

Mettler-Toledo Limited

**Annual report and financial statements
for the year ended 31 December 2018**

Registered number: 00959974

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Mettler-Toledo Limited

Annual report and financial statements for the year ended 31 December 2018

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Mettler-Toledo Limited

Strategic report for the year ended 31 December 2018

The directors have pleasure in presenting their strategic report for the year ended 31 December 2018.

Principal activities

The principal activities of the company during the financial year were the sale, installation and servicing of weighing and analytical equipment.

Review of the business

The results for the financial year are set out in the profit and loss account on page 8. The turnover for the financial year was £49,373,000 (2017: £47,879,000). The profit for the financial year was £2,751,000 (2017: £3,194,000). The directors regard this profit as satisfactory.

The external environment is expected to remain competitive. However, the directors remain confident that the company can maintain the current level of performance in the future.

Post balance sheet events

Since the year end, the company has paid dividends of £7,000,000 to the shareholders.

Key performance indicators

There are various key performance indicators (KPIs) assessed by the senior management team, which include revenue, profitability and other operational KPIs. The KPIs reported to the parent company are under US Generally Accepted Accounting Principles. The directors consider revenue KPIs to be useful in understanding the results under UK GAAP shown in these financial statements.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks, the key ones relating to competition pressures in each market sector.

Approved by the Board of Directors and signed by order of the board.



N Mason

Company Secretary

Date: 30 SEPTEMBER 2019

Registered office:

64 Boston Road

Beaumont Leys

Leicester

LE4 1AW

Mettler-Toledo Limited

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Mettler-Toledo Limited

Directors' report for the year ended 31 December 2018

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2018. The company's registered number is 00959974.

Financial risk management

The company's operations expose it to a variety of financial risks. As a subsidiary of Mettler-Toledo International Inc, the majority of the company's funding is provided through a fellow subsidiary when required. The overarching group policies in relation to external risks, including foreign exchange risk and liquidity risk, are all managed centrally by Group Treasury, and set out in the annual report and financial statements of Mettler-Toledo International Inc.

The company has implemented policies that require appropriate credit checks on new customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is regularly reassessed by the management team. The Board receives regular reports on amounts due and amounts significantly overdue and the relevant action taken.

Results and dividends

The results for the year are shown in the profit and loss account on page 8. The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2018 (2017: £nil).

Going concern

As explained in the Accounting Policies (note 3), the financial statements have been prepared on the going concern basis.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M Purle (Managing Director)

J T Bellerjeau (resigned 08/07/19)

N Mason

F I M Scharpe (appointed 08/07/19)

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Employee involvement

Regular meetings are held with employees' representatives, at which the position of the company is fully discussed.

Employment of disabled persons

It is the policy of the company to give full and fair consideration to applications for employment from people with disabilities, having regard to the nature of their employment. Suitable opportunities are offered to people with disabilities in order to promote their career development and, where appropriate, to continue the employment of those individuals who become disabled.

Mettler-Toledo Limited

Directors' report for the year ended 31 December 2018 (continued)

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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 auditors are aware of that information.

Approved by the Board of Directors and signed by order of the board.



N Mason

Company secretary

Date: 30 SEPTEMBER 2019

Registered office:

64 Boston Road

Beaumont Leys

Leicester

LE4 1AW

Mettler-Toledo Limited

Independent auditors' report to the members of Mettler-Toledo Limited

Report on the audit of the financial statements

Opinion

In our opinion, Mettler-Toledo Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Mettler-Toledo Limited

Independent auditors' report to the members of Mettler-Toledo Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Mettler-Toledo Limited

Independent auditors' report to the members of Mettler-Toledo Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

David Martin

David Martin (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

East Midlands

30 September 2019

Mettler-Toledo Limited

Profit and loss account for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover	4	49,373	47,879
Cost of sales		(30,870)	(28,988)
Gross profit		18,503	18,891
Distribution costs		(7,948)	(7,957)
Administrative expenses		(7,402)	(6,516)
Operating profit	5	3,153	4,418
Interest receivable and similar income	6	46	-
Interest payable and similar expenses	7	(2)	(114)
Profit before taxation		3,197	4,304
Tax on profit	10	(446)	(1,110)
Profit for the financial year		2,751	3,194

In both the current and preceding years, the company activities relate to continuing operations.

Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Profit for the financial year		2,751	3,194
Actuarial gain on pension scheme	22	4,341	1,510
Movement on deferred tax relating to actuarial gain	22	(738)	(257)
Total comprehensive income for the financial year		6,354	4,447

Mettler-Toledo Limited

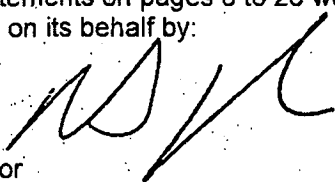
Balance sheet as at 31 December 2018

	Note	2018 £'000	2017 £'000
Non-current assets			
Intangible assets	11	6,983	8,317
Tangible assets	12	431	431
Deferred tax asset	13	-	33
		7,414	8,781
Current assets			
Inventories	14	1,539	1,918
Debtors	15	24,287	13,387
Cash at bank and in hand		1,015	357
		26,841	15,662
Creditors: amounts falling due within one year	16	(15,809)	(13,012)
Net current assets		11,032	2,650
Total assets less current liabilities		18,446	11,431
Deferred tax liabilities	13	(600)	-
Provisions for liabilities	17	(170)	(110)
Pension deficit	22	-	-
Net assets including pension surplus		17,676	11,321
Capital and reserves			
Called up share capital	18	5,005	5,005
Other reserves	19	623	623
Profit and loss account		12,048	5,693
Total shareholders' funds		17,676	11,321

The accounting policies and notes on pages 11 to 26 form an integral part of these financial statements.

The financial statements on pages 8 to 26 were approved by the Board of Directors on 30 SEPTEMBER 2019 and were signed on its behalf by:

M Purle
Managing Director



Mettler-Toledo Limited

Statement of changes in equity

for the year ended 31 December 2018

	Called up share capital	Other reserves	Profit and loss account	Total Shareholders' funds
	£'000	£'000	£'000	£'000
Balance as at 1 January 2017	5,005	623	1,246	6,874
Profit for the financial year	-	-	3,194	3,194
Other comprehensive expense for the year	-	-	1,253	1,253
Total comprehensive expense for the financial year	-	-	4,447	4,447
Balance as at 31 December 2017	5,005	623	5,693	11,321
Balance as at 1 January 2018	5,005	623	5,693	11,321
Profit for the financial year	-	-	2,751	2,751
Other comprehensive income for the year	-	-	3,604	3,604
Total comprehensive income for the financial year	-	-	6,355	6,355
Balance as at 31 December 2018	5,005	623	12,048	17,676

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

1 General Information

The principal activity of Mettler-Toledo Limited ("the company") is the marketing, sales and service of weighing and measuring equipment. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 64 Boston Road, Beaumont Leys, Leicester, LE4 1AW.

2 Statement of Compliance

The individual financial statements of Mettler-Toledo Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the Mettler-Toledo International Inc. financial statements, includes the Company's cash flows;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed at the end of note 3.

Turnover

Turnover represents the net amount invoiced to customers, excluding value added tax, and is recognised on transfer of title of goods or provision of service. Turnover from service contracts is recognised as the services are delivered over the period of the contract.

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

3 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation has been provided on all fixed assets to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Improvements to leasehold property	- remainder of lease term
Plant and machinery	- 3 to 12 years
Fixtures and fittings	- 3 to 12 years

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to nil over their estimated useful lives, as follows:

Customer relationships	- 5 years
Trade name	- 4 years
Software	- 10 years

Provisions

Provisions are made for obligations of uncertain timing or amount arising from a past event where a reliable estimate can be made of the probable cost.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. On acquisition of a business, fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the company's interest in the identifiable net assets and liabilities.

Goodwill is amortised over its expected useful life. The directors estimate this to be 10 years based on the history of consistent revenue and operating profit achieved by the acquired business.

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

3 Accounting policies (continued)

Employee benefits

The company provides a range of benefits to employees, including bonus arrangements, paid holidays and pensions. Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the employee service is performed.

Related party transactions

By virtue of the company being a wholly owned subsidiary included in the financial statements of a larger group, whose financial statements are publicly available, the company is exempt under FRS 102 paragraph 33.1A from disclosing transactions or balances with entities which are part of the group that qualify as related parties.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a standard cost method. Where necessary, provision is made for obsolete, slow moving and defective inventories.

Taxation

Taxation expense for the year comprises current and deferred tax recognised. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income. In this case tax is also recognised in other comprehensive income.

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition within the company's tax computations. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable future taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated using the tax rates in force and enacted at the balance sheet date and are not discounted.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at a spot rate of exchange ruling at the transaction date. Exchange differences arising in the ordinary course of business are included in arriving at the operating profit.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences arising in the ordinary course of business are included in arriving at the operating profit.

Pensions

The company operates a defined contribution plan for its employees. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

3 Accounting policies (continued)

Pensions (continued)

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method.

Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate'). The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'. The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

To the extent that the plan assets exceed the plan liabilities resulting in a surplus asset, this is recognised on the balance sheet as a current asset to the extent that once all obligations to members have been settled, the amount is recoverable from the scheme (under the scheme rules) if the scheme were to be wound up.

Share-based payments

Certain company employees have been granted share options by the ultimate parent company, Mettler-Toledo International Inc. The company makes use of the exemption in Section 26 of FRS 102 to account for the expense based on a reasonable allocation of the parent company's total expense. The company has calculated its allocation of the parent company's total expense based on the number of participating employees in the company compared to the number of participating employees in the group.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that the directors believe to be reasonable.

Inventory provisions are calculated based on usage history and inventory levels to ensure that inventories are valued at the lower of cost and net realisable value.

The company makes estimates and assumptions (including as disclosed in the pensions accounting policy above) concerning the future. The resulting accounting estimates will, by definition, differ from the actual results.

There are no critical accounting judgements.

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

4 Turnover

Analysis of turnover by geography:

	2018	2017
	£'000	£'000
UK	41,374	42,745
America	83	214
Rest of the world	7,916	4,920
	49,373	47,879

Analysis of turnover by category

	2018	2017
	£'000	£'000
Sale of goods	36,607	35,727
Sale of services	12,766	12,152
	49,373	47,879

5 Operating profit

	2018	2017
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
- Owned assets	134	149
Operating lease charges:		
- Plant and machinery	4	24
- Vehicles	699	875
Amortisation of intangibles	1,333	1,336
(Reversal of impairment)/impairment of trade receivables	(95)	(213)
Impairment of inventories	401	365
Reorganisation expense	10	87
Inventories recognised as an expense	23,627	22,202
Services provided by the company's auditors:		
- Fees payable for the audit	87	82

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

6 Interest receivable and similar income

	2018	2017
	£'000	£'000
Net return on assets relating to pensions	16	-
Interest receivable from fellow group undertakings	30	-
	46	-

7 Interest payable and similar expenses

	2018	2017
	£'000	£'000
Interest payable to fellow group undertakings	-	(88)
Other interest	(2)	-
Net return on assets relating to pensions (note 22)	-	(26)
	(2)	(114)

8 Directors' emoluments

	2018	2017
	£'000	£'000
Aggregate emoluments	345	442
Company contributions to money purchase pension schemes	18	17
	363	459

The aggregate emoluments for the highest paid director for the year to 31 December 2018 were £244,000 (2017: £319,000). The company also contributed to money purchase pension schemes for this director amounting to £10,000 (2017: £9,000).

During the year, the highest paid director was the only director to exercise share options. During the year, retirement benefits were accruing to 2 (2017: 2) directors under the company's money purchase section of the pension scheme.

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

9 Employee information

	2018	2017
	£'000	£'000
Total remuneration, including that of the directors, was as follows:		
Wages and salaries	9,849	9,552
Social security costs	1,128	1,189
Other pension costs (note 22)	469	598
	11,446	11,339

The monthly average number of employees, including directors, engaged in the following activities was:

	2018	2017
	Number	Number
Selling and distribution	207	209
Administration	43	37
	250	246

During the financial year, the company received a recharge of £154,000 (2017: £183,000) from its ultimate parent company in respect of restricted stock units awarded to certain employees.

Certain employees have been awarded restricted stock units in the shares of the ultimate parent company. 1,690 units (2017: 1,904 units) have been awarded of which 338 (2017: 382) have vested during the financial year.

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

10 Tax on profit

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on profit for the financial year	893	946
Adjustments in respect of prior periods	(342)	111
Total current tax	551	1,057
Deferred tax:		
Origination and reversal of timing differences	(100)	8
Deferred tax charge as result of tax rate change	-	-
Adjustments in respect of prior periods	(5)	45
Total deferred tax (note 13)	(105)	53
Tax on profit	446	1,110

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017.

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 15 September 2016. These reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

The tax assessed on the profit for the year is higher (2017: higher) than the effective rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below.

	2018 £'000	2017 £'000
Profit before tax	3,198	4,304
Profit before taxation multiplied by standard rate of corporation tax of 19% (2017: 19.25%)	608	828
Effects of:		
- Expenditure not deductible for tax purposes	174	177
- Adjustments in respect of prior periods	(347)	156
- Rate change	-	-
- Other differences	11	(51)
Total tax	446	1,110

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

11 Intangible assets

	Trade name	Customer relationships	Goodwill	Computer software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2018	250	1,845	3,974	5,062	11,131
Additions	-	-	-	-	-
At 31 December 2018	250	1,845	3,974	5,062	11,131
Accumulated amortisation					
At 1 January 2018	133	783	843	1,056	2,815
Charge for the year	62	369	398	504	1,333
At 31 December 2018	195	1,152	1,241	1,560	4,148
Net book amount					
At 31 December 2018	55	693	2,733	3,502	6,983
At 31 December 2017	117	1,062	3,131	4,006	8,316

12 Tangible assets

	Improvements to leasehold property	Plant, machinery, fixture and fittings	Total
	£'000	£'000	£'000
Cost			
At 1 January 2018	625	1,566	2,191
Additions	6	127	133
Disposals	-	-	-
At 31 December 2018	631	1,693	2,324
Accumulated depreciation			
At 1 January 2018	424	1,335	1,759
Charge for the year	39	95	134
Eliminated on disposals	-	-	-
At 31 December 2018	463	1,430	1,893
Net book amount			
At 31 December 2018	167	263	431
At 31 December 2017	201	231	432

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Notes to the financial statements for the year ended 31 December 2018

13 Deferred tax asset/liability

	£'000	
Reconciliation of deferred tax		
Related deferred tax asset as at 1 January 2018	33	
Deferred tax charged to the statement of comprehensive income	(738)	
Deferred tax charged to profit and loss account	105	
Deferred tax liability as at 31 December 2018	(600)	
Deferred tax assets/liabilities that have been recognised, excluding amounts relating to pensions shown separately in note 22, comprise:		
	2018	2017
	£'000	£'000
Accelerated capital allowances	52	56
Other short term timing differences	62	77
Pension	(714)	(100)
Deferred tax (liability)/asset as at 31 December	(600)	33

There are no (2017: none) unrecognised deferred tax assets or liabilities.

14 Inventories

	2018 £'000	2017 £'000
Finished goods and goods for resale	1,539	1,918

Inventories are stated after provisions for impairment of £1,807,000 (2017: £1,406,000).

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Notes to the financial statements for the year ended 31 December 2018

15 Debtors

	2018	2017
	£'000	£'000
Debtors due in less than one year		
Trade debtors	13,685	11,597
Amounts owed by group undertakings	6,080	953
Other debtors	78	147
Prepayments and accrued income	242	99
	20,085	12,796
Debtors due after more than one year		
Pension surplus	4,202	591
	24,287	13,387

Trade debtors are stated after provisions for impairment of £153,000 (2017: £248,000). Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

16 Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Bank overdraft	3,939	438
Trade creditors	1,600	1,462
Amounts owed to group undertakings	3,902	3,742
Corporation tax	493	1,451
Other taxation and social security	1,669	1,611
Accruals and deferred income	4,206	4,308
	15,809	13,012

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Interest is charged on a revolving credit agreement at a 3 month LIBOR rate plus arm's length margin. The amount outstanding at 31 December 2018 was £nil (2017: £nil)

17 Provisions for liabilities

	Warranty Provision	Total
	£'000	£'000
At 1 January 2018	110	110
Charge in profit and loss account	60	60
At 31 December 2018	170	170

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Notes to the financial statements for the year ended 31 December 2018

18 Called up share capital

	2018	2017
	£'000	£'000
Allotted, and fully paid		
5,005,000 (2017: 5,005,000) ordinary shares of £1 each	5,005	5,005

19 Other reserves

	2018	2017
	£'000	£'000
Capital reserve	623	623

The capital reserve represents the cumulative amount of negative goodwill arising in the company.

20 Financial commitments

There were no capital commitments at 31 December 2018 (2017: £nil).

21 Operating lease commitments

At 31 December the company had the following future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£'000	£'000
Payments due:		
- within one year	839	860
- in the second to fifth year inclusive	1,001	1,381
- after more than 5 years	-	-
	1,840	2,241

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

22 Pension scheme

As explained in the accounting policies, the company operates a pension scheme which consists of a defined benefit and defined contribution section. The defined benefit section closed to further accrual from 1 July 2004. The company's pension cost is determined annually by a qualified actuary, using the projected unit method of valuation.

Defined benefit scheme

The pension disclosures are based on the last full actuarial valuation carried out as at 31 December 2017, updated to 31 December 2018 by a qualified independent actuary.

	2018	2017
Main actuarial assumptions:		
Life expectancy for a male pensioner from age 65	23.1	23.1
Life expectancy for a female pensioner from age 65	25.6	25.6
Life expectancy from age 65 for a male participant currently aged 45	24.9	24.9
Life expectancy from age 65 for a female participant currently aged 45	27.5	27.5
Rate of increase in salaries	n/a	n/a
Rate of increase of pensions in payment	3.6%	3.6%
Discount rate	2.9%	2.5%
Inflation assumption	3.1%	3.1%

Mettler-Toledo Limited

Notes to the financial statements for the year ended 31 December 2018

22 Pension scheme (continued)

The fair value of scheme assets and expected rates of return under the defined benefits scheme were:

	31 December 2018 fair value £'000	Expected rate of return	31 December 2017 fair value £'000	Expected rate of return
Equities	23,166	2.9%	26,460	2.5%
Bonds	16,149	2.9%	16,463	2.5%
Cash and other	119	2.9%	82	2.5%
Total fair value	39,434		43,005	

	2018 £'000	2017 £'000
Reconciliation of assets and liabilities to the balance sheet:		
Fair value of scheme assets	39,434	43,005
Present value of scheme liabilities	(35,232)	(42,414)
Surplus in the scheme	4,202	591
Related deferred tax	(714)	(100)
Net pension asset	3,488	491

	£'000
Reconciliation of related deferred tax	
Related deferred tax as at 1 January 2018	(100)
Deferred tax charged to the statement of comprehensive income	(738)
Deferred tax charged to profit and loss account	124
Related deferred tax as at 31 December 2018	(714)

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Notes to the financial statements for the year ended 31 December 2018

22 Pension scheme (continued)

	2018	2017
	£'000	£'000
Amounts charged to operating profit:		
- expenses of the scheme	1,115	224
Amounts (charged)/credited to interest (payable)/receivable:		
- expected return on scheme assets	1,056	1,062
- interest cost on scheme liabilities	(1,040)	(1,088)
Net financing return	16	(26)
Amounts recognised in the statement of comprehensive income		
Actual return less expected return on assets	(3,102)	2,886
Experience adjustments	1,124	-
Changes in assumptions underlying the present value of liabilities	6,319	(1,376)
Actuarial gain	4,341	1,510
Reconciliation of present value of scheme liabilities		
	2018	2017
	£'000	£'000
At 1 January	42,414	40,653
Change arising from employee services	47	45
Loss on curtailments/changes/introductions	882	-
Insurance premiums for risk benefits	(47)	(45)
Interest cost	1,040	1,088
Benefits paid	(1,661)	(703)
Actuarial loss	(7,443)	1,376
At 31 December	35,232	42,414

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Notes to the financial statements for the year ended 31 December 2018

22 Pension scheme (continued)

Reconciliation of fair value of scheme assets

	2018	2017
	£'000	£'000
At 1 January	43,005	39,621
Expected return on scheme assets	1,056	1,062
Actuarial gain	(3,102)	2,886
Benefits paid	(1,661)	(703)
Administrative expenses paid from plan assets	(186)	(179)
Insurance premiums for risk benefits	(47)	(45)
Contributions paid by employer	369	363
At 31 December	39,434	43,005

Defined contribution scheme

The cost of contributions to the defined contribution scheme amounts to £469,000 (2017: £495,000). There were outstanding contributions at the year-end of £42,063 (2017: £41,195).

23 Related party transactions

The company has taken advantage of the exemption available relating to the disclosure of transactions with wholly owned group companies which eliminate fully on consolidation.

24 Ultimate holding company

The company's immediate parent company is Mettler-Toledo GmbH, a company incorporated in Germany, which heads the smallest group in which the financial statements of the company are consolidated.

The company's ultimate holding company and ultimate controlling party is Mettler-Toledo International Inc., which is incorporated in the USA, and which heads the largest group in which the financial statements of the company are consolidated. These financial statements are available to the public and may be obtained from Mettler-Toledo International Inc., 1900 Polaris Parkway, Columbus Ohio 43240, USA.

25 Post balance sheet events

Since the year end, the company has paid dividends of £7,000,000 to the shareholders.