,124)	(1,593)
Other operating expenses		(30)	(45)
Operating profit		4,348	2,978
Finance income	4	113	54
Profit on ordinary activities before taxation	5	4,461	3,032
Tax on profit on ordinary activities	9	(276)	302
Profit for the financial year attributable to the equity shareholders of the Company		4,185	3,334

All results arose from continuing operations (2015: same).

The notes on pages 12 to 28 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Note	2016 £000	2015 £000
Profit for the financial year		4,185	3,334
Remeasurement of net defined benefit liability	18	(827)	1,178
Tax relating to components of other comprehensive income		231	(225)
Other comprehensive net (expenditure)/ income		(596)	953
Total comprehensive income attributable to equity shareholders of the Company		3,589	4,287

GODIVA LIMITED

BALANCE SHEET As at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	11	1,196	1,283
		<u>1,196</u>	<u>1,283</u>
Current assets			
Stocks	12	2,713	2,135
Debtors			
– due within one year	13	14,861	18,737
– due after one year	13	5,164	878
Cash at bank and in hand		1,272	639
		<u>24,010</u>	<u>22,389</u>
Creditors: amounts falling due within one year	14	(8,091)	(7,442)
Net current assets		<u>15,919</u>	<u>14,947</u>
Total assets less current liabilities		<u>17,115</u>	<u>16,230</u>
Net assets excluding pension liability		<u>17,115</u>	<u>16,230</u>
Net pension liability	18	(1,662)	(361)
Net assets including net pension liability		<u>15,453</u>	<u>15,869</u>
Capital and reserves			
Called-up share capital	16	1,000	1,000
Share premium account		421	421
Profit and loss account		14,032	14,448
Shareholders' funds		<u>15,453</u>	<u>15,869</u>

The financial statements of Godiva Limited, registered number 00011943 were approved by the board of directors and authorised for issue on 29 September 2017. They were signed on its behalf by:



Richard Yarnall
Director

GODIVA LIMITED

STATEMENT OF CHANGES IN EQUITY

At 31 December 2016

	Called-up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
At 1 January 2015	1,000	421	10,161	11,582
Profit for the financial year	-	-	3,334	3,334
Remeasurement of net defined benefit liability	-	-	1,178	1,178
Tax relating to items of other comprehensive income	-	-	(225)	(225)
Total comprehensive income	-	-	4,287	4,287
At 31 December 2015	1,000	421	14,448	15,869
Profit for the financial year	-	-	4,185	4,185
Remeasurement of net defined benefit liability	-	-	(827)	(827)
Tax relating to items of other comprehensive income	-	-	231	231
Total comprehensive income	-	-	3,589	3,589
Distribution to parent company	-	-	(4,005)	(4,005)
At 31 December 2016	1,000	421	14,032	15,453

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Godiva Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Godiva Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Godiva Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Godiva Limited is consolidated in the financial statements of its parent, IDEX Corporation, which may be obtained at 1925 West Field Court, Suite 200, Lake Forest, Illinois 60045, USA. Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

The financial statements are prepared on the basis of 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 the business above. The company has considerable financial resources together with contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. 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, they continue to adopt the going concern basis in preparing the financial statements.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. Accounting policies (continued)

c. *Tangible fixed assets*

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	30 years
Plant and machinery	5 to 13 years
Office equipment	3 to 13 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Assets under construction are carried at cost and not depreciated. Depreciation commences when assets are ready for their intended use.

d. *Stocks*

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

e. *Impairment of assets*

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

f. *Taxation*

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

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. Accounting policies (continued)

f. Taxation (continued)

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

g. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

h. Employee benefits

Godiva Limited operates a defined contribution pension scheme, for which the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. Accounting policies (continued)

i. Foreign currency

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

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

j. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. The Company has no finance leases.

k. Share-based payment

The Company grants to certain employees rights to equity instruments of IDEX Corporation, the ultimate holding company. The required disclosures are therefore included in Group consolidated financial statements.

l. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. Accounting policies (continued)

1. Financial instruments (continued)

- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled; b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iii) Hedge accounting

The company does not engage in hedging activities and does not use derivative financial instruments.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Revenue recognition

Determining whether to recognise revenue involves a degree of management judgement. The detailed criteria for the recognition of revenue from the sale of goods is set out in FRS 102 Section 23 *Revenue* and, in particular, management must assess whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. The directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current and prior years is appropriate.

Key source of estimation uncertainty – provision for debtors and stock

Determining whether debtor balances and stock values are recoverable requires an estimation based on up to date trading information. The directors use their knowledge of the business, the trading environment and future projections to assess whether provision is necessary in these areas. In the opinion of the directors there is no known unprovided exposure to bad debts or impaired stock at the balance sheet date.

Defined benefit pension scheme

Note 18 contains information about the principal actuarial assumptions used in the determination of defined benefit pension obligations. These key assumptions include discount rates, the expected return on net assets, inflation rates and mortality rates and have been determined following advice received from an independent qualified actuary. Sensitivity analysis is disclosed in note 18.

3. Turnover

An analysis of the Company's turnover by geographical market is set out below.

	2016 £000	2015 £000
United Kingdom	4,302	5,258
Europe	3,952	4,608
Middle East, Africa	567	863
Far East, Asia, Australasia	6,479	4,761
Americas	-	11
	<u>15,300</u>	<u>15,501</u>

All turnover was driven from the Company's principal activity in both the current and prior years.

4. Finance income

	2016 £000	2015 £000
Interest from Group company loan	113	54
	<u>113</u>	<u>54</u>

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2016 £000	2015 £000
Depreciation of tangible fixed assets (note 11)	186	221
Operating lease rentals	84	73
Foreign exchange (gain)/loss	(612)	(76)
Cost of stock recognised as an expense	8,463	9,114
Impairment of stock recognised as an expense	16	71
	<u> </u>	<u> </u>

6. Auditor's remuneration

Fees payable to the Company's auditor, Deloitte LLP, and their associates were as follows:

	2016 £000	2015 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	30	35
Fees payable to the company's auditor and its associates for other services to the Group		
Taxation compliance services	4	3
	<u> </u>	<u> </u>

7. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2016 Number	2015 Number
Production	27	30
Sales & Admin	27	28
	<u> </u>	<u> </u>
	54	58
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016 £000	2015 £000
Wages and salaries		
Social security costs	2,191	2,237
Other pension costs	221	222
	117	122
	<u> </u>	<u> </u>
	2,529	2,581
	<u> </u>	<u> </u>

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

8. Directors' remuneration and transactions

	2016 £000	2015 £000
<i>Directors' remuneration</i>		
Emoluments	92	97
Company contributions to money purchase pension schemes	5	4
	<u>97</u>	<u>97</u>
	Number	Number
The number of directors who:		
Received emoluments from the company	1	1
Are members of a defined benefit pension scheme	-	-
Are members of a money purchase pension scheme	1	1
Exercised options over shares in the parent company	-	-
Had awards receivable in the form of shares in the parent company under a long-term incentive scheme	-	-
	<u>-</u>	<u>-</u>

The other directors received no remuneration or other benefits through the company during the year ended 31 December 2016 or the previous financial year. They are remunerated as directors for services to the Group as a whole and as such it is not possible to directly attribute any element of their remuneration to services as a director of this company.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

9. Tax on profit on ordinary activities

The tax charge/(credit) comprises:

	2016 £000	2015 £000
Current tax on profit on ordinary activities		
UK corporation tax	492	300
Adjustments in respect of prior years		
UK corporation tax	(295)	(618)
Total current tax	197	(318)
Deferred tax		
Origination and reversal of timing differences	28	(35)
Adjustments in respect of prior years	51	51
Total deferred tax (see note 15)	79	16
Total tax on profit on ordinary activities	276	(302)
Factors that may affect future tax charges		

The applicable tax rate changed to 20% on 1 April 2015. Finance Act No2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax rate to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. As these rates have been substantively enacted in tax legislation, deferred tax balances have been calculated with reference to these rates in line with the expected period of reversal of the deferred tax balances.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

9. Tax on profit on ordinary activities (continued)

The difference between the total tax charge/(credit) shown above and the amount calculated by applying the average standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £000	2015 £000
Profit on ordinary activities before tax	4,461	3,032
Tax on profit on ordinary activities at average standard UK corporation tax rate of 20 per cent (2015: 20.25 per cent)	892	613
Effects of:		
- Expenses not deductible for tax purposes	21	1
- Group tax relief	(395)	(360)
- Transfer pricing adjustment	-	(19)
- Tax rate change	1	30
- Adjustments to tax charge in respect of previous periods	(243)	(567)
Total tax charge/(credit)	276	(302)

10. Share-based payments

The Company grants to its employees rights to equity instruments of IDEX Corporation, its ultimate parent company. As the company meets the definition of a qualifying entity, the required disclosures are included in IDEX Corporation's consolidated financial statements.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

11. Tangible fixed assets

	Freehold buildings £000	Plant and machinery £000	Office equipment £000	Total £000
Cost				
At 1 January 2016	1,441	2,920	457	4,818
Additions	-	101	-	101
Disposals	-	-	(1)	(1)
At 31 December 2016	1,441	3,021	456	4,918
Accumulated depreciation				
At 1 January 2016	592	2,490	454	3,536
Charge for the year	44	140	2	186
Disposals	-	-	-	-
At 31 December 2016	636	2,630	456	3,722
Net book value				
At 31 December 2016	805	391	-	1,196
At 31 December 2015	849	431	3	1,283

Included within plant and machinery is £66,948 (2015 £7,500) assets under construction which has not been depreciated.

12. Stocks

	2016 £000	2015 £000
Raw materials and consumables	1,862	1,607
Work in progress	230	173
Finished goods and goods for resale	621	355
	2,713	2,135

In the opinion of the directors there is no difference between the book value of stocks and their replacement cost.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

13. Debtors

	2016 £000	2015 £000
Amounts falling due within one year:		
Trade debtors	1,889	2,251
Amounts owed by group undertakings	3,854	3,854
Amounts owed by ultimate parent company	62	59
Amounts owed by fellow subsidiaries	7,762	11,676
Other debtors	205	111
Prepayments and accrued income	39	67
Corporation tax	619	440
Deferred tax assets (note 15)	431	279
	<u>14,861</u>	<u>18,737</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>5,164</u>	<u>878</u>
	<u>5,164</u>	<u>878</u>

Amounts owed by related parties due within one year are repayable on demand, interest free and unsecured. The amounts owed by group undertakings due after more than one year attract interest at have varying repayment dates, none of which are before 2020. They attract interest at 6% and are unsecured.

14. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	1,020	959
Amounts due to group undertakings	5,638	5,622
Amounts due to fellow subsidiaries	516	131
Corporation tax payable	51	-
Other creditors	420	174
Accruals and deferred income	446	556
	<u>8,091</u>	<u>7,442</u>

Amounts owed to related parties are repayable on demand, interest free and unsecured.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

15. Deferred tax

Deferred tax

Deferred tax assets are as follows:

	2016 £000	2015 £000
Accelerated capital allowances	(66)	(54)
Other timing differences	(366)	(225)
Deferred tax assets	(431)	(279)
Movement in year:		
		2016 £000
At 1 January 2016		(279)
Charged to profit and loss account		79
Credited to other comprehensive income		(231)
At 31 December 2016		(431)

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company. Other timing differences relate to the company's defined benefit pension scheme.

16. Called-up share capital and reserves

	2016 £000	2015 £000
Allotted, authorised, called-up and fully-paid		
4,000,000 ordinary shares of 25 pence each	1,000	1,000

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The share premium account represents the premium above per value that has previously been received as consideration for the company's equity shares.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

17. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £000		2015 £000	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- Within one year	-	6	-	15
- Between one and five years	-	78	-	81
	-	84	-	96

18. Employee benefits

Defined benefit schemes

The Company holds a defined benefit scheme which has been closed to new entrants since 31 December 2007 and to future accrual since 30 June 2014.

On 28 February 2008, the trustees of the pension scheme, "Gast Manufacturing Company Limited Pension and Life Assurance Scheme (1974)" of Gast Group Limited, a fellow group company, agreed to merge with the Godiva Group Pension Scheme.

The merger has been completed for the purposes of administrative efficiency and the assets and liabilities of the respective schemes have been ring-fenced within the newly formed pension scheme, such that each entity is able to identify its share of the assets and liabilities of the scheme for financial reporting purposes. The nature of the merger was such that each members' interest in this scheme remained unaffected by the change in administrative structure.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 December 2016 by Mr Peggs, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

	Valuation at	
	2016 %pa	2015 %pa
Key assumptions used:		
Discount rate	2.66	3.8
Future pension increases	3.60	3.6
Inflation	3.30	3.1

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

18. Employee benefits (Continued)

Defined Benefits (Continued)

Mortality assumptions:

Investigations have been carried out within the past three years into the mortality experience of the Company's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Valuation at	
	2016 years	2015 years
Retiring today:		
Males	87.3	87.2
Females	89.8	89.6
Retiring in 20 years:		
Males	89.6	89.5
Females	92.0	91.9

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	2016 £000	2015 £000
Current service cost	-	-
Net interest cost	13	55
	<u>13</u>	<u>55</u>
Recognised in statement of comprehensive income	827	(1,178)
Total cost relating to defined benefit scheme	<u>840</u>	<u>(1,123)</u>

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2016 £000	2015 £000
Present value of defined benefit obligations	(11,429)	(9,456)
Fair value of scheme assets	<u>9,767</u>	<u>9,095</u>
Net liability recognised in the balance sheet	<u>(1,662)</u>	<u>(361)</u>

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

18. Employee benefits (continued)

Defined benefit schemes (continued)

Movements in the present value of defined benefit obligations were as follows:

	2016 £000	2015 £000
At 1 January	9,456	10,560
Service cost	-	-
Interest cost	350	374
Actuarial gains and losses	2,121	(1,114)
Contributions from scheme participants	-	-
Benefits paid	(498)	(364)
At 31 December	<u>11,429</u>	<u>9,456</u>

Movements in the fair value of scheme assets were as follows:

	2016 £000	2015 £000
At 1 January	9,095	9,024
Interest income	337	319
Return on plan assets (excluding amounts included in net interest cost)	763	64
Contributions from the employer	70	52
Contributions from scheme participants	-	-
Benefits paid	(498)	(364)
At 31 December	<u>9,767</u>	<u>9,095</u>

The analysis of the scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	2016 £000	2015 £000
Cash and cash equivalents	54	85
Equity instruments	3,195	3,173
Debt instruments	4,514	4,121
Property	907	893
Diversified growth fund	1,097	823
	<u>9,767</u>	<u>9,095</u>

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year ended 31 December 2016 was £117,011 (2015: £122,157). Unpaid contributions included within other creditors at the balance sheet date were £15,035 (2015: £18,356).

GODIVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

19. Related party transactions

In accordance with paragraph 1.12 of FRS 102 "Related Party Disclosures" transactions with other group undertakings which are wholly owned components of IDEX Corporation Group have not been disclosed in these financial statements. There have been no transactions with directors other than as disclosed in note 8.

20. Controlling party

The company is a direct subsidiary of Hale Products Europe Ltd, a company incorporated in the United Kingdom. The ultimate parent and ultimate controlling company is IDEX Corporation, a company incorporated in the United States of America. IDEX Corporation is the smallest and largest group that prepares consolidated group financial statements which include the results of Godiva Group Limited, copies of which may be obtained from 1925 West Field Court, Suite 200, Lake Forest, Illinois 60045, USA.

21. Off balance-sheet arrangements

There are no transactions which have not been recognised in the financial statements (2015: same).