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**Rotex Europe Limited**

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**Annual Report and Consolidated Financial Statements**

**For the Year Ended 30 September 2018**

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**Rotex Europe Limited**

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**Company Information**

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<b>Directors</b>	R W Dieckman Jr K A Cerniglia
<b>Company secretary</b>	DTM Legal LLP
<b>Registered number</b>	04307924
<b>Registered office</b>	Aston Lane North Whitehouse Vale Runcorn Cheshire WA7 3FA
<b>Independent auditors</b>	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
<b>Bankers</b>	Lloyds TSB Bank plc Warrington Cheshire WA1 2LP  HSBC Bank plc First Floor, 60 Queen Victoria Street London EC4N 4TR
<b>Solicitors</b>	DTM Legal LLP Suite 11c The Plaza 100 Old Hall Street Liverpool L3 9QJ

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**Rotex Europe Limited**

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**Group Strategic Report  
For the Year Ended 30 September 2018**

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**Introduction**

The Directors present the Group Strategic Report for the year ended 30 September 2018.

**Business review**

The Directors announce a loss on ordinary activities before taxation of £506k for the Group for the year ending 30th September 2018, which is 129% lower than the previous year. This was after incurring £2,894k of costs related to legal proceedings vs. £530k from the previous year.

The company did not incur any restructuring costs in the current year compared with £207k from the previous year, from restructuring activity that was undertaken in the year ending 30th September 2016.

Fluctuations in exchange rates drove a gain of £59k compared to a loss of £89k in the previous year.

The balance sheet continues to be strong. Cash built steadily during the year. No dividends were declared during the year.

The Group management team continues to support the strategic development of its subsidiary Rotex Japan Limited. As an innovative leader, our goals continue to be profitable growth and market leadership achieved through continuous improvement and excellence in our associates.

The Group continues to benefit from product development activity undertaken by Rotex Global LLC.

**Legal damages**

Legal proceedings had been brought against the company by one of its customers. The case went to trial in February 2018, and a final decision was released in March 2019. The outcome was that the company was found to be in breach of contract. The aggregate amount for damages, costs and interest is approximately £1.2 million, a provision for which has been recognised in these financial statements, as disclosed in note 19. The company's legal costs have been recognised to the extent that they have been incurred at the balance sheet date and are disclosed in note 10. The company expects to settle this liability within 12 months of the balance sheet date.

**Principal risks and uncertainties**

As a large proportion of the trading of the Group is conducted abroad, we are exposed to the relative strength of sterling against other world currencies. Although we may address this risk through financing activities and through the use of derivative financial instruments, those actions may not prove to be fully effective.

Uncertainties about the future implications of Brexit may create additional risks to our financial results; however, we anticipate additional growth in fiscal 2019 as we continue to focus on bringing a global sales approach to the capital sales team, emphasizing share gain in our aftermarket segments, and working on improvements in our supply chain to obtain cost reductions and improve profitability.

**Financial key performance indicators**

The directors present below the financial key performance indicators:

**2018 2017**

Operating (Loss)/Profit / Sales (3.3%) 13.1%

(Loss)/Profit before tax/ Sales (3.3%) 13.1%

Sales/ Employee £324k £363k

Profit/(Loss) before tax / Employee (£10k) £48k

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**Rotex Europe Limited**

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**Group Strategic Report (continued)  
For the Year Ended 30 September 2018**

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This report was approved by the board and signed on its behalf.

.....  
**R W Dieckman Jr**  
Director  
Date: 25 March 2019

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## Rotex Europe Limited

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### Directors' Report For the Year Ended 30 September 2018

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The directors present their report and the financial statements for the year ended 30 September 2018.

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The loss for the year, after taxation, amounted to £505,555 (2017 - profit £1,728,277).

The directors do not recommend the payment of a final dividend.

#### Directors

The directors who served during the year were:

R W Dieckman Jr  
K A Cerniglia

#### Future developments

At this time our focus is to build up our customer bases by bringing a global sales approach to the capital sales team and to emphasise share gain in our aftermarket segments. In addition, we are working on improvements in our supply chain to bring cost reductions and improved profitability.

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**Rotex Europe Limited**

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**Directors' Report (continued)  
For the Year Ended 30 September 2018**

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**Financial instruments**

The group's principal financial instruments comprise bank balances, trade creditors, trade debtors, operating lease agreements and forward exchange contracts. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below:

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding, and the group makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The group is a lessee in respect of operating leased assets. The liquidity risk in respect of these is managed in the same way as trade creditors above.

Where deemed significant, currency risk is managed through foreign exchange forward contracts.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

Other than the events as described in note 19 to the financial statements, there are no significant events that have affected the company since the year end.

**Auditors**

The auditors, Hurst & Company Accountants I.L.P, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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**R W Dieckman Jr**

Director

Date: 25 March 2019

**Independent Auditors' Report to the Shareholders of Rotex Europe Limited**

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**Opinion**

We have audited the financial statements of Rotex Europe Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2018, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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



**Independent Auditors' Report to the Shareholders of Rotex Europe Limited (continued)**

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material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditors' Report to the Shareholders of Rotex Europe Limited (continued)**

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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 Auditors' 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.

Anthony Woodings (Senior Statutory Auditor)

for and on behalf of

**Hurst & Company Accountants LLP**

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

25 March 2019

Rotex Europe Limited

**Consolidated Statement of Comprehensive Income  
For the Year Ended 30 September 2018**

	Note	2018 £	2017 £
Turnover	4	16,867,785	17,409,564
Cost of sales		<u>(10,297,330)</u>	<u>(10,465,301)</u>
<b>Gross profit</b>		<b>6,570,455</b>	<b>6,944,263</b>
Administrative expenses		<b>(4,239,812)</b>	<b>(4,046,749)</b>
Exceptional administrative expenses	10	<u>(2,893,820)</u>	<u>(610,428)</u>
<b>Operating (loss)/profit</b>	5	<b>(563,177)</b>	<b>2,287,086</b>
Interest receivable and similar income	8	<u>7,020</u>	<u>849</u>
<b>(Loss)/profit before taxation</b>		<b>(556,157)</b>	<b>2,287,935</b>
Tax on (loss)/profit	9	<u>50,602</u>	<u>(559,658)</u>
<b>(Loss)/profit for the financial year</b>		<u><b>(505,555)</b></u>	<u><b>1,728,277</b></u>
Foreign exchange translation movements of subsidiaries		<b>11,802</b>	<b>(73,677)</b>
<b>Other comprehensive income for the year</b>		<b>11,802</b>	<b>(73,677)</b>
<b>Total comprehensive income for the year</b>		<u><b>(493,753)</b></u>	<u><b>1,654,600</b></u>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the parent Company		<u><b>(505,555)</b></u>	<u><b>1,728,277</b></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

The notes on pages 13 to 33 form part of these financial statements.

**Rotex Europe Limited**  
Registered number: 04307924

**Consolidated Statement of Financial Position**  
As at 30 September 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	<u>1,109,917</u>	<u>1,177,102</u>
		<b>1,109,917</b>	<b>1,177,102</b>
<b>Current assets</b>			
Stocks	13	1,641,254	1,793,491
Debtors: amounts falling due within one year	14	5,017,288	5,831,715
Cash at bank and in hand	15	3,970,942	3,064,661
		<u>10,629,484</u>	<u>10,689,867</u>
Creditors: amounts falling due within one year	16	<u>(4,089,893)</u>	<u>(4,931,079)</u>
<b>Net current assets</b>		<u><b>6,539,591</b></u>	<u><b>5,758,788</b></u>
<b>Total assets less current liabilities</b>		<u><b>7,649,508</b></u>	<u><b>6,935,890</b></u>
<b>Provisions for liabilities</b>			
Deferred taxation	18	(4,863)	-
Other provisions	19	(1,501,183)	(298,675)
		<u>(1,506,046)</u>	<u>(298,675)</u>
<b>Net assets</b>		<u><u><b>6,143,462</b></u></u>	<u><u><b>6,637,215</b></u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000	1,000
Share premium account	21	699,010	699,010
Other reserves	21	173,236	161,434
Profit and loss account	21	5,270,216	5,775,771
<b>Shareholders' funds</b>		<u><u><b>6,143,462</b></u></u>	<u><u><b>6,637,215</b></u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**R W Dieckman Jr**  
Director

Date: 25 March 2019

The notes on pages 13 to 33 form part of these financial statements.

**Rotex Europe Limited**  
Registered number: 04307924

**Company Statement of Financial Position**  
As at 30 September 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	1,107,024	1,175,310
Investments	12	30,000	30,000
		<u>1,137,024</u>	<u>1,205,310</u>
<b>Current assets</b>			
Stocks	13	1,627,242	1,790,538
Debtors: amounts falling due within one year	14	4,363,032	5,407,676
Cash at bank and in hand	15	3,807,119	2,839,190
		<u>9,797,393</u>	<u>10,037,404</u>
Creditors: amounts falling due within one year	16	(3,991,149)	(4,787,799)
<b>Net current assets</b>		<u>5,806,244</u>	<u>5,249,605</u>
<b>Total assets less current liabilities</b>		<u>6,943,268</u>	<u>6,454,915</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	(4,863)	-
Other provisions	19	(1,501,183)	(298,675)
		<u>(1,506,046)</u>	<u>(298,675)</u>
<b>Net assets</b>		<u>5,437,222</u>	<u>6,156,240</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000	1,000
Share premium account	21	699,010	699,010
Profit and loss account	21	4,737,212	5,456,230
		<u>5,437,222</u>	<u>6,156,240</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £719,018 (2017: profit £1,691,569).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**R W Dieckman Jr**  
Director

Date: 25 March 2019

The notes on pages 13 to 33 form part of these financial statements.

Rotex Europe Limited

**Consolidated Statement of Changes in Equity  
For the Two Years Ended 30 September 2018**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2016	1,000	699,010	235,111	4,047,494	4,982,615
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,728,277	1,728,277
Foreign exchange translation movements of subsidiaries	-	-	(73,677)	-	(73,677)
At 1 October 2017	1,000	699,010	161,434	5,775,771	6,637,215
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(505,555)	(505,555)
Foreign exchange translation movements of subsidiaries	-	-	11,802	-	11,802
<b>At 30 September 2018</b>	<u>1,000</u>	<u>699,010</u>	<u>173,236</u>	<u>5,270,216</u>	<u>6,143,462</u>

The notes on pages 13 to 33 form part of these financial statements.

**Company Statement of Changes in Equity  
For the Two Years Ended 30 September 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2016	1,000	699,010	3,764,661	4,464,671
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,691,569	1,691,569
At 1 October 2017	1,000	699,010	5,456,230	6,156,240
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(719,018)	(719,018)
<b>At 30 September 2018</b>	<u>1,000</u>	<u>699,010</u>	<u>4,737,212</u>	<u>5,437,222</u>

The notes on pages 13 to 33 form part of these financial statements.

Rotex Europe Limited

**Consolidated Statement of Cash Flows  
For the Year Ended 30 September 2018**

	2018	2017
	£	£
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(505,555)	1,728,277
<b>Adjustments for:</b>		
Depreciation of tangible assets	87,317	114,180
Loss on disposal of tangible assets	(25,000)	157,386
Interest received	(7,020)	(849)
Taxation charge	(50,602)	559,658
Decrease/(increase) in stocks	152,237	(203,291)
Decrease/(increase) in debtors	687,687	(20,752)
Decrease/(increase) in amounts owed by groups	273,420	(93,191)
(Decrease)/increase in creditors	(355,398)	257,465
(Decrease) in amounts owed to groups	(249,186)	(737,753)
Increase in provisions	1,202,508	3,996
Corporation tax (paid)	(320,116)	(410,007)
<b>Net cash generated from operating activities</b>	890,292	1,355,119
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(20,100)	(136,901)
Sale of tangible fixed assets	25,000	-
Interest received	7,020	849
<b>Net cash from investing activities</b>	11,920	(136,052)
<b>Net increase in cash and cash equivalents</b>	902,212	1,219,067
Cash and cash equivalents at beginning of year	3,064,661	2,020,708
Foreign exchange gains and losses	4,069	(175,114)
<b>Cash and cash equivalents at the end of year</b>	3,970,942	3,064,661
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,970,942	3,064,661

The notes on pages 13 to 33 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 30 September 2018**

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**1. General information**

Rotex Europe Limited is a company limited by members capital incorporated in England and Wales. The company number is 04307924. The address of the registered office and principal place of business is Aston Lane North, Whitehouse Vale, Runcorn, Cheshire, WA7 3FA.

The nature of the company's and group's operations and its principal activity is the design, assembly, commissioning, service and repair of screening, feeding and conveying equipment.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.



Notes to the Financial Statements  
For the Year Ended 30 September 2018

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2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	-	2.5% straight line
Plant and machinery	-	10% - 20% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	10% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements  
For the Year Ended 30 September 2018

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2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Notes to the Financial Statements  
For the Year Ended 30 September 2018

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2. Accounting policies (continued)

2.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements  
For the Year Ended 30 September 2018

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2. Accounting policies (continued)

2.11 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

The functional and presentational currency of Rotex Japan Limited, the company's subsidiary, is the Japanese Yen (JPY). On consolidation, the subsidiary's balances are translated into GBP, and any movements on translation are recognised in other comprehensive income.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

2.12 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.13 Pensions

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

Notes to the Financial Statements  
For the Year Ended 30 September 2018

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2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

Notes to the Financial Statements  
For the Year Ended 30 September 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual outcomes may differ from these judgements, estimates and assumptions. The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the Group and Company as at 30 September 2018 are discussed below:

**Doubtful debtors**

Management review aged debts regularly and make appropriate provision where recovery of the debt is considered doubtful.

**Stock provisions**

Management review stock turnover on a regular basis, and make appropriate provision for items where the net realisable value is lower than cost.

**Warranty provision**

Management makes estimates of warranty provisions based on expected costs required to make good faults of which the group is aware. Such provisions are calculated based on the judgements made by the quality managers. At the year end, the group and company have recognised a warranty provision of £301,183 (2017: £298,675).

**Derivatives**

The Group and Company enters into forward currency contracts to manage its exposure to foreign exchange cash flow risk on its overseas purchases, where exposure is deemed significant. These contracts are measured at fair value at each balance sheet date, and where material, these are recognised in the financial statements. The fair value is measured as the mark to market value, being the difference between the change in value of the hedged item and the change in value of the hedging instrument. Changes in the fair value of such contracts are included in the statement of comprehensive income.

At the year end, the group and company has recognised forward contracts as liabilities with a value of £Nil (2017: £Nil).

4. Turnover

The whole of the turnover is attributable to the principal activity of the group as described in note 1.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	2,067,051	1,692,325
Rest of Europe	7,755,001	8,899,090
Rest of the world	7,045,733	6,818,149
	<u>16,867,785</u>	<u>17,409,564</u>

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Rotex Europe Limited

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Notes to the Financial Statements  
For the Year Ended 30 September 2018

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**5. Operating (loss)/profit**

The operating profit is stated after charging/(crediting):

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>
Research & development charged as an expense	<b>1,127</b>	<i>1,541</i>
Exchange differences	<b>(59,032)</b>	<i>88,657</i>
Operating lease rentals	<b><u>106,372</u></b>	<i><u>82,252</u></i>

**6. Auditors' remuneration**

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<b><u>22,400</u></b>	<i><u>21,150</u></i>
	<b>22,400</b>	<i>21,150</i>

**Fees payable to the Group's auditor and its associates in respect of:**

Other services relating to taxation	<b>5,100</b>	<i>4,600</i>
All other services	<b><u>1,250</u></b>	<i><u>2,000</u></i>
	<b><u>6,350</u></b>	<i><u>6,600</u></i>

**Rotex Europe Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2018**

**7. Employees**

Staff costs were as follows:

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Wages and salaries	<b>2,662,194</b>	<i>2,407,605</i>	<b>2,548,619</b>	<i>2,295,703</i>
Social security costs	<b>239,612</b>	<i>231,460</i>	<b>229,505</b>	<i>217,590</i>
Cost of defined contribution scheme	<b>69,911</b>	<i>37,269</i>	<b>69,911</b>	<i>37,269</i>
	<u><b>2,971,717</b></u>	<u><i>2,676,334</i></u>	<u><b>2,848,035</b></u>	<u><i>2,550,562</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2018 No.</b>	<i>2017 No.</i>
Shop floor staff	<b>11</b>	<i>12</i>
Administration and office staff	<b>41</b>	<i>36</i>
	<u><b>52</b></u>	<u><i>48</i></u>

The directors of the company received no remuneration from any companies in the group (2017: £Nil).

**8. Interest receivable**

	<b>2018 £</b>	<i>2017 £</i>
Other interest receivable	<u><b>7,020</b></u>	<u><i>849</i></u>



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Rotex Europe Limited

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Notes to the Financial Statements  
For the Year Ended 30 September 2018

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9. Taxation

	2018	2017
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	-	462,505
Adjustments in respect of prior periods	(152,069)	6,860
	<u>(152,069)</u>	<u>469,365</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	96,589	47,328
Foreign tax in respect of prior periods	15	49,470
	<u>96,604</u>	<u>96,798</u>
<b>Total current tax</b>	<u>(55,465)</u>	<u>566,163</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,863	(6,505)
<b>Total deferred tax</b>	<u>4,863</u>	<u>(6,505)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(50,602)</u>	<u>559,658</u>

**Notes to the Financial Statements  
For the Year Ended 30 September 2018**

**9. Taxation (continued)**

**Factors affecting tax charge for the year**

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

	2018 £	2017 £
Profit on ordinary activities before tax	<u>(556,157)</u>	<u>2,287,935</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	(96,343)	434,708
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,921	23,094
Corporate taxes payable overseas	96,604	96,798
Double taxation relief	(55,317)	(31,451)
Adjustments to tax charge in respect of prior periods	(1,402)	6,860
Other differences leading to an increase (decrease) in the tax charge	(4,065)	29,649
<b>Total tax charge for the year</b>	<u>(50,602)</u>	<u>559,658</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**10. Exceptional items**

	2018 £	2017 £
Costs relating to final settlement (see note 19)	1,200,000	-
Costs in relation to legal case (see note 19)	1,693,820	530,388
Costs incurred regarding closure of a part of the company's operations	-	80,040
	<u>2,893,820</u>	<u>610,428</u>

Please see note 19 for more information relating to legal costs and settlement.

Rotex Europe Limited

Notes to the Financial Statements  
For the Year Ended 30 September 2018

11. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 October 2017	1,485,871	654,489	98,637	436,840	2,675,837
Additions	-	-	-	20,100	20,100
Disposals	-	-	(98,637)	-	(98,637)
Exchange adjustments	-	-	-	32	32
At 30 September 2018	<u>1,485,871</u>	<u>654,489</u>	<u>-</u>	<u>456,972</u>	<u>2,597,332</u>
<b>Depreciation</b>					
At 1 October 2017	414,419	640,551	98,637	345,128	1,498,735
Charge for the year on owned assets	30,649	13,938	-	42,730	87,317
Disposals	-	-	(98,637)	-	(98,637)
At 30 September 2018	<u>445,068</u>	<u>654,489</u>	<u>-</u>	<u>387,858</u>	<u>1,487,415</u>
<b>Net book value</b>					
At 30 September 2018	<u>1,040,803</u>	<u>-</u>	<u>-</u>	<u>69,114</u>	<u>1,109,917</u>
<i>At 30 September 2017</i>	<u>1,071,452</u>	<u>13,938</u>	<u>-</u>	<u>91,712</u>	<u>1,177,102</u>

Rotex Europe Limited

Notes to the Financial Statements  
For the Year Ended 30 September 2018

11. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 October 2017	1,485,871	654,489	98,637	428,168	2,667,165
Additions	-	-	-	18,192	18,192
Disposals	-	-	(98,637)	-	(98,637)
At 30 September 2018	<u>1,485,871</u>	<u>654,489</u>	<u>-</u>	<u>446,360</u>	<u>2,586,720</u>
<b>Depreciation</b>					
At 1 October 2017	414,419	640,551	98,637	338,248	1,491,855
Charge for the year on owned assets	30,649	13,938	-	41,891	86,478
Disposals	-	-	(98,637)	-	(98,637)
At 30 September 2018	<u>445,068</u>	<u>654,489</u>	<u>-</u>	<u>380,139</u>	<u>1,479,696</u>
<b>Net book value</b>					
At 30 September 2018	<u>1,040,803</u>	<u>-</u>	<u>-</u>	<u>66,221</u>	<u>1,107,024</u>
<i>At 30 September 2017</i>	<u>1,071,452</u>	<u>13,938</u>	<u>-</u>	<u>89,920</u>	<u>1,175,310</u>

Included in land and buildings is freehold land at a cost of £300,000 (2017: £300,000) which is not depreciated.

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	<u>1,040,803</u>	<u>1,071,452</u>

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**Rotex Europe Limited**

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**Notes to the Financial Statements  
For the Year Ended 30 September 2018**

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**12. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Rotex Japan Limited	Ordinary	100 %	Trading

The registered office of Rotex Japan Limited is the same as the company's as detailed in note 1, and is incorporated in the United Kingdom. The results of Rotex Japan Limited are included in these consolidated financial statements.

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 October 2017	<u>30,000</u>
At 30 September 2018	<u>30,000</u>
<b>Net book value</b>	
At 30 September 2018	<u><u>30,000</u></u>
<i>At 30 September 2017</i>	<u><u>30,000</u></u>

**Rotex Europe Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2018**

**13. Stocks**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Raw materials and consumables	1,235,741	1,458,611	1,221,729	1,455,658
Finished goods / Work in progress	405,513	334,880	405,513	334,880
	<u>1,641,254</u>	<u>1,793,491</u>	<u>1,627,242</u>	<u>1,790,538</u>

An impairment loss of £151,286 (2017 - £186,144) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**14. Debtors**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Trade debtors	4,510,641	5,218,686	3,868,947	4,801,158
Amounts owed by group undertakings	70,192	343,612	73,885	344,403
Other debtors	399,725	223,260	388,648	223,260
Prepayments and accrued income	36,730	46,157	31,552	38,856
	<u>5,017,288</u>	<u>5,831,715</u>	<u>4,363,032</u>	<u>5,407,677</u>

Impairments to debtor balances during the year resulted in a charge of £305,228 (2017: £3,314) being recognised in the Statement of comprehensive income during the year.

**15. Cash and cash equivalents**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Cash at bank and in hand	<u>3,970,942</u>	<u>3,064,661</u>	<u>3,807,119</u>	<u>2,839,190</u>

Rotex Europe Limited

Notes to the Financial Statements  
For the Year Ended 30 September 2018

16. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Payments received on account	375,751	669,029	375,751	637,550
Trade creditors	1,042,947	896,962	1,042,947	896,962
Amounts owed to group undertakings	1,194,293	1,443,478	1,193,575	1,436,339
Corporation tax	74,704	304,274	-	293,718
Other taxation and social security	68,815	80,132	68,815	71,884
Other creditors	26,911	31,158	24,622	28,968
Accruals and deferred income	1,306,472	1,506,046	1,285,439	1,422,378
	<u>4,089,893</u>	<u>4,931,079</u>	<u>3,991,149</u>	<u>4,787,799</u>

17. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>4,580,833</u>	<u>5,562,298</u>	<u>3,942,832</u>	<u>5,145,561</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(5,334,048)</u>	<u>(4,320,724)</u>	<u>(5,310,008)</u>	<u>(4,465,200)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank overdrafts, payments received on account, trade creditors, amounts owed to group undertakings, other creditors and accruals.

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Rotex Europe Limited

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Notes to the Financial Statements  
For the Year Ended 30 September 2018

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18. Deferred taxation

Group

	2018 £
At beginning of year	-
Charged to profit or loss	4,863
<b>At end of year</b>	<b><u>4,863</u></b>

Company

	2018 £
At beginning of year	-
Charged to profit or loss	4,863
<b>At end of year</b>	<b><u>4,863</u></b>

The deferred taxation balance is made up as follows:

	<b>Group</b>	<b>Company</b>
	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>4,863</u>	<u>4,863</u>



Rotex Europe Limited

Notes to the Financial Statements  
For the Year Ended 30 September 2018

19. Provisions

Group

	Warranty provision £	Legal damages £	Total £
At 1 October 2017	298,675	-	298,675
Charged to profit or loss	2,508	1,200,000	1,202,508
<b>At 30 September 2018</b>	<b><u>301,183</u></b>	<b><u>1,200,000</u></b>	<b><u>1,501,183</u></b>

Company

	Warranty provision £	Legal damages £	Total £
At 1 October 2017	298,675	-	298,675
Charged to profit or loss	2,508	1,200,000	1,202,508
<b>At 30 September 2018</b>	<b><u>301,183</u></b>	<b><u>1,200,000</u></b>	<b><u>1,501,183</u></b>

**Warranty provision**

A provision of £301,183 (2017: £298,675) has been recognised for expected warranty claims on machines sold. It is expected that most of this expenditure will be incurred within two years of the balance sheet date.

**Legal damages**

Legal proceedings had been brought against the company by one of its customers. The case went to trial in February 2018, and a final decision was released in March 2019. The outcome was that the company was found to be in breach of contract. The aggregate amount for damages, costs and interest is approximately £1.2 million, a provision for which has been recognised in these financial statements. The company's legal costs have been recognised to the extent that they have been incurred at the balance sheet date and are disclosed in note 10. The company expects to settle this liability within 12 months of the balance sheet date.

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Rotex Europe Limited

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Notes to the Financial Statements  
For the Year Ended 30 September 2018

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20. Share capital

	2018	2017
	£	£
<b>Allotted, called up and fully paid</b>		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

21. Reserves

**Share premium account**

The share premium account comprises the value of premiums paid on the issue of share capital.

**Other reserves**

The foreign exchange reserve comprises differences arising on translation of subsidiaries that operate overseas from their functional currency.

**Profit and loss account**

The profit and loss account comprises all current and prior year profits and losses, net of dividends paid.

22. Contingent liabilities

**Bank Guarantees**

The company provides bank guarantees for warranties given on the sale of some machines. These are usually around 10% of the total value of the machine sold and the customer can make a claim under the terms of the guarantee directly from the bank.

The company has also given a bank guarantee of £120,000 (2017: £120,000) to HM Revenue and Customs, which is included below.

As at 30 September 2018, the total value of bank guarantees is given as follows:

	2018	2017
	£	£
Within one year	1,406,476	2,437,293
Between one and five years	355,664	463,085
Greater than five years	-	10,611
	<u>1,762,140</u>	<u>2,910,989</u>

**Rotex Europe Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2018**

**23. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £69,911 (2017: £37,269). Contributions totalling £2,294 (2017: £Nil) were payable to the fund at the reporting date and are included in creditors.

**24. Commitments under operating leases**

At 30 September 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
<b>Land and Buildings</b>				
Not later than 1 year	16,207	2,535	-	2,535
Later than 1 year and not later than 5 years	16,207	-	-	-
	<u>32,414</u>	<u>2,535</u>	<u>-</u>	<u>2,535</u>
	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
<b>Other</b>				
Not later than 1 year	27,208	36,067	26,728	30,067
Later than 1 year and not later than 5 years	8,350	9,821	8,350	9,321
	<u>35,558</u>	<u>45,888</u>	<u>35,078</u>	<u>39,388</u>

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**Rotex Europe Limited**

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**Notes to the Financial Statements  
For the Year Ended 30 September 2018**

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**25. Related party transactions**

As permitted by FRS 102 - section 33, the company has not disclosed transactions between wholly owned subsidiaries.

Key management remuneration during the year totalled £540,918 (2017: £535,673).

The following transactions have taken place during the current accounting period between the company and other companies that are owned within the group controlled by the ultimate parent company, Hillenbrand Inc:

Type 1 Parties which have control over the entity

Type 2 Fellow subsidiaries with no direct control over the entity

	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>Sales</b>	<b>Purchases</b>	<b>Debtor/ (Creditor)</b>	<b>Sales</b>	<b>Purchases</b>	<b>Debtor/ (Creditor)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Type 1	-	(432,727)	(577,800)	-	(339,742)	(562,617)
Type 2	<u>1,012,541</u>	<u>(3,309,167)</u>	<u>(464,110)</u>	<u>945,016</u>	<u>(3,934,921)</u>	<u>(454,962)</u>

**26. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Coperion K-Tron (Schweiz) GmbH, a company incorporated in Switzerland.

The ultimate parent undertaking is Hillenbrand Inc, a company listed on the New York Stock Exchange, incorporated in Baresville, Indiana, United States of America.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.