

ProMinent Fluid Controls (UK) Limited

Directors' Report and Financial Statements

For the Year Ended 31 December 2017



ProMinent Fluid Controls (UK) Limited

Company Information

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

ProMinent Fluid Controls (UK) Limited

Contents

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

The following pages do not form part of the statutory financial statements:

Detailed profit and loss account and summaries	25 - 27
---	---------

ProMinent Fluid Controls (UK) Limited

Directors' Report For the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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 £381,295 (2016 - £463,512).

The directors have paid a dividend of £530,000 (2016 - £626,985)

Directors

The directors who served during the year were:

Dr A Dulger
S Ellix
A Hohler (resigned 31 March 2017)
H Heid
R Kiermaier (appointed 31 March 2017)

Directors' responsibilities statement

The directors are responsible for preparing 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and 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 2017**

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.

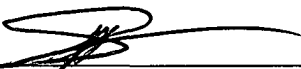
Auditors

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 February 2018 and signed on its behalf.



S Ellix
Director

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

Opinion

We have audited the financial statements of ProMinent Fluid Controls (UK) Limited (the 'Company') for the year ended 31 December 2017, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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.

Auditors' responsibilities for the audit of the financial statements

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

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



Mark Hargate FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

26 February 2018

ProMinent Fluid Controls (UK) Limited

**Profit and Loss Account
For the Year Ended 31 December 2017**

	Note	2017 £	2016 £
Turnover	3	8,393,919	7,806,669
Cost of sales		(5,186,265)	(4,584,761)
Gross profit		3,207,654	3,221,908
Distribution costs		(1,563,166)	(1,534,058)
Administrative expenses		(1,161,999)	(1,065,895)
Operating profit	4	482,489	621,955
Interest payable and similar expenses	6	(5,014)	(7,438)
Profit before tax		477,475	614,517
Tax on profit	7	(96,180)	(151,005)
Profit for the financial year		381,295	463,512

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

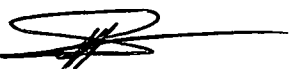
ProMinent Fluid Controls (UK) Limited
Registered number:01252395

Balance Sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	9	34,791	52,186
Tangible assets	10	966,478	882,035
Investments	11	2	2
		<u>1,001,271</u>	<u>934,223</u>
Current assets			
Stocks	12	393,735	354,824
Debtors: amounts falling due within one year	13	1,895,019	2,086,233
Cash at bank and in hand	14	623,559	616,823
		<u>2,912,313</u>	<u>3,057,880</u>
Creditors: amounts falling due within one year	15	<u>(2,095,511)</u>	<u>(1,960,459)</u>
Net current assets		<u>816,802</u>	<u>1,097,421</u>
Total assets less current liabilities		<u>1,818,073</u>	<u>2,031,644</u>
Creditors: amounts falling due after more than one year	16	(46,237)	(114,103)
Provisions for liabilities			
Deferred tax	19	<u>(3,000)</u>	<u>-</u>
		<u>(3,000)</u>	<u>-</u>
Net assets		<u>1,768,836</u>	<u>1,917,541</u>
Capital and reserves			
Called up share capital	20	915,267	915,267
Profit and loss account	21	853,569	1,002,274
		<u>1,768,836</u>	<u>1,917,541</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 26 February 2018.



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 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	915,267	1,002,274	1,917,541
Comprehensive income for the year			
Profit for the year	-	381,295	381,295
Dividends: Equity capital	-	(530,000)	(530,000)
At 31 December 2017	915,267	853,569	1,768,836

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

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

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 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 judgment 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 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights and 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.

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. 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 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.

2.19 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. Accounting policies (continued)

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. Turnover

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

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	6,861,179	5,921,479
Rest of Europe	1,532,740	1,885,190
	<u>8,393,919</u>	<u>7,806,669</u>

Notes to the Financial Statements
For the Year Ended 31 December 2017

4. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	69,899	90,847
Amortisation of intangible assets, including goodwill	17,395	17,395
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	11,500	11,250
Exchange differences	(7,663)	(132,961)
Other operating lease rentals	114,451	67,666
Defined contribution pension cost	7,502	-
	<u> </u>	<u> </u>

5. Employees

The average monthly number of employees, including directors, during the year was 37 (2016 - 35).

6. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	5,014	7,438
	<u>5,014</u>	<u>7,438</u>

7. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	84,114	160,071
Total current tax	<u>84,114</u>	<u>160,071</u>
Deferred tax		
Origination and reversal of timing differences	12,066	(9,066)
Total deferred tax	<u>12,066</u>	<u>(9,066)</u>
Taxation on profit on ordinary activities	<u>96,180</u>	<u>151,005</u>

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>477,475</u>	<u>614,517</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	91,898	122,903
Effects of:		
Expenses not deductible for tax purposes	5,854	26,560
Adjust closing deferred tax to average rate of 19.25%	<u>(1,572)</u>	<u>1,542</u>
Total tax charge for the year	<u>96,180</u>	<u>151,005</u>

8. Dividends

	2017 £	2016 £
Dividends paid on equity capital	<u>530,000</u>	<u>626,985</u>

ProMinent Fluid Controls (UK) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

9. Intangible assets

	Goodwill £
Cost	
At 1 January 2017	<u>86,976</u>
At 31 December 2017	<u>86,976</u>
Amortisation	
At 1 January 2017	<u>34,790</u>
Charge for the year	<u>17,395</u>
At 31 December 2017	<u>52,185</u>
Net book value	
At 31 December 2017	<u><u>34,791</u></u>
At 31 December 2016	<u><u>52,186</u></u>

ProMinent Fluid Controls (UK) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

10. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2017	960,537	115,997	380,042	138,732	1,595,308
Additions	121,653	-	28,344	5,729	155,726
Disposals	-	(64,814)	-	(13,274)	(78,088)
At 31 December 2017	<u>1,082,190</u>	<u>51,183</u>	<u>408,386</u>	<u>131,187</u>	<u>1,672,946</u>
Depreciation					
At 1 January 2017	293,815	72,971	210,065	136,422	713,273
Charge for the year on owned assets	18,911	16,050	31,832	3,106	69,899
Disposals	-	(63,430)	-	(13,274)	(76,704)
At 31 December 2017	<u>312,726</u>	<u>25,591</u>	<u>241,897</u>	<u>126,254</u>	<u>706,468</u>
Net book value					
At 31 December 2017	<u>769,464</u>	<u>25,592</u>	<u>166,489</u>	<u>4,933</u>	<u>966,478</u>
At 31 December 2016	<u>666,722</u>	<u>43,026</u>	<u>169,977</u>	<u>2,310</u>	<u>882,035</u>

Included in freehold property is land of £164,813 (2016 - £164,813) which is not depreciated.

ProMinent Fluid Controls (UK) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	2
At 31 December 2017	2
Net book value	
At 31 December 2017	2
At 31 December 2016	2

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

The aggregate of the share capital and reserves as at 31 December 2017 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
	2

ProMinent Fluid Controls (UK) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

12. Stocks

	2017 £	2016 £
Work in progress	10,567	60,502
Finished goods and goods for resale	383,168	294,322
	<u>393,735</u>	<u>354,824</u>

(Stock recognised in cost of sales during the year as an expense was £5,232,838 (2016 - £4,784,341).

13. Debtors

	2017 £	2016 £
Trade debtors	1,796,160	2,013,331
Amounts owed by group undertakings	4,955	8,453
Other debtors	19,857	20,373
Prepayments and accrued income	74,047	35,010
Deferred taxation	-	9,066
	<u>1,895,019</u>	<u>2,086,233</u>

14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	623,559	616,823
	<u>623,559</u>	<u>616,823</u>

ProMinent Fluid Controls (UK) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	67,527	86,094
Trade creditors	75,080	102,882
Amounts owed to group undertakings	1,346,958	842,909
Corporation tax	44,114	75,071
Other taxation and social security	378,886	372,564
Other creditors	107,938	101,938
Accruals and deferred income	75,008	379,001
	<u>2,095,511</u>	<u>1,960,459</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 (2016 - £7,959) per month with an interest rate between 2.25% and 3.30%.

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

	2017 £	2016 £
Bank loans	<u>46,237</u>	<u>114,103</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 (2016 - £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 2017

17. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	67,527	86,094
	<u>67,527</u>	<u>86,094</u>
Amounts falling due 1-2 years		
Bank loans	46,237	67,639
Amounts falling due 2-5 years		
Bank loans	-	46,464
	<u>113,764</u>	<u>200,197</u>

18. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at undiscounted amounts receivable	2,484,531	2,743,980
	<u>2,484,531</u>	<u>2,743,980</u>
Financial liabilities		
Financial liabilities that are debt instruments measured at amortised cost	(113,764)	(200,197)
Financial liabilities that are debt instruments measured at undiscounted amounts payable	(1,529,976)	1,179,750
	<u>(1,643,740)</u>	<u>979,553</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.

ProMinent Fluid Controls (UK) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

19. Deferred taxation

	2017 £	2016 £
At beginning of year	9,066	-
Charged to profit or loss	(12,066)	9,066
At end of year	(3,000)	9,066

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(20,000)	(7,194)
Short term timing differences	17,000	16,260
	(3,000)	9,066

20. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
915,267 Ordinary shares of £1 each	915,267	915,267

21. Reserves

Profit & loss account

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

22. 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 £7,502 (2016 - £Nil). Contributions totalling £Nil (2016 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

ProMinent Fluid Controls (UK) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

23. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	105,322	62,034
Later than 1 year and not later than 5 years	112,528	36,579
	<u>217,850</u>	<u>98,613</u>

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 is included in the 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.