

Registered number: 01252395

ProMinent Fluid Controls (UK) Limited

Financial statements

For the Year Ended 31 December 2019



ProMinent Fluid Controls (UK) Limited
Registered number:01252395

Balance Sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	-	17,396
Tangible assets	5	888,412	908,833
Investments	6	2	2
		888,414	926,231
Current assets			
Stocks	7	378,959	345,825
Debtors: amounts falling due within one year	8	2,176,524	1,806,435
Cash at bank and in hand	9	805,083	561,254
		3,360,566	2,713,514
Creditors: amounts falling due within one year	10	(1,967,724)	(1,946,378)
Net current assets		1,392,842	767,136
Total assets less current liabilities		2,281,256	1,693,367
Provisions for liabilities			
Deferred tax		-	(2,000)
		-	(2,000)
Net assets		2,281,256	1,691,367
Capital and reserves			
Called up share capital	11	915,267	915,267
Profit and loss account		1,365,989	776,100
		2,281,256	1,691,367

ProMinent Fluid Controls (UK) Limited
Registered number:01252395

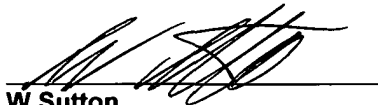
Balance Sheet (continued)
As at 31 December 2019

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 March 2020.


W Sutton
Director

The notes on pages 3 to 13 form part of these financial statements.

1. General information

ProMinent Fluid Controls (UK) Limited is a private 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 Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 judgement in applying the Company's 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 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of ProMinent GmbH as at 31 December 2019 and these financial statements may be obtained from ProMinent GmbH, Im Schuhmachergewann 5-1, Heidelberg, Germany.

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)

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

Depreciation is provided on the following basis:

Freehold buildings	- 2% 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 instrument 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

The financial statements are rounded to the nearest £.

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. Accounting policies (continued)

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.

2.14 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.

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 contracts 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 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Borrowing costs

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

2. Accounting policies (continued)

2.19 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.

2.20 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. Employees

The average monthly number of employees, including directors, during the year was 38 (2018 - 38).

Notes to the Financial Statements
For the Year Ended 31 December 2019

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2019	86,976
At 31 December 2019	<u>86,976</u>
Amortisation	
At 1 January 2019	69,580
Charge for the year on owned assets	17,396
At 31 December 2019	<u>86,976</u>
Net book value	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>17,396</u>

ProMinent Fluid Controls (UK) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

5. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2019	1,082,190	51,183	408,386	140,961	1,682,720
Additions	-	31,534	8,528	12,056	52,118
Disposals	-	(51,184)	(5,114)	-	(56,298)
At 31 December 2019	<u>1,082,190</u>	<u>31,533</u>	<u>411,800</u>	<u>153,017</u>	<u>1,678,540</u>
Depreciation					
At 1 January 2019	333,547	38,387	273,382	128,571	773,887
Charge for the year on owned assets	20,822	12,672	30,331	6,619	70,444
Disposals	-	(49,089)	(5,114)	-	(54,203)
At 31 December 2019	<u>354,369</u>	<u>1,970</u>	<u>298,599</u>	<u>135,190</u>	<u>790,128</u>
Net book value					
At 31 December 2019	<u>727,821</u>	<u>29,563</u>	<u>113,201</u>	<u>17,827</u>	<u>888,412</u>
At 31 December 2018	<u>748,643</u>	<u>12,796</u>	<u>135,004</u>	<u>12,390</u>	<u>908,833</u>

Included in freehold property is land of £164,813 (2017 - £164,813) which is not depreciated.

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	2
At 31 December 2019	<u>2</u>

Notes to the Financial Statements
For the Year Ended 31 December 2019

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Boyser Limited	Ordinary	100%
Proshield Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share capital and reserves £
Boyser Limited	1
Proshield Limited	1

7. Stocks

	2019 £	2018 £
Work in progress	47,800	3,026
Finished goods and goods for resale	331,159	342,799
	<u>378,959</u>	<u>345,825</u>

8. Debtors

	2019 £	2018 £
Other debtors	2,106,648	1,724,683
Prepayments and accrued income	15,391	13,446
Deferred taxation	51,485	68,306
	<u>3,000</u>	<u>-</u>
	<u>2,176,524</u>	<u>1,806,435</u>

ProMinent Fluid Controls (UK) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	805,083	561,254
	<u>805,083</u>	<u>561,254</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	-	46,259
Payments received on account	233,916	-
Trade creditors	94,812	170,700
Amounts owed to group undertakings	878,693	1,051,171
Corporation tax	100,085	55,492
Other taxation and social security	475,620	422,420
Other creditors	115,887	112,017
Accruals and deferred income	68,711	88,319
	<u>1,967,724</u>	<u>1,946,378</u>

The bank loan is secured by a fixed and floating charge over the assets of the company.

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
915,267 (2018 - 915,267) Ordinary shares of £1.00 each	<u>915,267</u>	<u>915,267</u>

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £31,318 (2018 - £18,852). Contributions totalling £Nil (2018 - £117) were payable to the fund at the balance sheet date and are included in creditors.

13. 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.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 2 March 2020 by Mark Hargate FCA (Senior statutory auditor) on behalf of Dains LLP.