ABB Cable Management Products Limited

Strategic report, Directors' report and
Financial Statements

Registered number 00675001

31 December 2018

Contents

Company Information

Directors	LM Andersson IG Funnell DW Nicholl
Secretary	VA MacLean
Registered Office	27-28 Eastcastle Street London W1W 8DH
Registered number	00675001
Bankers	KBC Bank NV London Branch 111 Old Broad Street London EC2N 1BR
Auditor	KPMG LLP 1 St Peter's Square Manchester M2 3AE

Strategic Report

The Directors present their Strategic Report for ABB Cable Management Products Limited ('the Company') for the year ended 31 December 2018.

Business review and principal activities

The principal activity of the Company is the design, manufacture and distribution of cable protection systems (including accessories) and electrical switches and controls. Sales revenue is generated across construction, transportation, industrial and OEM markets both in the UK and overseas using appropriate distribution channels.

Turnover for the year was £23,136,000 (2017: £21,545,000).

Due to growth in the UK, Middle East and Asian markets, turnover was £1,591,000 (7.4 %) higher in 2018 than in 2017. Sales into overseas markets increased by £1,686,000 (13.3%) and sales into the UK market reduced slightly by £95,000 (-1.1%). There was an increase in gross profit from £4,627,000 in 2017 to £5,497,000 in 2018 due to a combination of material price increases and a change in the mix of customers.

Operating profit has increased from £706,000 in 2017 to £2,072,000 in 2018 for the reasons mentioned above. Also, cost reduction measures were implemented during the year which have improved the above results

Exceptional costs in the year of £204,000 were related to transfer of production activities to another group entity. This is compared to the prior year in which exceptional income of £2,400,000 related to the sale of manufacturing technology to ABB Technology Limited, Switzerland.

The Company made a profit after tax of £1,525,000 (2017: £2,493,000), and no dividends were paid (2017: £nil).

Principal risks and uncertainties

Competitive pressure in the Middle East and United Kingdom is a continuing risk for the Company, which could result in it losing sales to its key competitors. To manage this risk, the Company strives to provide added-value products and services to its customers; prompt response times in the supply of products and services and in the handling of customer queries; and through the maintenance of strong relationships with customers.

The Company's business may be affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks.

Impact of Brexit

The formal process governing the U.K.'s departure from the E.U., commonly referred to as 'Brexit', began on March 29, 2017. Discussions between the U.K. and the E.U. are ongoing. The effects of Brexit, uncertainty regarding the ultimate terms of Brexit and perceptions as to the impact of the withdrawal of the U.K. from the E.U. have affected, and may continue to affect, business activity, political stability and economic and market conditions in the U.K., the Eurozone, the E.U. and elsewhere and could contribute to instability in global financial and foreign exchange markets. Implications and consequences may adversely affect our business and results of operations.

Strategic Report *(continued)*

Credit and foreign exchange risk

All of the Company's sales are made on a credit basis and past history has shown that control systems have kept any risk to a minimum. The Company has minimal exposure to foreign exchange risk.

On behalf of the board

Victoria Mac Lean

Victoria Mac Lean
Company Secretary

30th September 2019

Directors' report

The Directors present their report for the year ended 31 December 2018.

Dividends

The Company did not pay an interim or final dividend of £nil during the year ended 31 December 2018 (2017: nil).

Directors

The Directors who served during the year and to the date of this report were as follows:

LM Andersson	
IG Funnell	
AD Marston	(Resigned 19 July 2018)
DW Nicholl	(Appointed 20 July 2018)

Environment

ABB Cable Management Products Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. The Company operates in accordance with ABB Ltd policies, as noted in ABB Ltd's Annual Report, which does not form part of this report. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Future Developments

The Directors aim to maintain the current management policies of the Company. It is predicted that next year will show a significant growth in sales particularly in overseas regions, due to the collaboration with ABB Limited, the ultimate parent Company.

Research and development

The Company carries out research and development programmes to suit its particular market, product and customer needs.

Political and charitable donations

ABB Cable Management Products Limited made no political donations or incurred any political expenditure during either the current or preceding year.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

During 2017, ABB announced that its Board had decided to appoint KPMG as its external auditor effective for the financial year 2018.

A resolution to appoint KPMG LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board

Victoria Mac Lean

Victoria Mac Lean
Company Secretary

30th September 2019

Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of ABB Cable Management Products Limited

Opinion

We have audited the financial statements of ABB Cable Management Products Limited for the year ended 31 December 2018 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

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 then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the carrying value of assets and liabilities, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent auditor's report to the members of ABB Cable Management Products Limited *(continued)*

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of ABB Cable Management Products Limited *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Antony Whittle (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
1 St Peter's Square,
Manchester
M2 3AE

Date 1 October 2019

Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2018

	Note	2018	2017
		£000	£000
Turnover	3	23,136	21,545
Cost of sales		(17,639)	(16,918)
Gross profit		5,497	4,627
Operating expenses	4	(3,425)	(3,921)
Operating profit	5	2,072	706
Exceptional items	6	(204)	2,400
Other interest receivable and similar income	9	36	4
Profit before taxation		1,904	3,110
Tax on profit	11	(379)	(617)
Profit for the financial period		1,525	2,493
Other comprehensive income		-	-
Total comprehensive income for the year		1,525	2,493

All turnover and operating profit in both years relate to continuing operations.

The notes on pages 14-24 form part of these financial statements.

Balance Sheet
as at 31 December 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Intangible assets	*12*	3,546	3,546
Tangible assets	*13*	3,459	3,652
		7,005	7,198
Current assets			
Stocks	*14*	3,115	3,048
Debtors	*15*	15,801	12,442
Cash		1,447	1,106
		20,363	16,596
Creditors: amounts falling due within one year	*16*	(6,378)	(4,329)
Net current assets		13,985	12,267
Net assets		20,990	19,465
Capital and reserves			
Called up share capital	*18*	1,250	1,250
Share premium account		11,000	11,000
Profit and loss account		8,740	7,215
Shareholder's funds		20,990	19,465

The notes on pages 14-24 form part of these financial statements.

These Financial Statements were approved by the board of Directors on .... and were signed on its behalf by:

Lena Andersson

Lena Andersson
Director

Date: 30th September 2019

Company registered number: 00675001

Statement of Changes in Equity
For the year ended 31 December 2018

	Called up Share Capital	Share Premium Account	Profit and Loss Account	Total
	£000	£000	£000	£000
At 1 January 2017	1,250	11,000	4,722	16,972
Profit for the financial year	-	-	2,493	2,493
Other Comprehensive Income	-	-	-	-
At 1 January 2018	1,250	11,000	7,215	19,465
Profit for the financial year	-	-	1,525	1,525
Other Comprehensive Income	-	-	-	-
At 31 December 2018	1,250	11,000	8,740	20,990

The notes on pages 14-24 form part of these financial statements.

Notes
(Forming part of the Financial Statements)

1 Authorisation of Financial Statements and Statement of Compliance with FRS101

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable UK accounting standards.

The Company's financial statements are presented in pound sterling and amounts are rounded to the nearest thousand except when otherwise indicated.

The financial statements were approved for issue by the Board of Directors on September 2019.

2 Accounting Policies

2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the year ended 31 December 2018.

The Company has taken advantage of the following disclosure exemptions under FRS 101; as the Company is a wholly owned subsidiary of ABB Limited and its results are included in the consolidated Financial Statements of ABB Limited;

(a) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:

(i) paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements;
(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
(iii) paragraph 118(e) of IAS 38 Intangible Assets;

(b) the requirements of paragraphs 10(d), 10(f), 16, 38A-38D, 40A-40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;

(c) the requirements of IFRS 7 Financial Instruments: Disclosures;

(d) the requirements of IAS 7 Statement of Cash Flows;

(e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

(f) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;

(g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

(h) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.

(i) The effects of new but not yet effective IFRS's.

Notes *(continued)*

2 Accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have obtained conformation, that if required, additional funding would be provided from the Company's immediate parent company, ABB Limited, to meet its liabilities as they fall due for a period of 12 months from the date of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Impairment of investments

An annual assessment is made as to whether the current carrying value of investments is impaired. Detailed calculations are performed based on discounting expected pre-tax cash flows of the relevant cash generating units at an appropriate rate, the determination of which requires the exercise of judgement

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 11.

Research and development expenditure

Expenditure on research and development is written off against profits in the year in which it is incurred. Development costs are written off over the period of a commercially recognisable project.

Notes *(continued)*

2.3 Significant accounting policies

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Freehold land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	50 years
Plant and machinery	5 to 10 years
Fixtures, fittings, tools, equipment and vehicles	2 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value and in the case of work in progress and finished goods, includes the relevant proportion of overheads.

Turnover

On 1st January 2018, the Company adopted the new IFRS15 standard on revenue recognition and the adoption of IFRS 15 did not have an impact on the revenue recognised.

Turnover represents the value of sales (excluding value added tax), net of discounts, and retrospective rebates. Turnover is only recognised when risks and rewards are transferred to the third party.

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired business are assigned to those units. Each business unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which goodwill is monitored for internal management purposes and shall not be larger than an operating segment before aggregation.

Notes *(continued)*

2.3 Significant accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Pension costs

The Company operates a defined contribution pension scheme. The cost of providing pensions for employees charged in the profit and loss account represents the contributions payable by the Company for the financial year.

Lease commitments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

3 Turnover from sale of goods

	2018	2017
	£000	£000
The analysis of turnover by geographical area is as follows:		
UK	8,770	8,865
Rest of Europe	5,422	4,973
Rest of World	8,944	7,707
	23,136	21,545

4 Operating expenses

	2018	2017
	£000	£000
Distribution costs	1,592	1,678
Administrative expenses	1,833	2,243
	3,425	3,921

Notes *(continued)*

5 Operating profit

	2018	2017
	£000	£000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	458	452
Operating lease rentals - plant and machinery	9	4
Research and development expenditure	321	370
Exchange differences	(15)	153
Loss / (profit) on disposal of fixed assets	(21)	17
Auditor's remuneration:	13	13

6 Individually significant items

During the year the Company incurred costs of £204,000 that related to transfer of production activities to another group entity.

In 2017, the Company sold manufacturing technology to ABB Technology Ltd, Switzerland generating an exceptional income of £2,400,000.

7 Staff numbers and costs

On 1 May 2015, all persons previously employed by Cable Management Products Limited were transferred to its immediate parent company ABB Limited and the employee costs are recharged to the Company.

The average number of employees whose costs were recharged to the Company in 2018 was 132 (2017: 135).

	2018	2017
	£000	£000
The aggregate costs of these persons were as follows:		
Wages and salaries	3,481	3,388
Social security costs	328	321
Other pension costs	382	357
	4,191	4,066

8 Directors' emoluments

The Directors are remunerated by other group companies. No recharge is made for their services but an allocation of their time spent results in a charge of £42,000 (2017: £42,000) borne by other group entities.

9 Other interest receivable and similar income

	2018	2017
	£000	£000
Interest receivable	36	4
	36	4

Notes *(continued)*

10 Dividends

	2018	2017
	£000	£000
No dividends were paid in respect of the current year (2017: £nil per share)	-	-
	-	-

Notes *(continued)*

11 Tax on profit

Analysis of charge in the period

	2018 £000	2017 £000
UK corporation tax:		
Current tax on income for the year	**373**	637
Tax under provided in earlier years	**2**	-
Total current tax	**375**	637
Deferred tax (note 17)		
Origination/reversal of timing differences	**4**	(20)
Effect of decreased rate	**-**	-
	4	(20)
Tax on profit	**379**	617

Factors affecting the tax charge for the year

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

	2018 £000	2017 £000
Tax reconciliation:		
Profit before tax	**1,904**	3,110
Current tax at 19% (2017: 19.25%)	**362**	599
Effects of:		
Expenses not deductible for tax purposes	**2**	3
Capital allowances less than depreciation	**18**	15
Tax under provided in earlier years	**(3)**	-
Deferred tax effect of decreased rate	**-**	-
	379	617

Factors that may affect the future tax charge:

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profits are taxed at an effective rate of 19% for the year *(2017: 19.25%)*.

Further to the budget announcement on 16 March 2016, the corporation tax rate will now be reduced to 17% from 1 April 2020 and this was given Royal Assent on 17 July 2017. Accordingly, the deferred tax liability at 31 December 2018 has been calculated at 17% *(2017: 17%)*.

Notes *(continued)*

12 Intangible fixed assets

	Goodwill £000
Cost:	
At beginning and end of year	9,357
Accumulated amortisation:	
At beginning of year	5,811
Charge for the year	-
At end of year	5,811
Net book value:	
At 31 December 2018	3,546
At 31 December 2017	3,546

The goodwill arose as a result of hiving up the trade and assets of subsidiary companies historically. The trade continues to form a core part of the business. The subsidiaries have subsequently been liquidated.

13 Tangible fixed assets

	Freehold land and buildings £000	Plant and Machinery £000	Fixtures, fittings, tools equipment and vehicles £000	Total £000
Cost:				
At beginning of year	3,077	5,591	5,689	14,357
Additions	17	175	217	409
Disposals	-	(545)	(1,676)	(2,221)
At end of year	3,094	5,221	4,230	12,545
Accumulated depreciation:				
At beginning of year	906	4,342	5,457	10,705
Charge for the year	79	238	141	458
Disposals	-	(411)	(1,666)	(2,077)
At end of year	985	4,169	3,932	9,086
Net book value:				
At 31 December 2018	**2,109**	**1,052**	**298**	**3,459**
At 31 December 2017	2,171	1,249	232	3,652

The net book value of freehold land and buildings above includes £569,000 (2017: £569,000) of non-depreciable land.

Notes *(continued)*

14 Stocks

	2018 £000	2017 £000
Raw materials and consumables	1,131	1,273
Work in progress	831	676
Finished goods and goods for resale	1,153	1,099
	3,115	3,048

The difference between the estimated replacement cost of stocks and purchase price or production cost is not material.

15 Debtors

	2018 £000	2017 £000
Trade debtors	818	278
Amounts owed by group undertakings	14,543	11,773
Other debtors	316	335
Prepayments and accrued income	93	21
Deferred tax (note 17)	31	35
	15,801	12,442

16 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	2,482	1,728
Amounts owed to group undertakings	2,635	1,086
Other creditors	317	297
Corporation tax	944	1,218
	6,378	4,329

Notes *(continued)*

17 Deferred tax asset

	£000
At beginning of year	35
Credit to profit and loss account	(4)
	31

The elements of the deferred tax asset recognised at 31 December 2018 are as follows:

	2018 £000	2017 £000
Decelerated capital allowances	29	22
Other timing differences	2	13
Total deferred tax	31	35

Deferred tax is recognised in full in both this and the prior year.

18 Called up share capital

	2018 £000	2017 £000
Authorised, issued, called up and fully paid:		
1,250,000 ordinary shares of £1 each	1,250	1,250

19 Capital commitments

	2018 £000	2017 £000
Amounts contracted:		
Building improvements	-	17
Plant & machinery	179	107
Fixtures, fittings, tools, equipment & vehicles	11	126
	190	250

20 Obligations under operating leases

	Plant and Machinery	
	2018 £000	2017 £000
Within one year	9	4
Within two to five years	5	-
	14	4

Notes *(continued)*

21 Pension scheme

The Company operates a defined contribution scheme. The pension charge for the year represents contributions payable by the Company to the fund and amounted to £nil (2017: £nil). At 31 December 2018 there were outstanding contributions of £nil (2017: £nil) included within other creditors.

The reason that the values of pension contributions are nil for both this and the previous year is because all staff costs are now recharged from ABB limited – please refer to note 7, Staff numbers and costs.

22 Related party transactions

The Company has taken advantage of the exemption conferred by paragraph 17 of IAS 24 in that transactions with other wholly owned group companies are not disclosed. There were no other related party transactions in 2018 (2017: £nil).

23 *Ultimate Holding Company and controlling party*

The Company's immediate parent undertaking is ABB Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and the controlling party of the group into which the Financial Statements of this Company are consolidated is ABB Ltd, which is incorporated in Switzerland. Copies of the Financial Statements of ABB Ltd can be obtained from ABB Ltd, PO Box 8131, CH-8050, Zurich, Switzerland