

Registration number: 02405063

Netzsch Pumps and Systems Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2019

Rödl & Partner Limited
170 Edmund Street
Birmingham
B3 2HB

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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

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 he is 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 102 Section 1A, The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 23,670 | 26,460 |
| Current assets | | | |
| Stocks | 5 | 392,326 | 255,209 |
| Debtors | 6 | 697,232 | 1,138,894 |
| Cash at bank and in hand | | 179,560 | 237,347 |
| | | <u>1,269,118</u> | <u>1,631,450</u> |
| Creditors: Amounts falling due within one year | 7 | <u>(858,211)</u> | <u>(1,358,153)</u> |
| Net current assets | | <u>410,907</u> | <u>273,297</u> |
| Total assets less current liabilities | | 434,577 | 299,757 |
| Creditors: Amounts falling due after more than one year | 7 | (5,641) | (8,584) |
| Provisions for liabilities | | <u>2,505</u> | <u>495</u> |
| Net assets | | <u>431,441</u> | <u>291,668</u> |
| Capital and reserves | | | |
| Called up share capital | | 500,000 | 500,000 |
| Profit and loss account | | <u>(68,559)</u> | <u>(208,332)</u> |
| Total equity | | <u>431,441</u> | <u>291,668</u> |

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

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 director on 20/9/19



S Williams

Director

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2019

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

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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:

Related Party Disclosures with other members of that group.

Going concern

The company has net current assets of £410,907 compared to net current assets of £273,297 in the prior year and is in a total net assets position of £431,441 compared to a total net assets position of £291,668 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 2019

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.

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.

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 tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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 |
|-----------------------|-------------------------------------|
| Fixtures and fittings | between 10% and 33% on cost |
| Plant and machinery | between 10% and 20% on cost |
| Motor vehicles | 25% on cost |

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2019

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.

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:

- 3 years old - write down at 50%.
- 4 years old - write down at 70%
- 5 years old - write down at 98%
- 5+ 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 2019

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. 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.

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

3 Staff numbers

The average number of persons employed by the company during the year was 9 (2018: 10).

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2019

4 Tangible assets

| | Fixtures and fittings £ | Plant and machinery £ | Motor vehicles £ | Total £ |
|------------------------|-------------------------------|-----------------------------|---------------------|---------------|
| Cost | | | | |
| At 1 July 2018 | 87,855 | 22,689 | 17,971 | 128,515 |
| Additions | 3,539 | 1,500 | - | 5,039 |
| Disposals | (35,532) | - | (519) | (36,051) |
| At 30 June 2019 | <u>55,862</u> | <u>24,189</u> | <u>17,452</u> | <u>97,503</u> |
| Depreciation | | | | |
| At 1 July 2018 | 80,459 | 17,004 | 4,592 | 102,055 |
| Charge for the year | 2,457 | 1,882 | 3,490 | 7,829 |
| Eliminated on disposal | (35,532) | - | (519) | (36,051) |
| At 30 June 2019 | <u>47,384</u> | <u>18,886</u> | <u>7,563</u> | <u>73,833</u> |
| Carrying amount | | | | |
| At 30 June 2019 | <u>8,478</u> | <u>5,303</u> | <u>9,889</u> | <u>23,670</u> |
| At 30 June 2018 | <u>7,396</u> | <u>5,685</u> | <u>13,379</u> | <u>26,460</u> |

Leased assets

Included within the net book value of tangible fixed assets is £13,379 (2017 - £17,451) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £4,072 (2017 - £3,461).

5 Stocks

| | 2019 £ | 2018 £ |
|-------------|----------------|----------------|
| Inventories | <u>392,326</u> | <u>255,209</u> |

6 Debtors

| | Note | 2019 £ | 2018 £ |
|------------------------------------|------|----------------|------------------|
| Trade debtors | | 646,604 | 1,059,574 |
| Amounts owed by group undertakings | | 3,384 | 11,236 |
| Other debtors | | <u>47,244</u> | <u>68,084</u> |
| | | <u>697,232</u> | <u>1,138,894</u> |

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2019

7 Creditors

| | Note | 2019 £ | 2018 £ |
|---|------|----------------|------------------|
| Due within one year | | | |
| Trade creditors | | 37,747 | 34,809 |
| Amounts owed to group undertakings | | 545,987 | 1,083,893 |
| Obligations under finance lease and hire purchase contracts | | 1,820 | 2,504 |
| Taxation and social security | | 74,691 | 47,149 |
| Other creditors | | 161,265 | 185,031 |
| Corporation tax liability | | <u>36,701</u> | <u>4,767</u> |
| | | <u>858,211</u> | <u>1,358,153</u> |
| Due after one year | | | |
| Obligations under finance lease and hire purchase contracts | | <u>5,641</u> | <u>8,584</u> |

8 Share capital

Allotted, called up and fully paid shares

| | 2019 | | 2018 | |
|----------------------------|----------------|----------------|----------------|----------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> | <u>500,000</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.

Netzsch Pumps and Systems Limited

Notes to the Financial Statements for the Year Ended 30 June 2019

10 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.