

Registration number: 02405063

Netzsch Pumps and Systems Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2017



Rödl & Partner Limited
170 Edmund Street
Birmingham
B3 2HB

Netzsch Pumps and Systems Limited

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Netzsch Pumps and Systems Limited

Company Information

Director	S Williams
Registered office	Horchester Holywell Dorchester Dorset DT2 0LL
Bankers	HSBC Bank plc The Bridge Walsall West Midlands WS1 1LN
Auditors	Rödl & Partner Limited 170 Edmund Street Birmingham B3 2HB

Netzsch Pumps and Systems Limited

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime. He is 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.

Netzsch Pumps and Systems Limited

(Registration number: 02405063)

Balance Sheet as at 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	32,545	25,510
Current assets			
Stocks	6	151,324	221,159
Debtors	7	1,187,588	1,406,406
Cash at bank and in hand		207,107	305,309
		<u>1,546,019</u>	<u>1,932,874</u>
Creditors: Amounts falling due within one year	8	<u>(1,610,777)</u>	<u>(2,073,048)</u>
Net current liabilities		<u>(64,758)</u>	<u>(140,174)</u>
Total assets less current liabilities		<u>(32,213)</u>	<u>(114,664)</u>
Creditors: Amounts falling due after more than one year	8	(11,773)	(1,993)
Provisions for liabilities		<u>(504)</u>	<u>(354)</u>
Net liabilities		<u>(44,490)</u>	<u>(117,011)</u>
Capital and reserves			
Called up share capital		500,000	500,000
Profit and loss account		<u>(544,490)</u>	<u>(617,011)</u>
Total equity		<u>(44,490)</u>	<u>(117,011)</u>

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

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 29/8/17 and signed on its behalf by:



S Williams

Director

The notes on pages 4 to 9 form an integral part of these financial statements.

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

Horchester
Holywell
Dorchester
Dorset
DT2 0LL

Principle activity

The principle activity of the company is that of the sale of pumps, servicing and supply of spare parts.

During the year the company transitioned from previously extant UK GAAP to FRS 102 Section 1A and has taken advantage of the disclosure exemptions allowed under this standard.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentational currency used to prepare the financial statements is Sterling (£) and the amounts have been rounded to the nearest £1.

Summary of disclosure exemptions

In these financial statements the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Cash Flow Statement and related notes; and
Related Party Disclosures with other members of that group.

Going concern

The company has net current liabilities of £64,758 compared to £140,174 in the prior year and is in a total net liabilities position of £44,490 compared to £117,011 in the prior year. The company is controlled by Netzsch Pumpen & Systeme GmbH and is dependent on their continued financial support to operate as a going concern. The directors have obtained written confirmation from the controlling party that it will provide or procure such funds as are necessary to enable the company to settle all external liabilities as they fall due for at least a period of twelve months from the date of signing these financial statements. As such, these financial statements have been prepared on a going concern basis.

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant & Machinery	between 10% and 20% on cost
Fixtures & Fittings	between 10% and 33% on cost
Motor Vehicles	25% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method and is based on actual purchase prices. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Allowances are made for slow moving stock based on the agreed rates with the parent company. These rates are as follows:

- > 2 years old - write down at 50%.
- > 3 years old - write down at 70%
- > 4 years old - write down at 100%

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff costs

The average number of persons employed by the company during the year was 10 (2016: 12).

4 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>7,000</u>	<u>6,600</u>

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

5 Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2016	22,689	80,341	14,365	117,395
Additions	-	2,653	17,451	20,104
Disposals	-	-	(13,845)	(13,845)
At 30 June 2017	<u>22,689</u>	<u>82,994</u>	<u>17,971</u>	<u>123,654</u>
Depreciation				
At 1 July 2016	10,079	72,901	8,905	91,885
Charge for the year	3,462	4,226	3,650	11,338
Eliminated on disposal	-	-	(12,114)	(12,114)
At 30 June 2017	<u>13,541</u>	<u>77,127</u>	<u>441</u>	<u>91,109</u>
Carrying amount				
At 30 June 2017	<u>9,148</u>	<u>5,867</u>	<u>17,530</u>	<u>32,545</u>
At 30 June 2016	<u>12,610</u>	<u>7,440</u>	<u>5,460</u>	<u>25,510</u>

Leased assets

Included within the net book value of tangible fixed assets is £17,451 (2016 - £5,192) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £3,461 (2016 - £3,461).

6 Stocks

	2017 £	2016 £
Inventories	<u>151,324</u>	<u>221,159</u>

7 Debtors

	Note	2017 £	2016 £
Trade debtors		1,133,040	1,341,679
Amounts owed by group undertakings		39,330	23,552
Other debtors		<u>15,218</u>	<u>41,175</u>
		<u>1,187,588</u>	<u>1,406,406</u>

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

8 Creditors

	Note	2017 £	2016 £
Due within one year			
Trade creditors		12,269	1,105
Amounts owed to group undertakings		1,134,021	1,867,250
Obligations under finance lease and hire purchase contracts		2,943	4,668
Other taxes and social security		159,129	57,100
Other creditors		<u>302,415</u>	<u>142,925</u>
		<u>1,610,777</u>	<u>2,073,048</u>
Due after one year			
Obligations under finance lease and hire purchase contracts		<u>11,773</u>	<u>1,993</u>

9 Control

The company is controlled by Netzsch Pumpen & Systeme GmbH, a company registered in Germany. The ultimate holding company is Thomas Netzsch Beteiligungs-GmbH, a company incorporated in Germany. The ultimate controlling party is The Moritz and Paul Netzsch Trust. The parent company of the smallest and largest group of undertakings of which the company is a member and which prepares consolidated accounts is Erich Netsche GmbH & Co. Holding KG. Copies of the consolidated accounts of the group are available at Gebrüder-Netzsch-Straße 19, 95100 Selb, Germany.

10 Transition to FRS 102

The company prepares its first financial statements that comply with FRS 102 1A for the year ended 30 June 2017. The date of transition to FRS 102 1A is 1 July 2016. The transition to FRS 102 1A has not resulted in any significant changes to accounting policies compared to those used previously. As a result there are no changes in equity or adjustments to profit or loss as at 1 July 2015 and 30 June 2016.

11 Auditor's information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.
The Senior Statutory Auditor was Imran Farooq.
The auditor was Rödl & Partner Limited.