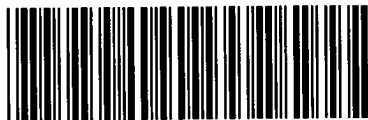


ABB Power Grids UK Limited
(formerly known as ABB Enterprise Software UK Ltd).

Annual Report and Financial Statements
31 December 2018

Registered Number: 02985756

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Registered No. 02985756

DIRECTORS

LM Andersson
IG Funnell
OD Brunk

SECRETARY

V Mac Lean

AUDITOR

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

BANKERS

Barclays Bank PLC
99 Hatton Garden
London
EC1 8DN

REGISTERED OFFICE

ABB Limited
Daresbury Park
Daresbury
Warrington
Cheshire
WA4 4BT

STRATEGIC REPORT

The Directors present their Strategic Report for ABB Power Grids UK Limited ('the Company') for the year ended 31 December 2018. On 3 June 2019 the Company changed its name from ABB Enterprise Software UK Ltd to ABB Power Grids UK Limited.

RESULTS AND DIVIDENDS

The results for the year are set out on page 10. The loss for the financial year after taxation amounted to £537,000 (2017: £968,000).

The Company did not pay a dividend in respect of 2018 (2017: £nil).

PRINCIPAL ACTIVITIES, REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The principal activity of the Company during this period was the development, marketing and servicing of Enterprise Software solutions covering asset care and maintenance. The Company has developed its capability and service offerings so that it can contract directly with third parties.

The Company's key performance indicators during the year were:

	2018	2017	Change
	£'000	£'000	%
Turnover from continuing operations	13,500	10,649	26.8%
Operating loss from continuing operations	(554)	(1,094)	49.4%
Shareholder's deficit	(1,885)	(1,348)	(39.8%)

Turnover in 2018 is 26.8% higher leading directly to a lower operating loss. Shareholder's deficit has increased due to the impact of the loss in the year.

On 1st October 2019 the Company's parent company, ABB Limited, transferred the trade, assets and liabilities of its Power Grids business to the Company. The Company issued 18,068,648 shares of £1 to ABB Limited as consideration for this transfer.

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 due to the transfer in of the trade and assets of the ABB Limited Power Grids business.

RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company in the UK are in the areas of market competition, operational delivery, safety and finance.

Competitive pressures in the UK market is a continuing risk for the Company which could result in lost sales to key competitors. The Company manages this risk by providing value to its customers and by maintaining strong relationships with them. Risk reviews are operated by management at the Company and the ABB Group to address all commercial and operational delivery and financial aspects of both prospects in pursuit and projects in execution. The Directors also specifically monitor and review all aspects of health and safety on a monthly basis. Training of all staff is undertaken to reduce the risk of failure to comply with best practice or legislative standards which could have a material impact on the Company's licence to operate.

Financial risks are addressed as part of a stringent process of budgeting and forecasting. A rolling forecast of cash flows is maintained and regularly monitored.

STRATEGIC REPORT *(continued)***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.



Victoria A Mac Lean
Company Secretary

29 November 2019

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the Company for the year ended 31 December 2018.

DIRECTORS

The Directors who served during the year were as follows:

AO Akanji	Resigned 31 January 2018
IG Funnell	
LM Andersson	
OD Brunk	Appointed 24 September 2018

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has granted indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

POLITICAL AND CHARITABLE DONATIONS

The company made no political or charitable donations or incurred any political or charitable expenditure during the year (2017: £nil).

AUDITOR

During 2017, ABB Power Grids UK Limited announced that its Board has decided to appoint KPMG LLP as its external auditor effective for the financial year 2018.

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Board



Victoria A Mac Lean
Company Secretary

29 November 2019

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101).

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 those 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, matter related to group concerns; and
- use the going concern basis of accounting unless they intend to liquidate the Company or to cease operations, or have 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 to 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 POWER GRIDS UK LIMITED

Opinion

We have audited the financial statements of ABB Power Grids UK Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Profit and Loss, Statement of Other Comprehensive Income, Balance Sheet, 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 loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure* 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, and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABB POWER GRIDS UK LIMITED (*continued*)

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.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABB POWER GRIDS UK LIMITED (*continued*)

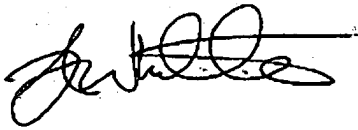
Auditor's responsibilities

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.

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
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

29 November 2019

**STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME**

for the year ended 31 December 2018

	<i>Notes</i>	<i>2018</i> £'000	<i>2017</i> £'000
TURNOVER	3	13,500	10,649
Cost of sales		<u>(7,896)</u>	<u>(6,001)</u>
GROSS PROFIT		5,604	4,648
Net operating expenses		(6,158)	(5,742)
TOTAL OPERATING LOSS	4	<u>(554)</u>	<u>(1,094)</u>
Interest receivable	6	6	-
Interest payable	7	<u>(80)</u>	<u>(49)</u>
LOSS BEFORE TAXATION		(628)	(1,143)
Tax on loss	8	<u>91</u>	<u>175</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(537)	(968)
Other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(537)</u>	<u>(968)</u>

All turnover and loss is from continuing operations.

The notes on pages 13 to 20 form part of these Financial Statements

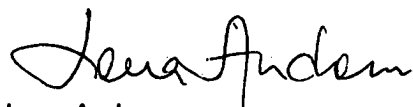
BALANCE SHEET

at 31 December 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Tangible assets	9	<u>221</u>	<u>302</u>
CURRENT ASSETS			
Debtors	10	12,509	7,303
Cash at bank and in hand		<u>687</u>	<u>168</u>
		13,196	7,471
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	<u>(15,156)</u>	<u>(9,121)</u>
NET CURRENT LIABILITIES		(1,960)	(1,650)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,739)	(1,348)
Provisions for liabilities		<u>(146)</u>	<u>-</u>
NET LIABILITIES		<u>(1,885)</u>	<u>(1,348)</u>
CAPITAL AND RESERVES			
Called up share capital	13	630	630
Capital reserve		4,291	4,291
Profit and loss account		<u>(6,806)</u>	<u>(6,269)</u>
SHAREHOLDER'S DEFICIT		<u>(1,885)</u>	<u>(1,348)</u>

The notes on pages 13 to 20 form part of these Financial Statements.

The financial statements of ABB Power Grids UK Limited, registered number 2985756, were approved on behalf of the board and authorised for issue on the date shown below.



Lena Andersson
Director

Date: 29-11-19.

STATEMENT OF CHANGES IN EQUITY
 at 31 December 2018

	Called up share capital £'000	Capital reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2017	630	4,291	(5,301)	(380)
Loss for the financial year	-	-	(968)	(968)
Other comprehensive income	-	-	-	-
At 1 January 2018	630	4,291	(6,269)	(1,348)
Loss for the financial year	-	-	(537)	(537)
Other comprehensive income	-	-	-	-
At 31 December 2018	630	4,291	(6,806)	(1,885)

The Capital reserve represents a capital contribution received from the parent company in 2009 (ABB Limited).

NOTES TO THE FINANCIAL STATEMENTS**31 December 2018****1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101**

The Company's 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 and the Companies Act 2006.

The financial statements are presented in pound sterling and amounts are rounded to the nearest thousand unless where indicated otherwise.

The financial statements were approved for issue by the Board of Directors on 29 November 2019.

The principle accounting policies adopted by the Company are set out in note 2.

2. ACCOUNTING POLICIES**2.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

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:

- (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;
- (b) the requirements of paragraphs 10(d), 10(f), 16, 38(a) - 38(d), 40(a) - 40(d), 111 and 134 - 136 of IAS 1 Presentation of Financial Statements;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- (e) the requirements of paragraph 17 and 18 A of IAS 24 Related Party Disclosures.

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 confirmation, 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

2. ACCOUNTING POLICIES (continued)**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.

There were no judgements that have had any significant effect on amounts recognised in the financial statements.

2.3 Significant accounting policies**Revenue recognition**

On 1st January 2018 the Company adopted the new IFRS15 standard on revenue recognition. The adoption did not have a material impact on the revenue recognised.

The Company recognizes revenue when it transfers the control over a good or service to a customer. The control is deemed to be transferred when the customer has the ability to direct the use of the asset or has the ability to obtain substantially all of the remaining benefits from that good or service.

Revenue is recognised on long term contracts over time as control is transferred. The basis used to determine the progress of the transfer of control is cost incurred.

Revenue is recognised on short term contracts at a point in time when the customer has control over substantially all the remaining benefits from the contract.

Revenue is recognised on service sales at the time the service has been rendered or in the case of period service contracts over the life of the contract.

Interest income

Revenue is recognised as interest accrued.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, except for freehold land, at rates calculated to write off cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Fixtures and fittings and computer equipment	20% - 30% per annum
--	---------------------

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Work in progress on service contracts is stated at the lower of cost and net realisable value. Cost is measured as the cost of direct material and labour plus any attributable overheads.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

2. ACCOUNTING POLICIES (continued)**2.3 Significant accounting policies** (continued)**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date.

3. TURNOVER

The turnover which is stated net of value added tax is attributable to the one principal activity of the Company, which is the development, marketing and servicing of Enterprise Software Solutions covering asset care and maintenance.

An analysis of turnover is given below:

	2018	2017
	£'000	£'000
Within the UK	2,933	4,463
Rest of Europe	8,602	4,810
Rest of the World	1,965	1,376
	<u>13,500</u>	<u>10,649</u>

4. OPERATING LOSS

Operating loss is stated after charging:

	2018	2017
	£'000	£'000
Depreciation of tangible fixed assets	96	110
Auditor's remuneration:		
Audit of the financial statements	9	11
Net loss on foreign currency translation	51	50

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

5. DIRECTORS' REMUNERATION AND STAFF COSTS

	2018 £'000	2017 £'000
Staff Costs		
Wages and Salaries	4,923	4,901
Social security costs	623	577
Other pensions costs	334	341
	<u>5,880</u>	<u>5,819</u>

The average number of employees during the year was 63 (2017: 63):

	2018 £'000	2017 £'000
Consulting & customer support	28	28
Sales & marketing	26	27
Administration	9	8
	<u>63</u>	<u>63</u>

Directors' remuneration

The Directors are employees of fellow subsidiary companies. No recharge is made for their services, but an allocation of their time spent results in a charge of £39,000 (2017: £38,000) borne by other group entities.

6. INTEREST RECEIVABLE

	2018 £'000	2017 £'000
Interest receivable from group undertakings	<u>6</u>	<u>-</u>

7. INTEREST PAYABLE

	2018 £'000	2017 £'000
Interest payable to group undertakings	<u>80</u>	<u>49</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

8. TAX ON LOSS

Analysis of tax credit for the year	2018 £'000	2017 £'000
Current taxation		
Current tax on loss for the year	(117)	(212)
Tax under provided in previous years	<u>26</u>	<u>37</u>
	(91)	(175)
Deferred taxation		
Origination and reversal of timing differences	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	<u>(91)</u>	<u>(175)</u>

Factors affecting current tax credit:

The tax credit on the loss for the year differs from the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are reconciled below:

	2018 £'000	2017 £'000
Loss before tax	<u>(628)</u>	<u>(1,143)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(119)	(220)
Expenses not deductible for tax purposes	1	8
Tax under provided in previous year	26	37
Deferred tax not recognised	<u>1</u>	<u>-</u>
Total current tax credit	<u>(91)</u>	<u>(175)</u>

The Company has tax trading losses arising and carried forward in the UK of £856,000 (2017: £856,000) which are available indefinitely for offset against future taxable profits of the businesses in which the losses originally arose.

The Company has future tax adjustments in the UK of £280,000 (2017: £290,000) relating to decelerated capital allowances, and of £45,000 (2017: £51,000) relating to other timing differences.

Deferred tax assets have not been recognised in respect of the above noted tax losses and other timing differences as there is insufficient positive evidence available to support the future recoverability of these assets – See note 12.

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

9. TANGIBLE FIXED ASSETS*Fixtures and fittings and
computer equipment*

	£'000
Cost:	
At 1 January 2018	636
Additions	16
Disposals	(1)
At 31 December 2018	<u>651</u>
Depreciation:	
At 1 January 2018	334
Charged during year	96
Disposals	-
At 31 December 2018	<u>430</u>
Net Book Value at 31 December 2018	<u>221</u>
Net Book Value at 31 December 2017	<u>302</u>

10. DEBTORS

	2018 £'000	2017 £'000
Trade debtors	3,723	612
Amounts owed by group undertakings	7,029	5,352
Corporation tax	1,046	955
Prepayments and accrued income	520	378
Amounts recoverable on Contracts	167	-
Other debtors	24	6
	<u>12,509</u>	<u>7,303</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

11. CREDITORS: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	52	19
Customer advances	194	36
Amounts owed to group undertakings	8,821	6,538
Other taxes and social security	49	95
Other creditors	160	177
Accruals and deferred income	5,880	2,256
	<u>15,156</u>	<u>9,121</u>

12. DEFERRED TAXATION

The amounts of deferred taxation are as follows:

	Unrecognised	
	2018 £'000	2017 £'000
Decelerated Capital Allowances	48	49
Short term timing differences	8	9
Tax losses carried forward	145	145
	<u>201</u>	<u>203</u>

Unrecognised deferred tax assets have been calculated at 17% due to the uncertainty as to when these assets will crystallise. This rate is based on current enacted tax rates and law.

13. CALLED UP SHARE CAPITAL

	No	2018	No	2017
Ordinary Shares of £1 each				
Allotted, called up and fully paid	<u>630</u>	<u>630</u>	<u>630</u>	<u>630</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

14. DEFINED CONTRIBUTION PENSION SCHEME

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charges to income of £334,000 (2017: £342,650) represents contributions payable by the Company to the fund. Contributions of £45,000 (2017: £54,000) due in respect of the current reporting period were payable to the fund at the year-end and are included in creditors.

15. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions with fellow subsidiaries. The Company has taken advantage of the exemption contained in paragraph 17 of IAS 24 and has therefore not disclosed these transactions as the group Financial Statements of ABB Ltd are publicly available from the address in note 16, which is the registered office of ABB Ltd. There were no other related party transactions requiring disclosure.

16. ULTIMATE PARENT UNDERTAKING

The immediate parent company is ABB Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is ABB Ltd, a company incorporated in Switzerland. This is the undertaking of the largest and smallest group in which ABB Power Grids UK Ltd UK Limited is consolidated. A copy of the accounts can be obtained from PO Box 8131, CH-8050, Zurich, Switzerland, which is the registered office of ABB Ltd.

17. POST BALANCE SHEET EVENT

On 1st October 2019 the Company's parent company, ABB Limited, transferred the trade, assets and liabilities of its Power Grid's business to the Company. The Company issued 18,068,648 shares of £1 to ABB Limited as consideration for this transfer.