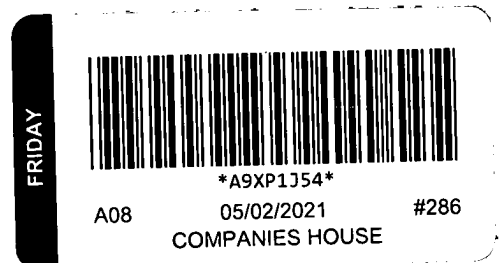


**Company Registration No. 00784278**

**Amphenol Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2019**



<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Directors' responsibilities statement</b>	<b>6</b>
<b>Independent auditor's report to the members of Amphenol Limited</b>	<b>7</b>
<b>Profit and loss account</b>	<b>9</b>
<b>Statement of comprehensive income</b>	<b>10</b>
<b>Balance sheet</b>	<b>11</b>
<b>Statement of changes in equity</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13</b>

## **Amphenol Limited**

### **Officers and professional advisers**

#### **Directors**

Luc Walter  
Richard Adam Norwitt  
Craig Anthony Lampo

#### **Secretary**

Abogado Nominees Limited  
Lance Edward D'Amico

#### **Registered Office**

Thanet Way  
Whitstable  
Kent  
CT5 3JF  
United Kingdom

#### **Bankers**

Barclays Bank Plc  
London Office  
1 Churchill Place  
London  
E14 5HP

#### **Solicitors**

Baker & McKenzie Ltd  
100 New Bridge Street  
London  
EC4V 6JA

#### **Independent auditor**

Deloitte LLP  
Statutory Auditor  
Crawley  
United Kingdom

## **Amphenol Limited**

### **Strategic report**

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

#### **Review of the business and key performance indicators**

Amphenol Limited is an EN9100:2018 equivalent to AS9100D accredited company which holds further accreditations for the Military & Aerospace markets. The position of the company at 31 December 2019 is set out in the balance sheet on page 10.

The key performance indicators include turnover, operating profit and profit after taxation, Parts Per Million (PPM) and On Time Delivery (OTD) to customers. During the year the company's turnover was £36,532,000, up on the previous year due to phasing of key military programmes (2018: £31,055,000). Operating profit was £5,798,000, up on the previous year due to the increase in revenues and volume (2018: £2,760,000); trading profit for the year after taxation was £4,403,000 (2018: £466,000 profit). PPM is the measurement of quality performance primarily used in the automotive industry, a good defect rate is considered to be less than 1%, in 2018 Amphenol Limited achieved 0.17% and has improved significantly to 0.05% in 2019. OTD to customers improved by 10% in Dec 2019 v Dec 2018. There were dividend receipts from group undertakings of £905,000 (2018: Nil).

#### **Principal risks and uncertainties**

The key business and uncertainties affecting the company are considered to relate to competition from both national and international competitors, fluctuations in demand, new technology advances, commodity price increases and foreign exchange rates. These risks are actively monitored by management, with strategies implemented to respond appropriately to imminent risks identified. Specifically, the consequences of climate change have been considered. In order to ensure the continued resilience of the company's business model specific investments have been made to combat the potential impacts of climate change on the business. The business is working hard to improve energy efficiency on a continuous basis as well as via investment projects. In 2019 this has led to a 27% reduction in gas usage and a 7% increase in electric usage despite 18% revenue growth, in addition 25% of all electricity used is now renewable and investment is being made into solar panels on site. The business is also focused on managing waste and is investing in new equipment to manage waste produced by the plating process. The risks from climate change to the business are actively considered and managed and at present are not deemed to pose a material long term threat to the business.

Since the 2016 EU Brexit referendum we have been assessing the potential impact on the business of the UK leaving the EU without an agreement. The key risks have been identified as follows:

Imports to the UK – the UK government has indicated the tariffs that will be applied to imports in the absence of an agreement and overall, we expect these to have a net positive impact on the business.

People – the business has publicised the UK Government's settled status scheme and where appropriate have helped employees navigate the application process.

Disruption to EU-UK Logistics – there is a risk of delays and disruption to the flow of goods between the UK and EU in both directions. The business has reviewed its exposure and where appropriate are taking action to increase inventory to mitigate the risk.

In March 2020 the United Kingdom entered lockdown due to the Covid-19 pandemic and did not start to re-emerge until May 2020. During this time the Company remained open and continued manufacturing with safety measures in place for staff.

In the Director's view the potential impact of the Covid pandemic and potential further outbreaks have been considered and addressed in further detail in note 1 as part of the going concern policy on page 13, and the review of events since the balance sheet date in note 21.

At the time of signing these financial statements, the Directors have not identified any impacts which might require a material change to current activities of the Company, nor which would require any adjustments to the financial amounts presented in the financial statements at 31 December 2019.

## **Amphenol Limited**

### **Strategic report (continued)**

#### **Section 172(1) Statement**

The directors of Amphenol Limited have acted in accordance with their duties which include their duty to act in the way in which they consider to be in good faith and to promote success of the Company for the benefit of its members as a whole having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

The business produces a strategic plan that contains financial projections for the next 3 years. The directors of the Company review this and in doing so have regard to a variety of matters including the interests of stakeholders, reputation of the business and consequences of their decisions in the long term.

Key stakeholders are employees, suppliers and customers. The company formally engages with employees on a monthly basis where representatives from all areas of the business discuss with the General Manager issues and potential improvements in the business.

Customers are regularly invited on site and employees regularly attend customer sites in order to discuss customer technological and logistical requirements and the business is applying for SC21 accreditation. Suppliers are key to the Amphenol business, many of our key suppliers are group undertakings, Amphenol Limited representatives attend regular meetings with these businesses to align technological developments. The Board is kept informed of stakeholder views via monthly operations review between the management team and the directors as well as annual strategic planning and budget meetings.

From an environmental and community point of view the business works hard to improve energy efficiency and has been successful in reducing its carbon footprint. Amphenol engineers regularly visit local schools and engage in engineering competitions with students and encourage work placements at Amphenol.

#### **Events after the balance sheet date**

The company has performed a strategic review for the next three years and has forecast revenue to continue to grow throughout the forecast period, with increasing profitability resulting from investments and improvements in its manufacturing strategy.

The Covid-19 pandemic, as declared by the World Health Organisation on 11 March 2020, which emerged in early 2020, has inevitably had an impact on the business however it has remained operational throughout. The priority has been to safeguard employees and investments have been made and stringent working conditions enforced to ensure our people are safe on site. Financially we now expect 2020 performance to be similar to that of 2019 and are confident of continued growth in 2021.

Details of significant events since the balance sheet date are contained in note 21 to the financial statements.

Approved by the Board and signed on its behalf by:



Craig Anthony Lampo  
Director

01st February 2021

#### **Registered Office:**

Thanet Way  
Whitstable  
Kent  
CT5 3JF  
United Kingdom

## **Amphenol Limited**

### **Directors' report**

The directors of Amphenol Limited ('the Company') present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the year ended 31 December 2019.

#### **Principal activity**

The principal activity of the Company consists of the design, development, manufacturing and marketing of connectors, connector systems and cable assemblies for diversified markets. There have not been any significant changes in the Company's principal business activities in the year under review.

#### **Future developments and events after the balance sheet date**

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic report on page 2.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic report on page 2. The financial position of the Company and its liquidity position are outlined in the profit and loss account and balance sheet.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of approving the financial statements. The business has assessed the impact of the Covid 19 pandemic on the business and performed additional sensitivity and stress test analysis that concluded that the Company has sufficient financial resources for its operations and as a consequence, the directors believe that the Company is well placed to manage its business risks. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Intercompany Loan from Amphenol East Asia Limited (AEAL), which has been necessary to fund acquisitions, renewed on 25 September 2020. The current loan agreement has been in existence since 2017 and there is no reason to suggest it will not be prolonged for a further period.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

#### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

##### ***Cash flow risk***

The Company's activities expose it primarily to the financial risks of changes in the US dollar to GBP exchange rate. In addition the Company is exposed to interest rate risk as its loans bear interest at a margin over Euribor. The Company does not manage these risks by use of derivatives due to cost benefit considerations; additionally, the Company does not have external borrowings as all loans to the Company are of an intercompany nature.

##### ***Credit risk***

The Company's principal financial assets are cash and trade debtors.

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. Credit risk is mitigated by balances being spread over a large number of customers and credit control policies. A thorough monthly review of outstanding balances is undertaken by senior management, and actions for each item are targeted through these meetings.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### ***Liquidity risk***

In order to maintain liquidity, to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses short-term debt finance from its parent undertakings as well as being in a Cash pool with the other UK Amphenol businesses.

## **Amphenol Limited**

### **Directors' report (continued)**

#### **Dividends**

The directors do not recommend payment of a dividend (2018: £10m).

#### **Directors**

The directors who served during the year and subsequently to the date of this report are as follows:

Luc Walter  
Richard Adam Norwitt  
Craig Anthony Lampo

#### **Directors' indemnities**

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Auditor**

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



01st February 2021

Craig Anthony Lampo  
Director

#### **Registered Office:**

Thanet Way  
Whitstable  
Kent  
CT5 3JF  
United Kingdom

## **Amphenol Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 FRS 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Amphenol Limited**

### **Independent auditor's report to the members of Amphenol Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Amphenol Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 21.

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).

##### **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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

##### **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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## **Amphenol Limited**

### **Independent auditor's report to the members of Amphenol Limited (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

##### **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 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.



Hannah Pop FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Crawley, United Kingdom

## Amphenol Limited

### Profit and loss account

For the year ended 31 December 2019

		2019	2018
	Note	£'000	As restated £'000
Turnover	2	36,532	31,055
Cost of sales		(26,224)	(23,357)
<b>Gross profit</b>		<b>10,308</b>	<b>7,698</b>
Distribution costs		(1,902)	(1,815)
Administrative expenses		(2,701)	(3,252)
Administrative expenses recharged to group undertakings		93	129
<b>Operating profit</b>		<b>5,798</b>	<b>2,760</b>
Income from shares in group undertaking		905	-
Interest receivable and similar income	5	18	20
Interest payable and similar expenses	5	(1,931)	(2,023)
<b>Profit before taxation</b>	4	<b>4,790</b>	<b>757</b>
Tax on Profit	6	(387)	(291)
<b>Profit for the financial year attributable to the equity shareholders of the company</b>		<b>4,403</b>	<b>466</b>

#### Net actuarial movement relating to the pension scheme prior period adjustment

The 2018 amounts have been restated regarding an error in 2017 closing balance of the pension fund and the tax implications regarding this. Further details are shown in Note 16.

# Amphenol Limited

## Statement of comprehensive income For the year ended 31 December 2019

		2019	2018
	Note	£'000	As restated £'000
<b>Profit for the financial year</b>		4,403	466
Net actuarial movement relating to the pension scheme	16	(2,239)	2,922
Current tax attributable to net pension deficit			
Contributions		121	(111)
Share-based payment arrangement	15	(1,309)	-
Deferred tax attributable to net actuarial movement		272	(494)
<b>Other comprehensive (loss)/profit</b>		<b>(3,155)</b>	<b>2,317</b>
<b>Total comprehensive income/(loss) attributable to the equity shareholders of the company</b>		<b>1,248</b>	<b>2,783</b>

### Net actuarial movement relating to the pension scheme prior period adjustment

The 2018 amounts have been restated regarding an error in 2017 closing balance of the pension fund and the tax implications regarding this. Further details are shown in Note 16.

## Amphenol Limited

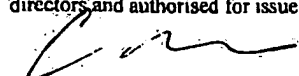
### Balance sheet As at 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Tangible assets	7	4,258	3,833
Intangible assets	8	143	103
Investments	9	98,049	85,966
		<u>102,450</u>	<u>89,902</u>
<b>Current assets</b>			
Stocks	10	8,356	8,157
Debtors: amounts falling due within one year	11	34,482	33,552
Cash at bank and in hand		4,615	11,115
Debtors: amounts falling due after more than one year	11	3,737	3,465
		<u>51,190</u>	<u>56,289</u>
<b>Creditors: amounts falling due within one year</b>	12	(100,676)	(95,784)
<b>Provision for Liabilities</b>	13	(286)	(578)
<b>Net current liabilities</b>		(49,772)	(40,073)
<b>Total assets less current liabilities (excluding pension liability)</b>		52,678	49,829
<b>Net pension liability</b>	16	(21,984)	(20,383)
<b>Net assets including pension liability</b>		<u>30,694</u>	<u>29,446</u>
<b>Capital and reserves</b>			
Called-up share capital	14	4,079	4,079
Share premium account	14	140	140
Profit and loss account		26,475	25,227
<b>Total shareholder's funds</b>		<u>30,694</u>	<u>29,446</u>

#### Fixed asset classification and net actuarial movement relating to the pension scheme prior period adjustments

The accounts have been restated to incorporate the split of tangible and intangible assets. This has no effect on the capital and reserves amounts.

The financial statements of Amphenol Limited, (registered number 00784278) were approved by the board of directors and authorised for issue on 1st February 2021. They were signed on its behalf by:



Craig Anthony Lampo  
Director

# Amphenol Limited

## Statement of changes in equity

At 31 December 2019

	<b>Called-up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>As restated £000</b>	<b>£000</b>
<b>At 1 January 2018</b>	4,079	140	36,464	40,683
Adjustment in respect of 2017 pensions misstatement	-	-	(4,020)	(4,020)
<b>At 1 January 2018 restated</b>	<b>4,079</b>	<b>140</b>	<b>32,444</b>	<b>36,663</b>
Profit for the financial year	-	-	466	466
Net actuarial movement relating to the pension scheme	-	-	2,922	2,922
Dividend paid to Amphenol Corporation	-	-	(10,000)	(10,000)
Current tax attributable to net pension deficit contributions	-	-	(111)	(111)
Deferred tax attributable to net actuarial movement	-	-	(494)	(494)
<b>Total comprehensive loss restated</b>	<b>-</b>	<b>-</b>	<b>(7,217)</b>	<b>(7,217)</b>
<b>At 31 December 2018</b>	<b>4,079</b>	<b>140</b>	<b>25,227</b>	<b>29,446</b>
Profit for the financial year	-	-	4,403	4,403
Net actuarial movement relating to the pension scheme	-	-	(2,239)	(2,239)
Current tax attributable to net pension deficit contributions	-	-	121	121
Share-based payment arrangement	-	-	(1,309)	(1,309)
Deferred tax attributable to net actuarial movement	-	-	272	272
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,248</b>	<b>1,248</b>
<b>At 31 December 2019</b>	<b>4,079</b>	<b>140</b>	<b>26,475</b>	<b>30,694</b>

### Net actuarial movement relating to the pension scheme prior period adjustment

The 2018 amounts have been restated regarding an error in 2017 closing balance of the pension fund and the tax implications regarding this. Further details are shown in Note 16.

## **Amphenol Limited**

### **Notes to the financial statements (continued)**

#### **For the year ended 31 December 2019**

##### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

##### **General information and basis of accounting**

Amphenol Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activity is set out in the Strategic report and Directors' report on page 2 and 4 respectively.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Amphenol Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Amphenol Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Amphenol Limited is consolidated in the financial statements of its parent, Amphenol Corporation, which may be obtained at 358 Hall Avenue, Wallingford Connecticut, USA, or can be found online at [www.amphenol.com](http://www.amphenol.com). Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

##### **Going concern**

The company's business together with the factors likely to affect its future development, performance and position are set out in the Strategic report. The Directors' report describes the company's financial risk management objectives and its exposure to cash flow, credit and liquidity risks.

The company makes use of its parent company treasury department in respect of interest rate risk and exchange rate risk. Credit risk is managed through the use of external credit reference agencies. The company does not enter into speculative derivative transactions.

The company has no loans from external sources. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term debt finance from its parent undertakings. Although the business is in a net current liability position which is driven by funding received from the group and due back to the group, the directors have a reasonable expectation that this funding will not be recalled in the 12 months following the signing of the financial statements.

In considering current budgets and long-term forecasts, the directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from this date. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

##### **Turnover**

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities and comprises the invoiced cost of goods sold during the year, excluding value added tax, and net of trade discounts. The company's policy is to recognise a sale when the significant risks and rewards in connection with the goods are considered to have been passed to the buyer.

##### **Dividend and interest revenue (after Turnover)**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## **Amphenol Limited**

### **Notes to the financial statements (continued)**

#### **For the year ended 31 December 2019**

##### **1. Accounting policies (continued)**

###### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	Over 40 years
Plant and machinery	Between 4 and 10 years
Fixtures and fittings	Between 4 and 10 years
Vehicles	Over 4 Years

###### **Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

###### **(i) Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.



## **Amphenol Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2019**

#### **1. Accounting policies (continued)**

##### **Financial instruments (continued)**

Debt instruments which comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, it is considered whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### *(ii) Investments*

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

##### **Stocks**

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Cost is calculated using the FIFO (first-in, first-out) method. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

##### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### *Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

## **Amphenol Limited**

### **Notes to the financial statements (continued)**

#### **For the year ended 31 December 2019**

##### **1. Accounting policies (continued)**

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Research and development**

Research and development expenditure is written off as incurred.

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### **Leases**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

## **Amphenol Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2019**

#### **1. Accounting policies (continued)**

##### **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. These translation differences are dealt with in the Profit and loss account.

##### **Pension costs**

For defined benefit schemes, the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan benefit changes and settlements. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded with the assets of the scheme held separately from those of the company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet net of deferred tax.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### **Critical judgements in applying the company's accounting policies**

The following is the critical judgement, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

## Amphenol Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

#### 1. Accounting policies (continued)

##### Key source of estimation uncertainty

##### *Stock obsolescence provision*

Stock that is held within the company is subject to an obsolescence provision of £769,000 (2018: £405,000) for items in which supply exceeds demand. In order to calculate the obsolescence provision, there is the need to estimate the forecast level of demand in the upcoming 12 months from the date in which the obsolescence provision is calculated. This forecast demand is uncertain, and, is based on management's best estimate at that point in time.

##### *Impairment of investments in subsidiaries*

Determining whether investments in subsidiaries are impaired requires an estimation of the value-in-use of the subsidiaries held as investments within the company. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the subsidiaries over the long-term and a suitable discount rate in order to calculate present value, which requires a high level of judgement given the period under assessment. The directors have considered that the appropriate period for assessing the value in use to be 30 years, with a pre-tax discount rate of 10.4% applied on all investments held in subsidiaries. The value of these investments is held by the company at £85,966k (2017: £85,966k) excluding additions in the year.

#### 2. Turnover

Turnover represents amounts derived from the sale of goods which fall within the company's ordinary activities after deduction of trade discounts and value added tax. An analysis of the company's turnover by geographical market is set out below.

	2019 £'000	2018 £'000
United Kingdom	19,891	16,502
Rest of Europe	10,842	9,727
Other	5,799	4,826
	<u>36,532</u>	<u>31,055</u>

#### 3. Information regarding directors and employees

Directors' remuneration was borne by another group company in the current and preceding financial year. No apportionment was made to the company in respect of qualifying services. This information can be found in the group consolidated financial statements as explained on page 13 under general information and basis of accounting.

	2019 No.	2018 No.
<b>The average monthly number of employees was:</b>		
Office and management	116	109
Manufacturing	126	122
	<u>242</u>	<u>231</u>
	£'000	£'000
<b>Their aggregate remuneration comprised:</b>		
Wages and salaries	7,865	7,105
Social security costs	944	729
Pension costs	1,558	1,606
	<u>10,367</u>	<u>9,440</u>

Pension costs include £nil (2018 - £nil) of current service cost measured in accordance with Section 28 of FRS 102, but exclude finance costs and amounts recognised in other comprehensive income.

## Amphenol Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

#### 4. Profit before taxation

	2019 £'000	2018 £'000
<b>Profit before taxation is stated after charging</b>		
Depreciation and amortisation: Owned assets	804	723
Research and development	939	941
Impairment of investment in subsidiary undertaking	-	121
Impairment of Inventory	500	500
FX Exchange (Gain)	(262)	(41)
Other operating leases	53	38
Restructuring costs	4	11

The analysis of auditors remuneration is as follows:

	2019 £'000	2018 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	59	56

In the year ended 31 December 2019 there were no fees for non-audit services paid to the company's auditors, this was also the case for the prior year

#### 5. Finance costs (net)

	2019 £'000	2018 £'000
Interest receivable and similar income	18	20
Loan interest payable to group company	(1,372)	(1,420)
Net pension interest expense (note 16)	(559)	(603)
	<u>(1,913)</u>	<u>(2,003)</u>

#### 6. Tax on profit

	2019 £'000	2018 £'000
<b>Current tax on profit</b>		
United Kingdom corporation tax at 19.00% (2018-19.00%)		
Based on the profit for the year	(372)	(163)
Adjustments in respect of prior years	100	(110)
<b>Total current tax</b>	<u>(272)</u>	<u>(273)</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(138)	(16)
Adjustment in respect of previous years	9	(4)
Effect of changes in tax rates	14	2
<b>Total deferred tax</b>	<u>(115)</u>	<u>(18)</u>
<b>Total tax on profit</b>	<u>(387)</u>	<u>(291)</u>

## Amphenol Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

#### 6. Tax on profit (continued)

	2019 £'000	2018 £'000
Profit before taxation	4,790	756
Tax on profit on ordinary activities at standard UK corporation tax rate of 19.00% (2018- 19.00%)	910	(144)
<b>Effects of:</b>		
Expenses not deductible	6	(28)
Dividend Income not taxable	(176)	-
Share scheme adjustments	(247)	-
Adjustment in respect of previous year	(108)	(96)
Tax rate changes	(15)	2
Depreciation on ineligible assets	17	(25)
	<u>(387)</u>	<u>(291)</u>

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The closing deferred tax asset and liability has been calculated at 17% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future periods.

At Budget 2020 on 11 March 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. As this is a post balance sheet event there is no requirement to re-calculate the deferred tax.

# Amphenol Limited

## Notes to the financial statements (continued)

### For the year ended 31 December 2019

#### 7. Tangible assets (As restated)

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 January 2019 (As Restated)	4,157	7,228	818	12,203
Additions	261	869	52	1,182
Disposals	-	(26)	-	(26)
At 31 December 2019	<u>4,418</u>	<u>8,071</u>	<u>870</u>	<u>13,359</u>
<b>Accumulated depreciation</b>				
At 1 January 2019 (As Restated)	3,132	4,940	298	8,370
Charge for the year	141	528	88	757
Disposals	-	(26)	-	(26)
At 31 December 2019	<u>3,273</u>	<u>5,442</u>	<u>386</u>	<u>9,101</u>
<b>Net book value</b>				
At 31 December 2019	<u>1,145</u>	<u>2,629</u>	<u>484</u>	<u>4,258</u>
At 31 December 2018 (As Restated)	<u>1,025</u>	<u>2,288</u>	<u>520</u>	<u>3,833</u>

Included within the cost of freehold land and buildings is land of £42,000 (2018 - £42,000).

#### 8. Intangible assets (As restated)

	Software £'000
<b>Cost</b>	
At 1 January 2019 (As Restated)	569
Additions	87
Disposals	-
At 31 December 2019	<u>656</u>
<b>Accumulated depreciation</b>	
At 1 January 2019 (As Restated)	466
Charge for the year	47
Disposals	-
At 31 December 2019	<u>513</u>
<b>Net book value</b>	
At 31 December 2019	<u>143</u>
At 31 December 2018 (As Restated)	<u>103</u>

## Amphenol Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

#### 9. Investments

The company's investments are as follows:

Subsidiary undertakings:	Country of Incorporation	Principal activity	Holding	%
Jaybeam Limited	England (1)	Manufacture of wireless infrastructure antenna solutions	Ordinary	100
Ionix Aerospace Limited	England (2)	Manufacture of wiring devices	Ordinary	100
Amphenol Thermometrics UK Limited	England (3)	Manufacture of thermistors and surge protection devices	Ordinary	100
Amphenol Invotec Ltd	England (2)	Manufacture of PCB's	Ordinary	100
Amphenol-Borg Pension Trustees Limited	England (3)	Dormant	Ordinary	100
Cablescon Limited	England (4)	Electrical Manufacturer	Ordinary	100
Spectra Strip Limited	England (3)	Dormant	Ordinary	100
Martec Limited	England (3)	Manufacture of hermetics solutions	Ordinary	100
SGX Sensortech (IS) Limited	England (3)	Manufacture of sensors and modules	Ordinary	100
Ionix Systems Limited *	England (2)	Manufacturer of inert wiring harnesses	Ordinary	100
Ionix Holdings Limited	England (2)	Holding company	Ordinary	100
Invotec Circuits Limited (Dissolved 8/1/2019)	England (2)	Manufacture of PCB's	Ordinary	100
RSI International Ltd (Dissolved 28/5/2019)	England (1)	Dormant	Ordinary	100
CSA Limited (Dissolved 28/5/2019)	England (1)	Dormant	Ordinary	100
C&S Antennas Limited (Dissolved 21/5/2019)	England (1)	Dormant	Ordinary	100

(1) Rutherford Drive, Parkfarm South. Wellingborough, Northants, NN8 6AX.

(2) Prospect House. Taylor Business Park, Risley, Warrington, WA3 6HP

(3) Thanet Way, Whitstable, Kent, CT5 3JF

(4) Pipers Garth, Marton, Hull, East Yorkshire, HU11 5DA

Cost and net book value	£'000
At 1 January 2019	85,966
Acquisition of Cablescon Limited	12,083
At 31 December 2019	<u>98,049</u>

Cablescon Ltd, a manufacturer of Electrical cabling was acquired during September 2019.

Subsidiary undertakings have not been consolidated by Amphenol Limited as permitted by s.401 of the Companies Act 2006 as they are consolidated in the financial statements of Amphenol Corporation



# Amphenol Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2019

10. Stocks	2019 £'000	2018 £'000
Raw materials and consumables	265	332
Work in progress	7,437	6,875
Finished goods and goods for resale	654	950
	<u>8,356</u>	<u>8,157</u>

11. Debtors	2019 £'000	2018 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	6,207	6,324
Amounts owed by group undertakings	26,865	26,648
Corporation tax receivable	285	234
Other debtors	800	23
Prepayments and accrued income	325	323
	<u>34,482</u>	<u>33,552</u>

Amounts owed by group company undertakings are unsecured and have no fixed date of repayment.

**Amounts falling due after one year:**

Deferred tax asset on pension liability	<u>3,737</u>	<u>3,465</u>
---	--------------	--------------

12. Creditors: amounts falling due within one year	2019 £'000	2018 £'000
Trade creditors	2,640	2,60
Amounts owed to group undertakings	97,571	92,785 <sup>4</sup>
Accruals and deferred income	464	395
	<u>100,676</u>	<u>95,784</u>

Amounts owed by group company undertakings include £44.61m UK cash pool arrangement and are unsecured, bear interest daily at rate of 3 month LIBOR +0.3% and have no fixed date of repayment. £35m relate to an Intercompany loan from Amphenol East Asia Ltd with an interest rate of 3%pa. Maturity date is 25 September 2020.

## Amphenol Limited

### Notes to the financial statements (continued)

#### For the year ended 31 December 2019

##### 13. Provision for Liabilities

	Deferred Taxation	Other Provisions for liabilities	Total
	£000	£000	£000
As at 1 January 2019	140	438	578
Amount charged against the provision	-	(407)	(407)
Charged to P&L Account	115	-	115
As at 31 December 2019	255	31	286

Other provisions and Liabilities relate to product warranty provisions  
Deferred taxation relates to accelerated capital allowances of £255,000 (2018: £140,000)

##### 14. Called-up share capital

	2019 £'000	2018 £'000
Allotted, called-up and fully paid:		
4,079,139 (2018 – 4,079,139) Ordinary shares of £1 each	4,079	4,079

The company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.  
The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

##### 15. Share based payment arrangement

In 2009, the Company adopted the 2009 Stock Purchase and Option Plan for Key Employees of Amphenol and its Subsidiaries (the "2009 Employee Option Plan"). The Company also continues to maintain the 2000 Stock Purchase and Option Plan for Key Employees of Amphenol and Subsidiaries (the "2000 Employee Option Plan"). No additional stock options can be granted under the 2000 Employee Option Plan. Options granted under the 2000 Employee Option Plan and the 2009 Employee Option Plan generally vest ratably over a period of five years and are generally exercisable over a period of ten years from the date of grant. Vesting of the options is generally subject to continued employment at Amphenol or its subsidiaries. Annual awards of stock option grants have historically been granted in the second quarter of each year. Newly hired or promoted executive officers or key management employees have on occasion received an award of stock options at or near the date of appointment. The Company does not grant stock options with an exercise price that is less than the closing price of the Common Stock on the grant date. The amount recharged to Amphenol Ltd in the year in respect of the share options exercised by employees was £1,309k (2018: £nil) and is accounted for as a deemed distribution to the parent.

## Amphenol Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

#### 16. Retirement benefit schemes

The company participates in the Amphenol Pension Plan. The scheme is a defined benefit plan providing benefits to certain employees within the company based on final pensionable pay. The assets are held separately to the company's assets and are invested with Legal & General, Schroder, AXA, Invesco and Standard Life Investments.

The company closed the defined benefit plan to future accrual as at 31 December 2009 after full and open consultation with its employees and replaced this with a defined contribution plan. The company will continue to make payments into the defined benefit plan to reduce the deficit in line with the agreed plan. Total employer contributions for the year ended 31 December 2019 paid into the scheme was £1,197,000 (2018: £1,188,000).

The company operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 December 2016 and updated to 31 December 2019 by a qualified actuary, independent of the scheme's sponsoring employer.

The most recent actuarial valuation showed a deficit of £14,838,000. The company has agreed with the trustees that it will aim to eliminate the deficit over a period of 11 years and 3 months from 1 April 2018 by the payment of monthly contributions of £91,250 in respect of the deficit. In addition, and in accordance with the actuarial valuation, the company has agreed with the trustees that it will meet expenses of the scheme and levies payable to the Pension Protection Fund.

The costs associated with the defined contribution section are charged to the Profit and loss account in the year they are payable.

Defined benefit schemes	2019	2018
Rate of increase in pensions in payment	0.0%	0.0%
Discount rate	2.1%	2.8%
Inflation assumption (RPI%)	3.0%	3.4%

#### Retirement benefit schemes (continued)

##### Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the company's defined benefit scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. Using PNMA00 and PNFA00 (year of birth) tables, the assumed life expectations on retirement at age 65 are:

	Valuation at	
	2019	2018
<b>Retiring today:</b>	<b>Years</b>	<b>Years</b>
Males	87.0	86.9
Females	88.9	88.8
<b>Retiring in 20 years:</b>		
Males	88.1	88.1
Females	90.1	90.0

## Amphenol Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

#### 16. Retirement benefit schemes (continued)

The fair value of the assets and the present value of the liabilities in the schemes and the expected rate of return at each balance sheet date were:

	2019 £'000	2018 £'000
Equities	11,565	10,062
Bonds	11,155	10,435
Growth Funds	8,379	7,513
Cash	84	217
<b>Total fair value of assets</b>	<b>31,183</b>	<b>28,227</b>
<b>Present value of scheme liabilities</b>	<b>(53,167)</b>	<b>(48,610)</b>
<b>Net pension liability</b>	<b>(21,984)</b>	<b>(20,383)</b>

#### Movements in the present value of defined benefit liabilities were as follows

	2019 £'000	2018 As restated £'000
At 1 January 2019	(48,610)	(53,050)
Interest cost	(1,336)	(1,355)
Actuarial (losses)/gains	(5,006)	3,955
Benefits paid <sup>1</sup>	1,785	1,840
<b>At 31 December 2019</b>	<b>(53,167)</b>	<b>(48,610)</b>

#### Movements in the present value of scheme assets were as follows

	2019 £'000	2018 £'000
At 1 January 2019	28,227	29,756
Interest cost	777	752
Actuarial (losses)/gains	2,767	(1,629)
Contributions from employer	1,197	1,188
Benefits paid	(1,785)	(1,840)
<b>At 31 December 2019</b>	<b>31,183</b>	<b>28,227</b>

#### Amounts included as finance costs

	2019 £'000	2018 £'000
Net interest cost (note 5)	(559)	(603)

#### Amounts included in other comprehensive income

	2019 £'000	2018 As restated £'000
Return on scheme assets	2,767	(1,525)
Experience gains arising on scheme liabilities	(184)	(165)
Effects of changes in assumptions underlying the present value of scheme liabilities	(4,822)	4,612
<b>Total actuarial (losses)/gains recognised in other comprehensive income</b>	<b>(2,239)</b>	<b>2,922</b>

## Amphenol Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

#### 16. Retirement benefit schemes (continued)

##### Net actuarial movement relating to the pension scheme prior period adjustment

The financial statements have been restated to incorporate the impact of an error in the defined benefit liabilities closing balance in the 2017 financial statements which was misstated.

In 2017 the closing defined benefit liability was shown with a balance of £48,207k, this should have been £53,050k which agrees to the actuary report. The difference being £4,843k. This misstatement affects the actuarial losses in the pension note along with the associated tax impact (deferred and current) in 2017. As the 2017 financial statements are not shown as comparatives in the 2019 financial statements, we have restated the 2018 opening balance as detailed below based on the correct treatment in 2017.

The impact of this adjustment on the 2017 Statement of Other Comprehensive Income is a reduction of £4,843k relating to the closing defined benefit liability mentioned above less the attributable deferred tax effects regarding the net actuarial movement of £841k, and the current tax on profit which was reduced by £18k in the Statement of Profit and Loss, giving a net movement of £4,020k. These impacts are also shown on the Statement of Changes in Equity on page 12.

The 2018 impact is the opening balance adjustment of £4,020k as detailed above. The bought forward defined benefit liability in the Balance Sheet, as shown in Note 16 on page 26, has been increased by £4,843k with the other side of this allocated to actuarial losses/gains, thus making the balances £53,050k and £3,955k respectively. In the Statement of Other Comprehensive Income, the net actuarial movement relating to the pension scheme is now £2,922k from (£1,921k) a movement of £4,843k, along with the Deferred tax attributable to net actuarial movement now being (£494k) from £347k, a movement of £841k. The current tax on profit which was reduced by £18k in the Statement of Profit and Loss creating a restated profit for the financial year of £466k in 2018.

The movements in 2018 are adjustments made in 2017 feeding through. There is no impact on the 2018 closing balances for the defined benefit pension scheme.

#### 17. Financial commitments

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		Other	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Minimum lease payments fall due as follows:				
Within one year	0	1	52	10
Within two to five years	0	28	11	130
	<u>0</u>	<u>29</u>	<u>63</u>	<u>140</u>

##### Other commitments

The company has given a guarantee to HM Revenue & Customs of £500,000 (2018: £400,000) in the normal course of business with regards to the deferral of duty and VAT on imports.

#### 18. Controlling party

The immediate parent company is Amphenol-Borg Limited, incorporated in England and Wales.

The ultimate parent company and controlling entity is Amphenol Corporation, a company incorporated in the United States of America, which is the smallest and largest group of which the company is a member and for which consolidated financial statements are available. Copies of those consolidated financial statements can be obtained from the registered address of Amphenol Corporation, 358 Hall Avenue, Wallingford, Connecticut, CT06492, USA.

## **Amphenol Limited**

### **Notes to the financial statements (continued)**

**For the year ended 31 December 2019**

#### **19. Related party transactions**

Under the provision of Section 33 of Financial Reporting Standard 102 "Related party disclosures", the company has taken advantage of the exemption from disclosing transactions with other wholly owned members of the group headed by Amphenol Corporation.

#### **20. Subsequent events**

Subsequent to the balance sheet date there has been a global Covid pandemic which has impacted the entire global economy. As it arose after the balance sheet date it is not considered to be an adjusting post balance sheet event.

Amphenol Ltd has remained operational throughout the UK imposed lockdown. The priority has been to safeguard employees and investments have been made and stringent working conditions enforced to ensure our people are safe on site. These new working conditions continue to be in place and should be sufficient to protect the site and operations should there be further outbreaks.

The financial impact expected due to the Covid pandemic is that financially we now expect 2020 performance to be slightly below that of 2019 and are confident of continued growth in 2021.