

Registered number: 01252395

**ProMinent Fluid Controls (UK) Limited**

Directors' Report and Financial Statements

For the Year Ended 31 December 2016



**DAINS**  
ACCOUNTANTS

## **ProMinent Fluid Controls (UK) Limited**

### **Company Information**

---

<b>Directors</b>	Dr A Dulger S Ellix A Hohler H Heid
<b>Company secretary</b>	D G Bridges
<b>Registered number</b>	01252395
<b>Registered office</b>	Flagstaff 42 Resolution Road Ashby de la Zouch Leicestershire LE65 1DW
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH

---

# **ProMinent Fluid Controls (UK) Limited**

## **Contents**

---

	Page
<b>Strategic report</b>	1
<b>Directors' report</b>	2 - 3
<b>Independent auditors' report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Statement of changes in equity</b>	8
<b>Notes to the financial statements</b>	9 - 24

---

## **ProMinent Fluid Controls (UK) Limited**

### **Strategic Report For the Year Ended 31 December 2016**

---

#### **Business review**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face during the current economic climate.

The results relating to the profit for the year are stated in the directors report on page 2. The return on capital employed is calculated as 29.9% compared to the previous year of 29.3%, with which the directors are satisfied.

The year of 2017 is expected to be a year of continued development together with further consolidation of the company's revenue streams albeit anticipated at a lower rate than that of 2016.

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

In relation to the above we are aware of the risks and uncertainties facing the company and as a consequence our plans for development may be subject to unforeseen events outside of our control. Therefore, any further development will only take place should sufficient revenues be obtained.

#### **Financial key performance indicators**

We consider that our fiscal KPI's are those that communicate the financial performance of the company as a whole, being the operating profit and return on capital employed.

This report was approved by the board on 6 March 2017 and signed on its behalf.



**S Ellix**  
Director

## **ProMinent Fluid Controls (UK) Limited**

### **Directors' Report For the Year Ended 31 December 2016**

---

The directors present their report and the financial statements for the year ended 31 December 2016.

#### **Principal activity**

The principal activity of the company is that of the sale of industrial pumps and other equipment to the water industry.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £463,512 (2015 - £463,187).

The directors have paid a dividend of £626,985 (2015 - £430,000).

#### **Directors**

The directors who served during the year were:

Dr A Dulger  
S Ellix  
A Hohler  
H Heid

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

**ProMinent Fluid Controls (UK) Limited**

**Directors' Report (continued)  
For the Year Ended 31 December 2016**

---

**Disclosure of information to auditors**

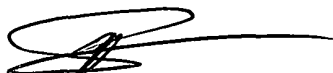
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

**Auditors**

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 6 March 2017 and signed on its behalf.



**S Ellix**  
Director

## **ProMinent Fluid Controls (UK) Limited**

### **Independent Auditors' Report to the Members of ProMinent Fluid Controls (UK) Limited**

---

We have audited the financial statements of ProMinent Fluid Controls (UK) Limited for the year ended 31 December 2016, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

#### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent Auditors' Report to the Members of ProMinent Fluid Controls (UK) Limited (continued)**

---

**Opinion on other matter 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Mark Hargate FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor

Chartered Accountants

Birmingham

6 March 2017



**ProMinent Fluid Controls (UK) Limited**

**Profit and Loss Account  
For the Year Ended 31 December 2016**

	Note	2016 £	2015 £
Turnover	3	7,806,669	6,220,375
Cost of sales		(4,584,761)	(3,488,905)
<b>Gross profit</b>		<b>3,221,908</b>	<b>2,731,470</b>
Distribution costs		(1,534,056)	(1,221,319)
Administrative expenses		(1,065,897)	(911,014)
<b>Operating profit</b>	4	<b>621,955</b>	<b>599,137</b>
Interest payable and similar expenses	7	(7,438)	(14,153)
<b>Profit before tax</b>		<b>614,517</b>	<b>584,984</b>
Tax on profit	8	(151,005)	(121,797)
<b>Profit for the year</b>		<b>463,512</b>	<b>463,187</b>

The notes on pages 9 to 24 form part of these financial statements.

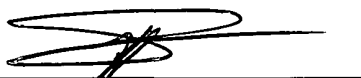
**ProMinent Fluid Controls (UK) Limited**  
**Registered number:01252395**

**Balance Sheet**  
**As at 31 December 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	10	52,186	69,581
Tangible assets	11	882,035	907,406
Investments	12	2	1
		<u>934,223</u>	<u>976,988</u>
<b>Current assets</b>			
Stocks	13	354,824	288,206
Debtors: amounts falling due within one year	14	2,086,233	1,606,686
Cash at bank and in hand	15	616,823	459,531
		<u>3,057,880</u>	<u>2,354,423</u>
Creditors: amounts falling due within one year	16	(1,960,459)	(1,054,481)
<b>Net current assets</b>		<u>1,097,421</u>	<u>1,299,942</u>
<b>Total assets less current liabilities</b>		<u>2,031,644</u>	<u>2,276,930</u>
Creditors: amounts falling due after more than one year	17	(114,103)	(195,916)
<b>Net assets</b>		<u><u>1,917,541</u></u>	<u><u>2,081,014</u></u>
<b>Capital and reserves</b>			
Called up share capital		915,267	915,267
Profit and loss account	21	1,002,274	1,165,747
		<u><u>1,917,541</u></u>	<u><u>2,081,014</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 March 2017.



**S Ellix**  
Director

The notes on pages 9 to 24 form part of these financial statements.

**ProMinent Fluid Controls (UK) Limited**

**Statement of Changes in Equity  
For the Year Ended 31 December 2016**

---

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2016	915,267	1,165,747	2,081,014
<b>Comprehensive income for the year</b>			
Profit for the year	-	463,512	463,512
Dividends: Equity capital	-	(626,985)	(626,985)
<b>At 31 December 2016</b>	<b>915,267</b>	<b>1,002,274</b>	<b>1,917,541</b>

---

**Statement of Changes in Equity  
For the Year Ended 31 December 2015**

---

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2015	915,267	1,132,560	2,047,827
<b>Comprehensive income for the year</b>			
Profit for the year	-	463,187	463,187
Dividends: Equity capital	-	(430,000)	(430,000)
<b>At 31 December 2015</b>	<b>915,267</b>	<b>1,165,747</b>	<b>2,081,014</b>

---

The notes on pages 9 to 24 form part of these financial statements.

**1. General information**

ProMinent Fluid Controls (UK) Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page. The nature of the company's operations and its principal activities are set out in the Strategic Report and Director's Report respectively.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

**2.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance within the provisions of Financial Reporting Standard 102 Section 1A - small entities.

**2. Accounting policies (continued)**

**2.3 Revenue**

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

**Sale of goods**

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

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

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life.

**2.5 Tangible fixed assets**

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

**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 2% on cost
Motor vehicles	- 25% on cost
Fixtures, fittings and equipment	- 10% on cost
Computer equipment	- 33% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 Stocks**

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

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

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

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

**2.10 Financial instruments**

---

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that

**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

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

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

**2.11 Creditors**

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

**2.12 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

---

**2.13 Finance costs**

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2. Accounting policies (continued)**

**2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable

**2.15 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**2.16 Leased assets: the Company as lessee**

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.17 Borrowing costs**

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

**2.18 Provisions for liabilities**

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

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.



**2. Accounting policies (continued)**

**2.19 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

**3. Turnover**

The whole of the turnover is attributable to the principal activity.

24% of the company's turnover (2015 - 19%) is attributable to geographical markets outside the United Kingdom.

**4. Operating profit**

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	90,847	85,497
Amortisation of intangible assets, including goodwill	17,395	17,395
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,250	10,900
Exchange differences	(132,961)	11,063
Other operating lease rentals	67,666	70,255

---

**ProMinent Fluid Controls (UK) Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

**5. Employees**

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,299,375	1,127,669
Social security costs	160,028	136,677
	<u>1,459,403</u>	<u>1,264,346</u>

The average monthly number of employees, including directors, during the year was 35 (2015 - 35).

**6. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	<u>138,056</u>	<u>143,743</u>

**7. Interest payable and similar charges**

	2016 £	2015 £
Bank loan interest payable	7,438	10,448
Finance leases and hire purchase contracts	-	3,705
	<u>7,438</u>	<u>14,153</u>

**8. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	160,071	132,321
<b>Total current tax</b>	<u>160,071</u>	<u>132,321</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(9,066)	(10,524)
<b>Total deferred tax</b>	<u>(9,066)</u>	<u>(10,524)</u>
<b>Taxation on profit on ordinary activities</b>	<u>151,005</u>	<u>121,797</u>

Notes to the Financial Statements  
For the Year Ended 31 December 2016

8. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<b>614,517</b>	584,984
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	<b>122,903</b>	118,439
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>26,560</b>	3,169
Adjust closing deferred tax to average rate of 20.00%	<b>1,542</b>	189
<b>Total tax charge for the year</b>	<b>151,005</b>	121,797

9. Dividends

	2016 £	2015 £
Dividends paid on equity capital	<b>626,985</b>	430,000

**ProMinent Fluid Controls (UK) Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

---

**10. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2016	86,976
At 31 December 2016	<u>86,976</u>
<b>Amortisation</b>	
At 1 January 2016	17,395
Charge for the year	17,395
At 31 December 2016	<u>34,790</u>
<b>Net book value</b>	
At 31 December 2016	<u>52,186</u>
At 31 December 2015	<u>69,581</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

**11. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2016	960,537	86,418	364,328	138,732	1,550,015
Additions	-	51,183	15,714	-	66,897
Disposals	-	(21,604)	-	-	(21,604)
At 31 December 2016	960,537	115,997	380,042	138,732	1,595,308
<b>Depreciation</b>					
At 1 January 2016	277,860	58,389	179,152	127,208	642,609
Charge for the period on owned assets	15,955	34,765	30,913	9,214	90,847
Disposals	-	(20,183)	-	-	(20,183)
At 31 December 2016	293,815	72,971	210,065	136,422	713,273
<b>Net book value</b>					
At 31 December 2016	666,722	43,026	169,977	2,310	882,035
At 31 December 2015	682,677	28,029	185,176	11,524	907,406

Included in freehold property is land of £164,813 (2015 - £164,813) which is not depreciated.

## ProMinent Fluid Controls (UK) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2016

#### 12. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2016	1
Additions	1
At 31 December 2016	<u>2</u>
<b>Net book value</b>	
At 31 December 2016	<u>2</u>
At 31 December 2015	<u>1</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Boyser Limited	England	Ordinary	100 %	Dormant
Proshield Limited	England	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Boyser Limited	1
Proshield Limited	1
	<u>2</u>

During the year the trade of ProMinent (Scotland) Limited was transferred to ProMinent Fluid Controls (UK) Limited. Following this transfer ProMinent (Scotland) Limited was placed in to members voluntary liquidation.

**ProMinent Fluid Controls (UK) Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

---

**13. Stocks**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Work in progress	<b>60,502</b>	2,151
Finished goods and goods for resale	<b>294,322</b>	286,055
	<b>354,824</b>	288,206

Stock recognised in cost of sales during the year as an expense was £4,784,341 (2015 - £3,372,552).

**14. Debtors**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Trade debtors	<b>2,013,331</b>	1,200,832
Amounts owed by group undertakings	<b>8,453</b>	345,542
Other debtors	<b>20,373</b>	9,607
Prepayments and accrued income	<b>35,010</b>	50,705
Deferred taxation	<b>9,066</b>	-
	<b>2,086,233</b>	1,606,686

**15. Cash and cash equivalents**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Cash at bank and in hand	<b>616,823</b>	459,531
	<b>616,823</b>	459,531

Notes to the Financial Statements  
For the Year Ended 31 December 2016

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	86,094	87,975
Trade creditors	102,882	70,934
Amounts owed to group undertakings	842,909	383,611
Corporation tax	75,071	81,321
Other taxation and social security	372,564	250,822
Other creditors	101,938	88,316
Accruals and deferred income	379,001	91,502
	<u>1,960,459</u>	<u>1,054,481</u>

The bank loans are secured by a fixed and floating charge over the assets of the company. The bank loans are repayable in installments of £7,959 (2015 - £7,959) per month with an interest rate between 2.25% and 3.30%.

17. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	<u>114,103</u>	<u>195,916</u>

**Secured loans**

The bank loans are secured by a fixed and floating charge over the assets of the company. The bank loans are repayable in installments of £7,959 (2015 - £7,959) per month with an interest rate between 2.25% and 3.30%.



Notes to the Financial Statements  
For the Year Ended 31 December 2016

18. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
<b>Amounts falling due within one year</b>		
Bank loans	86,094	87,975
	<u>86,094</u>	<u>87,975</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	67,639	86,094
<b>Amounts falling due 2-5 years</b>		
Bank loans	46,464	109,822
	<u>200,197</u>	<u>283,891</u>

19. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at undiscounted amounts receivable	<u>2,743,980</u>	<u>2,015,512</u>
<b>Financial liabilities</b>		
Financial liabilities that are debt instruments measured at amortised cost	(200,197)	(283,891)
Financial liabilities that are debt instruments measured at undiscounted amounts payable	<u>(1,179,750)</u>	<u>(875,004)</u>
	<u>(1,379,947)</u>	<u>(1,158,895)</u>

Financial assets measured at undiscounted amounts receivable comprise cash at bank, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans.

Financial liabilities measured at undiscounted amounts payable comprise trade creditors, amounts owed to group undertakings and other creditors.

Notes to the Financial Statements  
For the Year Ended 31 December 2016

20. Deferred taxation

	2016 £	2015 £
At beginning of year	-	(10,524)
Charged to profit or loss	9,066	10,524
<b>At end of year</b>	<b>9,066</b>	<b>-</b>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(7,194)	(13,015)
Short term timing differences	16,260	13,015
	<b>9,066</b>	<b>-</b>

21. Reserves

Profit & loss account

The profit and loss accounts represents cumulative profits and losses, net of dividends paid and other adjustments.

22. Capital commitments

At 31 December 2016 the Company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	51,184

23. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	62,034	54,020
Later than 1 year and not later than 5 years	36,579	56,934
	<b>98,613</b>	<b>110,954</b>

**24. Related party transactions**

The company has taken advantage of the exemption conferred by section 33 of Financial Reporting Standard 102 not to disclose transactions with the group companies on the grounds that the company is a wholly owned subsidiary and the company and the company is included in consolidated financial statements of the group.

**25. Controlling party**

The company is a subsidiary of ProMinent GmbH, a company incorporated in Germany. The ultimate parent company is ProMinent GmbH, a company incorporated in Germany.

ProMinent GmbH, prepares group financial statements and copies can be obtained from its registered office, at ProMinent GmbH, Im Schuhmachergewann 5-1, Heidelberg, Germany.

**26. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.