Company registration no. 01559880

FCI Connectors UK Limited

Financial statements

For the year ended 31 December 2018

Company information

Directors	[illegible] [illegible] [illegible]
Secretary	[illegible]
Company number	[illegible]
Registered office	New Penderel House 4th Floor 283-288 High Holborn London WC1V 7HP
Auditor	Mazars LLP The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF
Bankers	BNP Paribas [illegible] Harewood Avenue London NW1 [illegible]

Contents

Directors' Report

For the year ended 31 December 2018

The Directors present their Annual Report and the financial statements for the year ended 31 December 2018.

Principal activity

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

Review of business

Revenues of FCI Connectors UK Ltd are only derived from the recharge of costs to other entities of the FCI group. Therefore external factors have limited impact on the results of the Company.

Trade and other receivables amounted at the end of December to £[illegible] of which £[illegible] related to group undertakings.

Trade and other payables [illegible] corresponded to accrued expenses and deferred [illegible].

No dividends have been proposed this year.

Future developments

There are no current plans to make any changes to the business activity of the Company.

Impact of Brexit

The directors do not anticipate Brexit having a significant impact on the trade of the Company.

Directors

The following Directors have held office from 1 January 2018 to date unless otherwise stated:

[illegible]
[illegible]
[illegible]

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- [illegible]
- [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 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".

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 the year.

On behalf of the Directors

[illegible]

Director

27/07/2020

Independent Auditor's Report

For the year ended 31 December 2018

Opinion

[illegible]

[illegible]

- [illegible]
- [illegible]
- [illegible]

Basis for opinion

[illegible]

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

[illegible]

[illegible]

[illegible]

Conclusions relating to going concern

[illegible]

- [illegible]
- [illegible]

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 by 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 small companies regime 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 set out on page [illegible] and 2, the Directors are responsible for the preparation of the financial statements and for being satisfied 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 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.

Independent Auditor's Report

For the year ended 31 December 2018

Auditor's responsibilities for the audit of the financial statements

[illegible]

[illegible]

Use of the audit report

[illegible]

[illegible]

Date 17/07/2020

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Revenue	[illegible]	[illegible]	[illegible]
Administrative expenses		(245)	[illegible]
Operating Profit/(Loss)	[illegible]	114	[illegible]
Finance income	[illegible]		[illegible]
Finance costs	[illegible]	[illegible]	[illegible]
Profit/(Loss) before tax		[illegible]	[illegible]
Taxation	[illegible]		[illegible]
Profit/(Loss) for the year		[illegible]	[illegible]
TOTAL COMPREHENSIVE INCOME			
Profit/(Loss) for the year attributable to equity holders		[illegible]	232
Actuarial gains	[illegible]	[illegible]	[illegible]
Total comprehensive income		[illegible]	[illegible]

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	[illegible]	[illegible]	[illegible]
Profit for the year	-	232	[illegible]
Other comprehensive income	-	148	[illegible]
Balance at 1 January 2018	29,500	[illegible]	[illegible]
Profit for the year		[illegible]	[illegible]
Other comprehensive income		[illegible]	[illegible]
Balance at 31 December 2018	[illegible]	[illegible]	[illegible]

[illegible]

STATEMENT OF FINANCIAL POSITION

at 31 December 2018

Company registration no. 01559880

	Notes	2018 £'000	2017 £'000
ASSETS			
Non-current assets			
Investments	11		[illegible]
Current assets			
Trade and other receivables	[illegible]	[illegible]	[illegible]
Cash and cash equivalents	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]
Total assets		[illegible]	[illegible]
LIABILITIES			
Current liabilities			
Trade and other payables	[illegible]	[illegible]	[illegible]
Current tax liabilities		[illegible]	[illegible]
		[illegible]	[illegible]
Non-current liabilities			
[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]
Total liabilities		[illegible]	[illegible]
EQUITY			
Capital and reserves attributable to equity holders of the Company			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Total equity		[illegible]	[illegible]
Total equity and liabilities		[illegible]	[illegible]

[illegible]

[illegible] 27/07/2020 [illegible]

[illegible]

Director

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		[illegible]	[illegible]
Adjustments for:			
- interest income	[illegible]		[illegible]
- interest expense	[illegible]	41	[illegible]
Changes in working capital			
- trade and other receivables	12	[illegible]	[illegible]
- trade and other payables	14	[illegible]	[illegible]
- retirement benefit obligation	15	40	[illegible]
Cash generated from operations		[illegible]	[illegible]
Interest paid	[illegible]	(41)	[illegible]
Corporation tax (paid) / received		8	
Net cash generated from / (used in) operating activities		[illegible]	[illegible]
Cash flows from investing activities			
Interest received	[illegible]		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		103	1,586
Cash and cash equivalents at the beginning of the year		[illegible]	
Cash and cash equivalents at the end of the year	13	[illegible]	[illegible]

The accompanying notes 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 Pounds Sterling (£), the currency in which the majority of the Company's transactions are denominated and rounded to the nearest £ thousand.

2. Accounting policies

Basis of preparation

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

These financial statements contain information about FCI Connectors UK Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 401 of the Companies Act 2006 because the ultimate parent Company, Amphenol Corporation, a publicly listed company incorporated and listed in the USA, prepares consolidated accounts that are publicly available and 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 adopting IFRS 9 from 1 January 2018.

IFRS 15

From 1 January 2018 the Group and Company has adopted IFRS 15 using the cumulative effect method.

There has been no material impact on the Company's financial statements as a result of adopting 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 and revised IFRS that have been issued but are not yet effective and (in some cases) had not yet been adopted by the EU:

	EU effective date (periods beginning on or after)
Annual Improvements to IFRS 2015-2017 Cycle	Not yet endorsed by the EU
IFRS 14 'Regulatory Deferral Accounts'	Not yet endorsed by the EU
IFRS 16 'Leases'	1 January 2019
IFRS 17 'Insurance Contracts'	Not yet endorsed by the EU
Amendments to references to the Conceptual Framework in IFRS	Not yet endorsed by the EU
Amendments to IFRS 3 'Business Combinations'	Not yet endorsed by the EU
Amendments to IFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet endorsed by the EU
Amendments to IAS 1 and IAS 8: Definition of Material	Not yet endorsed by the EU
Amendment to IAS 19: Plan Amendment, Curtailment or Settlement	Not yet endorsed by the EU
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	Not yet endorsed by the EU
IFRIC 23 Uncertainty over Income Tax Treatments	Not yet endorsed by the EU

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods, except for the adoption of IFRS 16.

IFRS 16 replaces existing lease guidance including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

The standard is effective for periods beginning on or after 1 January 2019. Early adoption is permitted for [illegible] IFRS 15 [illegible]

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. [illegible]

[illegible]

Notes to the financial statements

for the year ended 31 December 2018 (continued)

2. Accounting policies (continued)

Going concern

[illegible]

- [illegible]
- [illegible]
- [illegible]

[illegible]

Financial instruments

[illegible]

Investments

[illegible]

Trade receivables

[illegible]

Cash and cash equivalents

[illegible]

Trade payables

[illegible]

Share capital

[illegible]

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 of 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 fair 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 countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to 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 bases 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 if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

[illegible]

[illegible]

Notes to the financial statements

for the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

Employee benefits

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

3. Financial risk management

Financial risk factors

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Notes to the financial statements

for the year ended 31 December 2018 (continued)

3. Financial risk management (continued)

Credit risk

Credit risk is the risk that a counter-party will cause a financial loss to the Company by failing to discharge its obligation to the Company.

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

3 Financial risk management

Liquidity risk

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

The Company has continued support from intermediate holding company, FCI [illegible] B.V., in order to meet its liabilities as they fall due.

4. Critical accounting judgments and key sources of estimation uncertainty

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 various 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 affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Material estimates and assumptions are made in particular with regard to non-recognition of deferred tax assets.

Pensions

The Company operates a defined benefit pension scheme. The cost of providing benefits under the defined scheme is determined using the projected unit credit method which [illegible] current period to determine current service cost, and to the current and past periods to determine 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 occurs.

5. Operating segmental information

Management has determined that there is only one operating segment, based on the reports reviewed by the Directors that are used to make strategic decisions.

The management reviews the business from a [illegible] perspective. [illegible] services to the parent entity.

The management assesses the performance of the operating segment based on [illegible]

[illegible]

[illegible]

Notes to the financial statements

for the year ended 31 December 2018 (continued)

5 Operating segmental information (continued)

[illegible]

	2018 £'000	2017 £'000
Revenue	[illegible]	329
Operating profit (loss)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

6. *Revenue*

[illegible]

	2018 £'000	2017 £'000
Sales of services		
Continuing operations	[illegible]	[illegible]

[illegible]

7. Operating profit

[illegible]	2018 £'000	2017 £'000
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

8 Employee benefit expense

	2018 £'000	2017 £'000
[illegible]		
[illegible]		
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

[illegible]

[illegible]

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		[illegible]
Adjustment in respect of prior periods	-	-
Corporation tax expense	-	[illegible]

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	[illegible]
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	[illegible]	[illegible]
Income not taxable	27	[illegible]
Corporation tax expense		[illegible]

Notes to the financial statements

for the year ended 31 December 2018 (continued)

11. Investments

	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	

The Company owns all of the £2 ordinary share capital of Berg (UK) Limited. The Company purchased £8,500,000 of loan stock in Berg (UK) Limited, which was impaired when the loan stock was deemed to be irrecoverable.

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 activit
Berg (UK) Limited	England	Ordinary	100	Dormant

The address of Berg (UK) Ltd's registered office is New Penderel House, 4th Floor, 283-288 High Holborn, London, WC1V 7HP.

12. Trade and other receivables

	2018 £'000	2017 £'000
Receivables due from group undertakings (note 20)	[illegible]	[illegible]
Prepayments	[illegible]	[illegible]
Other debtors	1	6
	[illegible]	52

The average credit period taken on provision of services is 30 (2017: 30) days. No interest is charged on receivables (2017: £Nil). The directors consider that the carrying amount of trade and other receivables approximates their fair value.

13. Cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	[illegible]	[illegible]

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	13	20
	16	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)	(3,181)
	(2,262)	(2,577)	(2,838)	(2,974)	(3,181)
Income statement charge for:					
Pension benefit scheme – Clerical Plan	(183)	(179)	(69)	(51)	1,687
	(183)	(179)	(69)	(51)	1,687

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 [illegible]. 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 at 31 December 2012 by the Clerical Medical Investment 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)

[illegible]

	2018	2017	2016	2015	2014
Discount rate	[illegible]	[illegible]	[illegible]	[illegible]	3.4%
Inflation rate	[illegible]	[illegible]	[illegible]	3.5%	[illegible]

[illegible]

Assumption	Change in assumption	Indicative impact on scheme liabilities
Discount rate	Increase/decrease by [illegible]	Decrease/increase by [illegible]
Rate of inflation	Increase/decrease by [illegible]	Increase/decrease by [illegible]

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 conjunction 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 that 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 that 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 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Present value of defined benefit obligations	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fair value of plan assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Liability in the balance sheet	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

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	6,522
Current/past service cost	142		-	-	4
Interest cost	124	131	193	290	288
Member contributions		-	-	-	1
Disbursements	(19)	(57)	(213)	-	
Actuarial (gains)/losses	1,835	(155)	(201)	(686)	1,459
Benefits paid		-	-	24	(30)
Settlement	374	226	-	-	
End of year	9,349	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	(19)	(57)	(213)		-
Actuarial gains/(losses)		(7)	(229)	(30)	(102)
Settlement	374	226			54
End of year	7,057	5,064	5,110	5,195	5,360

There were settlements of £374k 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	44		-	-	-
Recognised actuarial losses (gains)	355	148	27	(156)	1,621
Total included in Total comprehensive income	400	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 actual 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 £516,975

16. Provisions for liabilities and charges

Deferred tax asset

A provision for deferred taxation 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)	40
Unused tax losses	-	-		218
Temporary differences on retirement benefit obligations	-	-	[illegible]	438
			[illegible]	705

[illegible]

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:

Current assets	2018 £'000	2017 £'000
Sterling – trade and other receivables	11	52
Euro – trade and other receivables	29	-
Sterling – cash and cash equivalents	2,262	2,150
	2,302	[illegible]

Current and non-current liabilities	2018 £'000	2017 £'000
Sterling – trade and other payables	[illegible]	39
Euro – trade and other payables		
	[illegible]	[illegible]

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
Current assets	£'000	%	£'000	%
Floating rates	2,290	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	2017
	£'000	£'000
Sales of services to group undertakings:		
- FCI Deutschland GmbH	[illegible]	328
- Amphenol FCI Asia Pte Ltd		
Purchases of services from group undertakings		
- Amphenol Corporation	[illegible]	
Interest receivable from group undertakings		
- Amphenol FCI Asia Pte Ltd		
- FCI Deutschland GmbH		[illegible]

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		[illegible]
- Amphenol FCI Asia Pte Ltd		[illegible]
- FCI Deutschland GmbH	29	[illegible]
	29	[illegible]

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 USA. Amphenol Corporation prepares consolidated financial statements and these are available from its principal place of business, 358 Hall Avenue, Wallingford, Connecticut 06492, USA.