

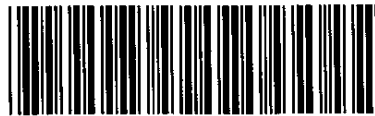
Company registration no. 01559880

FCI Connectors UK Limited

Financial statements

For the year ended 31 December 2018

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COMPANIES HOUSE

Directors	U.A. Leysa P.Z. Moshir C.C. D. Njoroge
Secretary	D.C. Leysa
Company number	01550880
Registered office	New Portland House 41 Leam 233-288 High Holborn London WC1N 1AF
Auditor	Mazars LLP The Pinnacle 150 Midsummer Boulevard Milton Keynes MK9 1PT
Bankers	BNP Paribas 1 Finsbury Avenue London NW1 6FJ

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For the year ended 31 December 2018:

Principal activities

FCI Connectors UK Limited continued to act as a representative agent for FCI Deutschland GmbH to negotiate and promote the sale of products of the FCI Corporation within FCI (quality) connectors used by telecom, data, medical, and industrial markets. The powers of FCI Connectors UK Ltd as a representative are limited to particular, it is a non-exclusive agent, and cannot bind FCI Deutschland GmbH towards third parties. It does not receive payments on behalf of FCI Deutschland GmbH.

Revenue of FCI comes solely from charges levied on the discharge of duties to third entities or the FCI group. Therefore external factors have a limited impact on the results of the Company.

Table 10. Other payables, prepaid expenses, and other assets corresponding to reduced expenses and deferred expenses.

No demands have been made for 1995.

FIGURE 1. THE CHANGING OF THE RELATIONSHIP BETWEEN THE COUNTRY AND THE COUNTRY

The distributions of the attributes are not significantly different between the Companies.

¹ *Journal of Management Studies* 1997, 34, 1031-1043. © Blackwell Publishers Ltd. 1997

1. *Al. 2010*
 2. *Al. 2011*
 3. *Al. 2012*

1. The following are the steps in the process of the research: (a) identifying the problem, (b) formulating the research objectives, (c) selecting the research design, (d) selecting the sample, (e) data collection, (f) data analysis, and (g) drawing conclusions.

[illegible][illegible]

Directors' Report (continued)

For the year ended 31 December 2018

Directors' responsibilities statement (continued)

- 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. 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.

Subsidiary undertakings

The subsidiary undertakings held by the Company at the balance sheet date are listed in note 11 to the financial statements. Consolidated accounts are not presented as the Company has taken advantage of the exemption afforded by Section 406 of the Companies Act 2006.

Statement of disclosure to the auditor

The Directors have taken all the necessary steps to make themselves aware, as the Directors, of any relevant information and to establish that the auditor is aware of that information.

As far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware.

Auditor

A resolution to reappoint Mazars LLP as auditor to the Company and to authorise the Directors to agree this remuneration will be proposed at the forthcoming Annual General Meeting.

Statement for small companies

The Director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by s414B(b) of the Companies Act 2006.

Post balance-sheet events

Since January 2020, the COVID-19 outbreak has spread rapidly across many regions, and the global Measor is taken by various governments to contain the virus have impacted on affected economic activities. Given the Company's current business model, business activities and cash position, it is expected that the consequences of the COVID-19 outbreak will have minor impact and therefore the Going concern of the Company is not at risk due to COVID-19. This is a non-adjusting event and therefore all estimates per balance sheet date are "pre-corona".

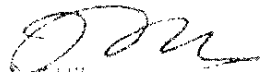
Going concern

The Directors consider, after having received a letter of support from the parent undertaking, that they have no intention to liquidate the Company, and hence have prepared the financial statements on the going concern basis.

Research and development activities

The company did not engage in any activities relating to research and development during 2018/19.

On behalf of the directors



7 April 2019

Director

17/07/2020

Independent Auditor's Report

For the year ended 31 December 2018

Opinion

We have audited the financial statements of FTI Connectors UK Limited (the Company) for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Financial Flows and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year there ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with international Standards on Auditing (UK ISAs) and applicable law. Our responsibilities under these standards are further described in the Auditor's responsibilities for the audit of financial statements section of our report. We are independent of the Company and have fulfilled the ethical requirements that are relevant to our audit of the financial statements in accordance with the IFAC's ethical Standard, and we have complied with other ethical requirements that are applicable to these circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company's financial statements, which is not modified, we draw your attention to the disclosure of the impact of COVID-19 as disclosed on page 7 and the consideration of the outbreak in the basis of preparation on page 13 and non-financial material related to event events on page 24.

Since our last year's statement, there has been a global pandemic of the coronavirus COVID-19. The pandemic has had a significant impact on the global economy in March 2020 and is continuing to cause significant disruption to global patterns of business activity and the world's economies.

In this context following the recent emergence of the COVID-19 virus, we have considered the potential impact of the outbreak on the company's financial statements, suppliers and the wider economy.

Conclusions relating to going concern

We have concluded that there are no material uncertainties relating to the company's ability to continue as a going concern for the foreseeable future.

- The company's financial statements have been prepared on a going concern basis.
- The company's financial statements have been prepared on a going concern basis, and the company's financial statements have been prepared on a going concern basis, and the company's financial statements have been prepared on a going concern basis.

Independent Auditor's Report

For the year ended 31 December 2018 (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 in law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the requirements of companies requiring and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement included on page 1, and 2, the Directors are responsible for the preparation of the financial statements and for ensuring that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether arising from fraud or from 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 are justified in adopting another basis of preparation. The Directors are also responsible for such other information as they include in the directors' report.

Independent Auditor's Report

For the year ended 31 December 2018

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that our audit and report 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 our International Reporting Website at www.firm.org.uk/auditors/responsibilities. This description forms part of our audit report.

Use of the audit report

This report is made solely for the purpose of expressing an opinion on the financial statements with a view to enabling companies to comply with the requirements of the Companies Act 2006 and the work has been undertaken for that purpose only. It is not to be relied on for any other purpose and is not to be used for any other purpose than the one for which it is intended. It is not to be used for any other purpose than the one for which it is intended. It is not to be used for any other purpose than the one for which it is intended.

Approved on behalf of the auditor, in accordance with the requirements of the Companies Act 2006:

Chartered Accountants and Statutory Auditors

The firm is a

UK Member of the Institute of Chartered Accountants in England and Wales

Member of the

Member of the

Date: 17/07/2020

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Revenue	4	159	124
Administrative expenses		(245)	11
Operating Profit/(Loss)	5	114	135
Finance income	6	-	42
Finance costs	4	11	21
			1
Profit/(Loss) before tax		73	157
Corporation tax	10	-	15
Profit/(Loss) for the year		73	142
TOTAL COMPREHENSIVE INCOME			
Profit/(loss) for the year attributable to equity holders		73	142
Actuarial gains	15	355	145
Total comprehensive income		428	287

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2017	29,800	(39,354)	954
Profit for the year	-	142	142
Other comprehensive income	-	145	145
Balance at 1 January 2018	29,800	(36,294)	1,406
Profit for the year	-	73	73
Other comprehensive income	-	355	355
Balance at 31 December 2018	29,800	(35,516)	1,284

Approved by the directors on 22 February 2019 and signed on their behalf

STATEMENT OF FINANCIAL POSITION

at 31 December 2018

Company registration no. 01559880

	Notes	2018 £'000	2017 £'000
ASSETS			
Non-current assets			
Investments	11	-	-
Current assets			
Trade and other receivables	12	140	80
Cash and cash equivalents	13	2,264	1,889
		2,404	1,969
Total assets		2,404	2,049
LIABILITIES			
Current liabilities			
Trade and other payables	14	147	130
Current tax liabilities		1	8
		148	138
Non-current liabilities			
Intangible assets and investments	15	1,217	1,517
		2,392	1,655
Total liabilities		2,540	1,793
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	16	4,000	3,900
Retained profits	17	16,114	14,149
Total equity		20,114	18,049
Total equity and liabilities		22,654	20,042

The financial statements have been prepared on a going concern basis, as applicable, and are subject to the audit opinion expressed thereon.

The financial statements were approved and authorised for issue by the directors on 17/07/2020 and signed on their behalf as follows:

Director
Director

12/12/2018 14:00

STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Profit (Loss) before tax for the year		53	240
Adjustments for:			
- interest income	9	-	6
- interest expense	9	41	31
Changes in working capital:			
- trade and other receivables	12	12	1,496
- trade and other payables	14	(11)	75
- retirement benefit obligation	15	40	113
Cash generated from operations		152	1,575
Interest paid	9	(41)	31
Corporation tax (paid) / received		8	-
Net cash generated from / (used in) operating activities		119	1,606
Cash flows from investing activities			
Interest received	9	-	42
Net cash from investing activities		-	42
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		119	1,648
Cash and cash equivalents at the beginning of the year		1,107	-
Cash and cash equivalents at the end of the year	13	1,226	1,648

The accompanying figures are an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

1. General information

FCI Connectors UK Limited (the Company) is a company limited by shares and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the company information page. The nature of the Company's operations and its principal activities are set out in the Directors' report.

The financial statements are presented in Pound Sterling (£), the currency in which the majority of the Company's transactions are denominated and recorded in the registers of the Company.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

These financial statements contain information about FCI Connectors UK Limited, as an individual Company, and also certain consolidated financial information as the parent of a group. The Company has prepared these financial statements without presenting consolidated accounts afforded by Schedule 6 of the Companies Act 2006 as the ultimate parent Company, Anphenol Corporation, a publicly listed Company incorporated and listed in the USA, prepares consolidated accounts that are not required to comply with US GAAP.

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

Impact of new international reporting standards and interpretations

IFRS 9

There has been no material impact on the Company's financial statements as a result of adoption of IFRS 9 from 1 January 2018.

IFRS 15

From 1 January 2018 the Company has applied IFRS 15 using the modified retrospective method.

There has been no material impact on the Company's financial statements as a result of adoption of IFRS 15 from 1 January 2018.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

Future standards

At the date of authorisation of these financial statements, the Group has not applied the following new or revised IFRS that have been issued but are not yet effective and, in some cases, have not yet been adopted by the UK.

	Effective date (or from beginning on or after)
Annual Improvements to IFRS 2015-2017 Cycle	Not yet endorsed by the UK
IFRS 16 'Regulatory Deferral Accounts'	Not yet endorsed by the UK
IFRS 17 'Leases'	1 January 2019
IFRS 17 'Insurance Contracts'	Not yet endorsed by the UK
Amendments to references to the Conceptual Framework in IFRS	Not yet endorsed by the UK
Amendments to IFRS 3 'Business Combinations'	Not yet endorsed by the UK
Amendments to IFRS 9 'Prerequisite Features with Negative Compensation'	1 January 2019

Negative Compensation

Amendments to IFRS 10 and IAS 28 'Sale of Contribution of Assets between an

Investor and its Associate or Joint Venture

Not yet endorsed by the UK

Amendments to IAS 1 and IAS 8 'Definition of Material'

Not yet endorsed by the UK

Amendment to IAS 19 'Plan Amendment, Curtailment or Settlement'

Not yet endorsed by the UK

Amendment to IAS 28 'Long-term Interests in Associates and

Not yet endorsed by the UK

Joint Ventures

IFRIC 23 'Uncertainty over Income Tax Treatments'

Not yet endorsed by the UK

The Directors do not expect that the adoption of the standards as set out above will have a material impact on the financial statements of the Group in future periods, due to the adoption of IFRS 16.

IFRS 16 replaces existing lease accounting, including IAS 17 'Leases', IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC 15 'Operating Lease Incentives' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The standard is effective for periods beginning on or after 1 January 2019. Early adoption is permitted for companies applying IFRS 9 and IFRS 15 as at the beginning of the period of adoption.

IFRS 16 introduces a single, liability-based model for lease accounting. A lease, for example, is defined as the asset recognised by a right to use an identifiable asset owned by another entity, and it must be a contract. There are significant exemptions from the standard for the recognition of leases, for example, for short-term leases and leases of low-value assets. The standard also introduces a simplified accounting model for lessees.

The standard also introduces a new accounting model for lessors. IFRS 16 will require a lessee to recognise a liability for the lease, and a corresponding asset, which will be measured at cost less depreciation and impairment. The standard also requires a lessee to recognise a liability for the lease, and a corresponding asset, which will be measured at cost less depreciation and impairment.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

2. Accounting policies (continued)

Going concern

For the entire period, the Company is currently looking to be profitable and to continue to date its directors and the majority of shareholders opinion will continue as a going concern driven by the following:

As of May 31, 2019, the Company has sufficient cash balance amounting to GBP 2.1 million which will be used to finance its operations and pay its obligations.

This GBP 2.1 million of cash is absolutely sufficient to meet the yearly minimum cash outflow of approximately GBP 250K per year of FCI UK. Whereas the yearly cash outflow related to the annual share purchase and pension cost plan target is less.

The Company received a confirmation letter from FC Finance, previously FCI, its immediate parent, stating that it will not be indicated as they are prepared to provide the financial support to enable the Company to continue for at least twelve months from the date of signing the financial statements.

Considering the facts and circumstances above, we believe that the impact of the COVID-19 crisis will not have a significant adverse effect on the financial statements of the Group. The financial statements have been prepared on a going concern basis.

Financial instruments

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes party to a contractual relationship. The assets and liabilities are classified for a particular financial instrument as a financial asset or financial liability and payable date, based on the contractual financial values.

Investments

Investment in securities is recorded at cost less any impairment. The amount of impairment is the difference between the cost and the carrying amount of the investment. The carrying amount is based on the discounted future cash flows at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Trade receivables

Trade receivables are initially recognised at the fair value of the receivable, net of impairment. The fair value is determined by discounting the receivable at the effective interest rate. The carrying amount of the receivable is based on the discounted future cash flows at the effective interest rate. The amount of the provision is the difference between the carrying amount and the fair value of the receivable. The amount of the provision is recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on current bank accounts, and other short-term investments that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Trade payables

Trade payables are initially recognised at the fair value of the liability, net of impairment. The fair value is determined by discounting the liability at the effective interest rate. The carrying amount of the liability is based on the discounted future cash flows at the effective interest rate. The amount of the provision is the difference between the carrying amount and the fair value of the liability. The amount of the provision is recognised in the statement of comprehensive income.

Share capital

The share capital is recorded at the nominal value of the shares issued. The share capital is recorded in the statement of financial position as a liability until the shares are issued.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

2. Accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates on the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Revenue recognition

Revenue is measured at the net value of the consideration received or receivable. Revenue comprises invoiced sales of goods, net of irrecoverable sales tax and trade discounts of goods sold and services provided to customers.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities. Revenue from sales goods is recorded at the time of delivery. Services are recorded as they are delivered.

Interest revenue is accrued on a time basis, by reference to the principal amount outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to its carrying amount.

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of the most likely outcome to be achieved in the tax authorities.

The charge for taxation is based on the result for the year and takes into account deferred taxation.

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

Leasing

Leases in which the Company is the lessee are classified as finance leases when the underlying asset is expected to be used in the business.

Other leases are classified as operating leases.

Finance leases are capitalised at the inception of the lease at the present value of the minimum lease payments, using the incremental borrowing rate. Subsequent to recognition, the carrying amount of the lease liability is increased by interest and reduced by payments.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

Employee benefits

Defined contributions

The Group operates two defined benefit and defined contribution pension schemes for its employees in the UK and offshore.

The assets of the schemes are held independently of the Group. The Group makes a contribution to the statement of comprehensive income in the year to which they relate.

Defined benefit pension scheme

Defined benefit plans define a pension or benefit that an employee will receive at retirement, usually dependent on one or more factors such as length of service and compensation.

The Group's liability is the present value of the estimated future payments of the defined benefit plan, less any assets held by the plan to meet the obligations.

The liability is recognised in the statement of financial position in respect of defined benefit pension plans if the present value of the defined benefit obligation in the statement of financial position exceeds the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the defined pension liability.

Actuarial gains and losses are recognised in profit or loss in the period in which they occur.

Pension costs are recognised immediately in income, unless the charges to the pension plan are capitalised on the employee's salary, in which case a specified period of less than one year is used.

5 Financial risk management

Financial risk factors

The Group's activities expose it to a number of financial risks, the most significant of which are: foreign exchange, interest rate, credit and counterparty risk.

The Group uses a number of financial instruments to manage its financial risk, including foreign exchange contracts, interest rate swaps, credit derivatives and other financial instruments.

Foreign exchange

Foreign exchange risk

The Group's operations are exposed to foreign exchange risk arising from various currency exposures, primarily from its sales and purchases denominated in US dollars and the US dollar is the functional currency of the Group. The Group uses a number of financial instruments to manage its foreign exchange risk, including foreign exchange contracts.

Interest rate risk

The Group is exposed to interest rate risk arising from its borrowings and cash and investments.

The Group uses a number of financial instruments to manage its interest rate risk, including interest rate swaps.

The Group is exposed to credit risk arising from its trade receivables and other receivables.

for the year ended 31 December 2018 (continued)

(1) $\frac{1}{2} \leq \frac{1}{2} \leq \frac{1}{2}$

The Company's income is however generated through a cost plus agreement with other companies of the FCI Group and therefore this means that the Company is exposed to a certain financial risk.

Laidlin, GSK

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company has continued support from its related holding company, ICH Corporation (see "B.V.") in order to meet its liabilities as they fall due.

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and on other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision is a result of the period, or in the period of the revision and future periods if the revision affects both current and future periods.

Virtual estimates and assumptions are made in particular with regard to the recognition of deferred tax assets.

The primary operates a defined benefit pension scheme. The cost of paying benefits under the defined scheme is determined using the projected unit credit method which attributes entitlement to benefits to an current period (to determine current service cost) and to the current and prior periods (to identify the present value of defined benefit obligations), and is based on actuarial advice. When a settlement or curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it arises.

Management has determined that there is an "ongoing" significant interest in the reports reviewed by the Directors that are used to make strategic decisions.

The management reviews the business from a prudential perspective. Related documents include the prior period earnings review, the prior period financial statements, and the consolidated operating performance of the business units to the parent entity.

The management discloses the performance of the core and segment based on sales less variable costs, comprising a gross profit and a contribution margin, as well as the definition of "operating profit" and "EBITDA" (EBIT plus depreciation).

Notes to the financial statements

for the year ended 31 December 2018 (continued)

5 Operating segmental information (continued)

The format set out below shows the analysis of the operating segment relating to the activities which generate cash.

	2018 £'000	2017 £'000
Revenue	359	329
Operating profit (loss)	114	129
Finance costs	(2,592)	(2,011)
Finance income	1,275	2,015

6 Revenue

An analysis of the Company's revenue is as follows:

	2018 £'000	2017 £'000
Sales of services		
Continuing operations	189	229

None of the revenue has arisen from other group companies which are disclosed in note 24(2)(7) (1997).

7 Operating profit

	2018 £'000	2017 £'000
Operating profit for the period has been arrived at after crediting:		
Additional remuneration – for audit work	15	17
Additional remuneration – for other services	1	1

8 Employee benefit expense

	2018 £'000	2017 £'000
Direct employment		
Share-based payments		
Employee benefits (see note 12)	14	1
	14	1

Share-based payments are accounted for in accordance with the provisions of the Financial Reporting Manual (FRM) and the Financial Reporting Code (FRC) and are included in the consolidated financial statements.

Share-based payments are accounted for in accordance with the provisions of the Financial Reporting Manual (FRM) and the Financial Reporting Code (FRC) and are included in the consolidated financial statements.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

9. Finance income and costs

	2018 £'000	2017 £'000
Finance income		
- Interest on amounts owed by group undertakings	-	42
Finance costs		
- Interest expense on defined benefit plan (note 15)	(41)	(31)
	41	11

10. Corporation tax expense

	2018 £'000	2017 £'000
Current corporation tax	-	8
Adjustment in respect of prior periods	-	-
Corporation tax expense	-	8

The tax rate used for the 2018 reconciliation is the corporate tax rate of 19% (2017: 19.25%) payable by the corporate entities in the UK on taxable profits under tax law in that jurisdiction.

The effective tax rate, calculated on the basis of total tax (income) expense as a proportion of profit before tax is 19% (2017: 19.25%).

The charge for the year can be reconciled to the profit per the income statement as follows:

	2018 £'000	2017 £'000
Profit before taxation	73	240
Corporation tax expense calculated at 19% (2017: 19.25%)	14	47
Expenses not deductible for tax purposes	35	5
Adjusting deferred tax to average rate	(2)	(2)
Deferred tax not recognised	(17)	18
Income not taxable	27	3
Corporation tax expense	-	8

for the year ended 31 December 2018 (continued)

	Investment in subsidiary £'000
Cost	
At 1 January and 31 December 2018	
Accumulated depreciation and impairments	
At 1 January and 31 December 2018	
Net book value	
At 1 January 2018 and 31 December 2018	

Details of the Company's subsidiaries at 31 December 2018 are as follows:

Name of subsidiary	Place of incorporation and operation	Class of shares held	Proportion of ownership interest %	Principal activity
Bergvik Limited	Ireland	Ordinary	100	Domestic

The address of Belg. (K) Ltd's registered office is New Portland House, 4th Floor, 253-255 High Holborn, London, WC1N 7HP.

	2018 £'000	2017 £'000
State-owned due from government undertakings (note 20)	20	15
Prepayments	16	7
Other receivables	1	6
	37	28

The average credit period taken on provision of services is 30/90/120 days. No interest is charged on the invoices (20% EN). The drawings consider for the clearing is made within 10 days received, or 30 days after they have made.

	2018	2017
	£'000	£'000
Cost of sales	2,352	2,156

Notes to the financial statements

for the year ended 31 December 2018 (continued)

14. Trade and other payables

	2018 £'000	2017 £'000
Amounts owed to group undertakings	-	9
Trade payables	3	1
Accrued expenses and deferred income	15	20
	18	30

Trade payables and accrued expenses principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 (2017: 30) days. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

15. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge represents contributions paid by the Company to the scheme and amounted to £Nil (2017: £75). At 31 December 2018 there were £nil amounts outstanding (2017: £nil).

The Company also operates a defined benefit schemes for qualifying employees of its own Company: the Clerical Plan.

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Balance sheet obligations for:					
Pension benefit scheme – Clerical Plan	(2,262)	(2,577)	(2,838)	(2,974)	(3,151)
	(2,262)	(2,577)	(2,838)	(2,974)	(3,151)
Income statement charge for:					
Pension benefit scheme – Clerical Plan	(183)	(179)	(69)	(51)	(687)
	(183)	(179)	(69)	(51)	(687)

Under the scheme the employees are entitled to retirement benefits of 1/60th of final pensionable salary on attainment of the normal retirement age of 60. The final pensionable salary is the highest average pensionable salary over any three consecutive years of service. No other post-retirement benefits are provided. The schemes are funded schemes.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out on 31 December 2012 by the Clerical Medical Insurance Group. This has been updated to 31 December 2018 by Towers Watson.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

15. Pension commitments (continued)

The company defined benefit assumptions used were as follows:

	2018	2017	2016	2015	2014
Discount rate	2.7%	2.6%	2.6%	3.5%	3.4%
Inflation rate	2.0%	2.0%	2.0%	3.5%	3.5%

Sensitivity analysis to the principal assumptions used is as set out below:

Assumption	Change in assumption	Indicative impact on scheme liabilities
Discount rate	Increase/Decrease by 1.0%	Decrease/increase by 12%
Rate of inflation	Increase/Decrease by 0.5%	Increase/Decrease by 6%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumption did not change.

Through its defined benefit pension plan the Company is exposed to a number of risks, the most significant of which are detailed below:

Volatility in market conditions	Results under IAS 19 can change dramatically depending on market conditions. The defined benefit obligation is linked to yields on corporate bonds. Changing markets in combination with discount rate volatility will lead to volatility in the net pension liability.
Choice of accounting assumptions	The calculation of the defined benefit obligation involves projecting future cash flows from the Scheme many years into the future. This means the assumptions used can have a material impact on the Statement of Financial Position and the charge to the Statement of Comprehensive Income. In practice future experience within the Scheme may not be in line with the assumptions adopted. For example future salary increases or inflation could be higher or lower than allowed in the defined benefit calculation.
Inflation risk	The majority of the plan's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities.

The amounts to be recognised in the balance sheet are determined as follows:

	2018	2017	2016	2015	2014
	£'000	£'000	£'000	£'000	£'000
Present value of future obligations	(10,341)	(7,647)	(9,828)	(7,760)	(8,561)
Current funded assets	7,917	7,086	7,177	5,175	5,111
Liability in the balance sheet	(2,424)	(551)	(2,651)	(2,585)	(3,450)

The net surplus on assets and liabilities of insurance contracts is £0.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

15. Pension commitments (continued)

The movement in the defined benefit obligations over the year is as follows:

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Beginning of year	7,641	7,948	8,169	8,541	6,822
Current/past service cost	142	-	-	-	4
Interest cost	124	131	193	290	285
Member contributions	-	-	-	-	1
Disbursements	(19)	(57)	(213)	-	-
Actuarial (gains)-losses	1,835	(155)	(207)	(686)	1,459
Benefits paid	-	-	-	24	(30)
Settlement	374	226	-	-	-
End of year	9,849	7,641	7,948	8,169	8,541

The movement in the fair values of plan assets of the year is as follows:

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Beginning of year	5,064	5,110	5,195	5,360	5,170
Expected return on plan assets	2,190	100	151	185	223
Employer contributions	144	144	206	180	182
Interest income	82	-	-	-	-
Member contributions	-	-	-	-	1
Disbursements	(179)	(57)	(213)	-	-
Actuarial gains/(losses)	-	(7)	(229)	(530)	(1,621)
Settlement	374	226	-	-	54
End of year	7,057	5,064	5,110	5,195	5,360

There were settlements of £374s during the year relating to the purchase of annuities to meet the benefits payable on retirement of deferred members of the Plan.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

15. Pension commitments (continued)

The amounts recognised in the income statement are as follows:

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Current service cost	-	-	-	-	4
Past service cost	124	-	-	-	-
Recognised actuarial losses (gains)	355	148	27	(156)	1,621
Total included in Total comprehensive income	479	148	27	(156)	1,625
Interest cost	123	131	193	290	285
Interest income	(82)	(100)	(151)	(185)	(223)
Total included in finance costs (note 9)	41	31	42	105	62

The actuarial return on plan assets was £53,000 (2017: £93,000).

The estimated amounts of contributions expected to be paid to the scheme during the next financial year is £516,979.

16. Provisions for liabilities and charges

Deferred tax asset

A provision for deferred tax asset consists of the following amounts calculated at 17% (2017: 17%):

	Provided		Not provided	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Temporary differences on property, plant and equipment	-	-	(9)	46
Unused tax losses	-	-	-	218
Temporary differences on retirement benefits obligations	-	-	10	438
			1	705

The deferred tax on loss tax credit is provided for because it is possible the liability at that time will not be fully offset by tax losses or tax credits. The amount which the unused tax losses and temporary differences can be reversed.

Notes to the financial statements

for the year ended 31 December 2018 (continued)

17. Share capital and reserves

	Number of shares (thousands)	Ordinary shares £'000
At 1 January 2018 and 31 December 2018	29,800	29,800

The total authorised and issued number of ordinary shares is £29,800,000 shares (2017: 29,800,000), with a par value of £1 per share (2017: £1 per share). All issued shares are fully paid. These shares carry no right to fixed income or have any preferences or restrictions attached to them.

Retained earnings

The retained earnings reserve represents profits and losses retained in previous or the current period.

18. Financial Instruments and Risk Management

The management considers that the carrying amount of all financial instruments approximates to their fair value.

Currency risk management

The Company operates in a global industry and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro. Foreign exchange risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The management monitors both the level of likely future foreign currency cash flows and forecasts of exchange rate movements and manages exchange risk.

Quantitative analysis

The carrying value of the assets and liabilities of the Company in foreign currency denominated monetary assets and liabilities at the reporting dates is as follows:

	2018 £'000	2017 £'000
Current assets		
Sterling – trade and other receivables	11	52
Euro – trade and other receivables	29	-
Sterling – cash and cash equivalents	2,262	2,150
	2,302	2,202
Current and non-current liabilities		
	2018 £'000	2017 £'000
Sterling – trade and other payables	-	39
Euro – trade and other payables	-	30

Notes to the financial statements

for the year ended 31 December 2018 (continued)

19. Financial Instruments and Risk Management (continued)

Interest rate risk management

The Company has an exposure to interest rate risk arising on interest bearing deposits which are at variable rates of interest.

Quantitative analysis

The Company's interest rate profile of its financial assets and liabilities as at the Reporting date is as follows

	2018 Total at year end	2018 Weighted average rates at year end	2017 Total at year end	2017 Weighted average rates at year end
	£'000	%	£'000	%
Current assets				
Floating rates	2,206	0	2,204	0.010

Liquidity risk management

Management monitors forecasts of the Company's liquidity comprising undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with recommended accounting practice and limits set by the Group. The Directors review the Company's liquidity at its monthly meetings.

Management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these requirements.

Management of capital

The capital employed by the Company is comprised of equity attributable to shareholders. The capital structure of the Company is maintained at a suitable level for the Company's size, strategy and underlying business risk.

20. Related party transactions

The following transactions were carried out with related parties:

	2018 £'000	2017 £'000
Sales of services to group undertakings: - FCI Deutschland GmbH - Amphenol FCI As a line Ltd	350	328
Purchases of services from group undertakings: - Amphenol Corporation	10	
Interest received from group undertakings: - Amphenol FCI As a line Ltd - FCI Deutschland GmbH		41

Notes to the financial statements

for the year ended 31 December 2018 (continued)

20. Related party transactions (continued)

(b) Compensation of key management personnel

Directors' remuneration was £nil both in the current and prior year. Directors are remunerated for their services to the group by another Group undertaking.

(c) Year end balances	2018 £'000	2017 £'000
Receivables from - (payable to) group undertakings (notes 12 and 14)		
- Amphenol Limited		9
- Amphenol FC Asia Pte Ltd		11
- FCI Deutschland GmbH	26	24
	26	56

21. Post balance sheet events

Since January 2020, the COVID-19 outbreak has spread rapidly across many regions around the globe. Measures taken by various governments to contain the virus have (negatively) affected economic activities. Given the Company's current business model, business activities and cash position it is expected that the consequences of the COVID-19 outbreak will have minor impact and therefore the going concern of the Company is not at risk due to COVID-19. This is a non-adjusting event and therefore all estimates per balance sheet date are "pre-corona".

22. Ultimate parent and controlling party

The immediate parent Company is FCI's (Hertogenbosch, B.V.), a Company incorporated in the Netherlands, which owns 100% of the Company's shares.

The ultimate controlling party and parent Company of the Company is Amphenol Corporation, a publicly listed Company incorporated in the U.S.A. Amphenol Corporation prepares consolidated financial statements and these are available from its principal place of business, 358 Hill Avenue, Wallingford, Connecticut 06492, U.S.A.