

Registrar's Copy

Pirtek Europe Limited

Report and Financial Statements

Year Ended

31 March 2017

Company Number 03232759



Pirtek Europe Limited

Report and financial statements for the year ended 31 March 2017

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Legal form

Private company limited by shares

Country of incorporation

England and Wales

Directors

P J Dunlop
K Hardy
A S McNutt
A J Richards
M Thiehofe

Company secretary

A J Richards

Company number

03232759

Registered office

c/o Squire Patton Boggs, Rutland House, 148 Edmund Street, Birmingham, B3 2JR

Independent auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, RG1 3EX

Pirtek Europe Limited

Strategic Report for the year ended 31 March 2017

The directors present their strategic report together with the directors' report and the audited financial statements for the year ended 31 March 2017.

Business Review

Pirtek has continued with the strategy and operational focus which has seen us grow over the past few years. Pirtek Europe Limited is the parent company of a group of companies which operate in six European countries, each subsidiary supporting the network of franchisees in each country through the supply of products and services. The principal activity of the franchise network itself is the delivery of time-sensitive, on-site hose replacement services.

The company's investments showed a significantly improved performance during the year. A number of encouraging signs were noted including an increasing number of mobile service units in key markets and additional service centres.

Key performance indicators

The company's principal key performance indicator is the comparison between the carrying value of its investments against the position and performance of these investments.

Management's assessment of the recoverability of the company's investments, based on its subsidiaries' position and current and projected performance, lead to no impairment during the year.

Business environment

The emergency hydraulic hose replacement markets, in the countries in which the operating companies trade, are diverse due to wide range of industries demanding the service. The demand for a time-sensitive maintenance solution is of greater importance in sectors with high labour costs, well-evolved customer service standards and where equipment downtime costs greatly outweigh the Pirtek repair costs.

Therefore, the core offering of the Pirtek solution is:

- 1 Rapid response - aim within 1 hour;
- 2 Quality product - hoses and fittings usually required for high value capital items;
- 3 Nationwide support - ability to resolve problems across a clear geographical area; and
- 4 Range - having the appropriate product items available at very short notice.

Strategy

Our strategy is dependent on our evolutionary position in each country.

In the United Kingdom, Ireland and Netherlands, the company has a mature network in place which results in a need to maximise market opportunities available and create new revenue channels through products and services aligned to our core activities. In Belgium, Germany and Austria the company is looking to expand its coverage significantly.

As well as continuing to develop our existing business, the company will actively consider acquisition opportunities, which have the potential to strengthen our position in existing countries or expand into new countries or market sectors.

Pirtek Europe Limited

Strategic Report for the year ended 31 March 2017 (*continued*)

Principal risks and uncertainties

As an intermediate parent company, the principal risk that the company faces is that the carrying value of its investments in its subsidiaries is not fully recoverable.

Management regularly monitor the carrying value of the company's investments against the position and performance of its subsidiaries to ascertain whether there are any indicators for potential impairments.

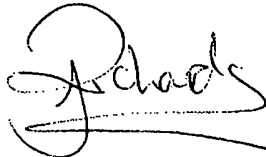
Should the carrying value of certain investments not be recoverable in full, the company may be unable to pay amounts due to group companies. In these circumstances, the company would seek support from the group headed by Fast Pressure I Limited, its ultimate parent company.

The company is exposed to the health of the UK economy and therefore uncertainties concerning business activity in the UK could have an effect on its business. Management consider the effect of the UK decision to exit the EU as a risk, however the implications of EU referendum outcome remain uncertain.

Approved

This strategic report was approved on behalf of the Board on 03/08/2017

A J Richards
Director



Pirtek Europe Limited

Directors' Report for the year ended 31 March 2017

The directors present their directors' report together with the strategic report and the audited financial statements for the year ended 31 March 2017.

Results and dividends

The statement of comprehensive income is set out on page 8 and shows the profit for the year (2016 - loss).

The trading results for the year, and the company's financial position at the end of the year, are shown in the attached financial statements. The company is a wholly owned subsidiary of Pirtek Europe Holdings Limited which in turn is an indirect subsidiary of Fast Pressure I Limited. If required, the group will continue to provide financial support for the business.

On 31 March 2017, a dividend of £26,492,908 was declared and settled. This amount is included in these financial statements. This dividend was declared and settled at a time when there were insufficient distributable reserves. Subsequent to the year-end the reserves deficit has been made good and a further dividend of £697,571 was declared on 29 June 2017 (2016 - £nil).

Principal activities

The company supplies services to its subsidiaries which operate in six European countries, each subsidiary supporting the network of franchisees in each country through the supply of products and services. The principal activity of the franchise network itself is the delivery of time-sensitive, on-site hose replacement services.

Financial risk management objectives and policies

The company uses various financial instruments including cash, debtors and creditors that arise directly from its operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below. The main risks arising from the group's financial instruments are credit risk, liquidity risk and currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Credit risk

The company's principal credit risk relates to the recovery of amounts owed by group companies. In order to manage credit risk, the directors review and discuss outstanding amounts on a regular basis.

Liquidity risk

Current and projected working capital demand is reviewed in conjunction with existing financing facilities to determine cash requirements as part of the routine reporting process.

Currency risk

The company has exposure to foreign exchange risk due to its investments in companies operating in Europe. The company manages currency risk through forward planning and assessing on-going exposure to movements in foreign exchange.

Qualifying third party indemnity provisions

The company has arranged qualifying third party indemnity for all of its directors.

Pirtek Europe Limited

Directors' Report for the year ended 31 March 2017 (continued)

Directors

The directors of the company during the year were:

P J Dunlop
K Hardy
A S McNutt
A J Richards
M Thiehofe
A L Wiggins (resigned 4 July 2017)
M Wilton (resigned 9 May 2016)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Pirtek Europe Limited

Directors' Report for the year ended 31 March 2017 (continued)


Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed.

On behalf of the Board

A J Richards
Director



Date 03/08/2017

Pirtek Europe Limited

Independent auditor's report

TO THE MEMBERS OF PIRTEK EUROPE LIMITED

We have audited the financial statements of Pirtek Europe Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 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.

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 strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Pirtek Europe Limited

Independent auditor's report (*continued*)

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 strategic report or the directors' report.

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

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



Simon Brooker (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom

Date 4 August 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Pirtek Europe Limited

Statement of comprehensive income for the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	3	1,000,884	479,468
Administrative expenses		(1,547,716)	(1,826,707)
Operating loss	4	(546,832)	(1,347,239)
Other interest receivable and similar income	7	17,709	22,579
Interest payable and similar charges	8	(70,993)	(77,458)
Dividend income	9	33,601,571	-
Profit/(loss) on ordinary activities before taxation		33,001,455	(1,402,118)
Taxation on loss profit/loss on ordinary activities	10	(124,741)	(191,423)
Profit/(loss) on ordinary activities after taxation		32,876,714	(1,593,541)
Total comprehensive profit/(loss) for the year		32,876,714	(1,593,541)

All amounts relate to continuing activities.

The notes on pages 11 to 21 form part of these financial statements.

Pirtek Europe Limited

Balance sheet at 31 March 2017

<i>Company number 03232759</i>	<i>Note</i>	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible fixed assets	12		43,974		53,455
Investments	13		9,170,580		9,170,580
			<u>9,214,554</u>		<u>9,224,035</u>
Current assets					
Debtors	14	15,091,906		1,521,095	
Cash at bank		99,485		26,706	
		<u>15,191,391</u>		<u>1,547,801</u>	
Creditors: amounts falling due within one year	15	(11,414,177)		(4,163,874)	
Net current assets			<u>3,777,214</u>		<u>(2,616,073)</u>
Net assets			<u>12,991,768</u>		<u>6,607,962</u>
Capital and reserves					
Called up share capital	18		4,565,959		4,565,959
Share premium account			8,771,236		8,771,236
Capital redemption reserve			23,799		23,799
Profit and loss account			(369,226)		(6,753,032)
Shareholders' funds			<u>12,991,768</u>		<u>6,607,962</u>

The financial statements were approved by the Board of Directors and authorised for issue on 03/08/2017

A J Richards
Director



The notes on pages 11 to 21 form part of these financial statements.

Pirtek Europe Limited

Statement of changes in equity for the year ended 31 March 2017

	Note	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2016		4,565,959	8,771,236	23,799	(6,753,032)	6,607,962
Comprehensive income for the year						
Profit for the year		-	-	-	32,876,714	32,876,714
Contributions by and distributions to owner						
Dividends	11	-	-	-	(26,492,908)	(26,492,908)
At 31 March 2017		4,565,959	8,771,236	23,799	(369,226)	12,991,768

Statement of changes in equity for the year ended 31 March 2016

		Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2015		4,565,959	8,771,236	23,799	(5,159,491)	8,201,503
Comprehensive income for the year						
Loss for the year		-	-	-	(1,593,541)	(1,593,541)
At 31 March 2016		4,565,959	8,771,236	23,799	(6,753,032)	6,607,962

The notes on pages 11 to 21 form part of these financial statements.

Pirtek Europe Limited

Notes forming part of the financial statements for the year ended 31 March 2017

1 Accounting policies

Basis of preparation of financial statements

Pirtek Europe Limited is a company incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on the contents page. The nature of the company's operations and its principal activities are set out in the strategic report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and 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 (see note 2).

Consolidated financial statements

The financial statements contain information about Pirtek Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of its ultimate parent company, Fast Pressure I Limited. These financial statements therefore present information about the company as an individual undertaking and not about its group.

FRS 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 for qualifying entities:

- Section 3 Financial Statement Presentation paragraph 3.17(d) and Section 7 Statement of Cash Flows not to prepare a statement of cash flows;
- Section 4 Statement of Financial Position paragraph 4.12(a)(iv) not to prepare a reconciliation of the number of shares outstanding at the beginning and end of the year; and;
- Section 33 Related Party disclosures paragraph 33.7 not to disclose key management personnel compensation in total.

The company's shareholders have been notified in writing about, and do not object to the use of, the disclosure exemptions. The company's results are included in the publicly available consolidated financial statements of Fast Pressure I Limited and these financial statements may be obtained from Companies House.

The following principal accounting policies have been applied:

Turnover

Turnover represents management charges to subsidiary undertakings and is stated net of value added tax.

Tangible Fixed Assets

Tangible fixed assets 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.

Pirtek Europe Limited

Notes forming part of the financial statements for the year ended 31 March 2017

1 Accounting policies (continued)

Depreciation

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. The estimated useful lives range as follows:

Fixtures and fittings	- 5 years straight line
Plant and machinery	- 5 years straight line
IT systems	- 5 years straight line

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Foreign currencies

Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Deferred taxation

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

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not discounted.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Pirtek Europe Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

1 Accounting policies (continued)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

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 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the financial statements the directors have identified the following key sources of estimation uncertainty:

- *Investments (see note 13)*

Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the expected future financial performance of the asset.

- *Creditors and liabilities (see note 15)*

Liabilities are recognised at the balance sheet date and include amounts for accrued holiday pay, bonuses and legal costs. Although these amounts are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.

3 Analysis of turnover

The turnover and loss before tax are attributable to the one principal activity of the company.

Analysis of turnover by destination is as follows:

	2017 £	2016 £
Europe	1,000,884	479,468

All turnover arises from management charges to the company's European subsidiary undertakings.

Pirtek Europe Limited

**Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)**

4 Operating loss

	2017 £	2016 £
This has been arrived at after charging:		
Depreciation of tangible fixed assets	14,017	8,204
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5,000	5,500
Fees payable to the company's auditor and its associates for other services to the group:		
- Non audit services	30,189	40,119
Exchange differences loss	80,343	78,366
	<hr/>	<hr/>

5 Employees

	2017 £	2016 £
Staff costs (including directors) consist of:		
Wages and salaries	757,893	798,597
Social security costs	82,258	84,274
Other pension costs	11,976	22,692
	<hr/>	<hr/>
	852,127	905,563
	<hr/>	<hr/>

The average number of employees (including directors) during the year was 3 (2016 - 3).

6 Directors

	2017 £	2016 £
Directors' remuneration consists of:		
Emoluments	686,264	615,959
Company contributions to money purchase pension schemes	37,719	9,716
	<hr/>	<hr/>
	723,983	625,675
	<hr/>	<hr/>
<i>Highest paid director</i>		
Emoluments	308,610	293,061
	<hr/>	<hr/>

There were 2 directors (2016 - 2 director) who accrued benefits under money purchase pension schemes during the year. Employees in the year were 2 directors (2016 - 3 directors) and one previous director.

Pirtek Europe Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

7	Other interest receivable and similar income	2017	2016
		£	£
	Bank interest	4	15
	Amount receivable from group undertakings	17,705	22,564
		<hr/>	<hr/>
		17,709	22,579
		<hr/>	<hr/>
8	Interest payable and similar charges	2017	2016
		£	£
	Amount payable to group undertakings	70,993	77,458
		<hr/>	<hr/>
9	Income from investments	2017	2016
		£	£
	Dividend income from fixed asset investments	33,601,571	-
		<hr/>	<hr/>

Pirtek Europe Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

10 Taxation on loss from ordinary activities

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on profit/loss of the year	106,198	225,348
Adjustments in respect of prior years	(345)	(1,667)
	<hr/>	<hr/>
Total current tax	105,853	223,681
<i>Deferred tax</i>		
Origination and reversal of timing differences	17,096	(32,258)
Effect of tax rate change on opening balance	1,792	-
	<hr/>	<hr/>
Taxation on loss from ordinary activities	124,741	191,423
	<hr/>	<hr/>

At 31 March 2017, there was no unrecognised deferred tax asset (2016 - £Nil).

Reconciliation of current tax charge

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	33,001,455	(1,402,118)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016 - 20%)	6,600,291	(280,423)
Effects of:		
Expenses not deductible for tax purposes	3,129	8,502
Group income	(6,720,314)	-
Transfer pricing adjustments	746,941	851,750
Group relief received	(503,737)	(361,024)
Adjustment to tax change in respect of previous periods	(345)	(1,667)
Adjust closing deferred tax to average rate of 20%	2,360	3,584
Adjust opening deferred tax to average rate of 20%	(3,584)	-
Deferred tax not recognised	-	(29,299)
	<hr/>	<hr/>
Current tax charge for year	124,741	191,423
	<hr/>	<hr/>

Pirtek Europe Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

11 Dividends

	2017 £	2016 £
Ordinary shares		
Interim dividend paid £5.83 (2016 – Nil) per share	26,492,908	-

On 31 March 2017, a dividend of £26,492,908 was declared and settled. This amount is included in these financial statements. This dividend was declared and settled at a time when there were insufficient distributable reserves. No further distributions can be made until there are sufficient reserves available for that purpose. Subsequent to the year end, the reserves deficit has been made good and a further dividend of £697,571 was declared on 29 June 2017 (2016 - £Nil).

12 Tangible assets

	Fixtures and fittings £	Plant and machinery £	IT Systems £	Total £
<i>Cost</i>				
At 1 April 2016	323	575	505,530	506,428
Additions	-	-	4,536	4,536
	<u>323</u>	<u>575</u>	<u>510,066</u>	<u>510,964</u>
At 31 March 2017	323	575	510,066	510,964
<i>Depreciation</i>				
At 1 April 2016	323	575	452,075	452,973
Charge for the year	-	-	14,017	14,017
	<u>323</u>	<u>575</u>	<u>466,092</u>	<u>466,990</u>
At 31 March 2017	323	575	466,092	466,990
<i>Net book value</i>				
At 31 March 2017	-	-	43,974	43,974
	<u>-</u>	<u>-</u>	<u>53,455</u>	<u>53,455</u>
At 31 March 2016	-	-	53,455	53,455

There are no assets held under finance leases or hire purchase contracts.

13 Investments

	£
<i>Cost</i>	
At 1 April 2016 and 31 March 2017	9,170,580

Pirtek Europe Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

13 Investments (*continued*)

Principal investments

The company holds the share capital of the following:

	Country of Incorporation	Class of share	% of share capital held	Nature of business
Directly owned				
Pirtek Austria GmbH	Austria	Ordinary	100%	Trading
Pirtek BV	The Netherlands	Ordinary	100%	Trading
Pirtek (Deutschland) GmbH	Germany	Ordinary	100%	Trading
Pirtek (UK) Limited	United Kingdom	Ordinary	100%	Trading
Indirectly owned				
Pirtek Belgium bvba	Belgium	Ordinary	100%	Trading
Culleus GmbH	Austria	Ordinary	55%	Trading
Penrith Hydraulics Limited	United Kingdom	Ordinary	100%	Non-trading

All trading businesses are involved in the distribution of hydraulic hoses and associated fittings. Penrith Hydraulics Limited sold its stock and assets on 3 April 2017 to a Pirtek franchisee and ceased trading from that date.

The registered office of each of the company's subsidiaries is as follows:

Pirtek Austria GmbH	C/o Hasperger Setiz & Partner, Gonzagagasse 4, 1010 Wien, Austria
Pirtek BV	Hongkongstraat 29, 3047 BR Rotterdam, The Netherlands
Pirtek (Deutschland) GmbH	Maarweg 165, 50825 Köln, Germany
Pirtek (UK) Limited	c/o Squire Patton Boggs, Rutland House, 148 Edmund Street, Birmingham, B3 2JR
Pirtek Belgium bvba	Floralienlaan 21, 2600 Antwerpen, Belgium
Culleus GmbH	Concorde Business Park 1/B4/3, A – 2320 Schwechat
Penrith Hydraulics Limited	c/o Squire Patton Boggs, Rutland House, 148 Edmund Street, Birmingham, B3 2JR

14 Debtors

	2017 £	2016 £
Amounts due from group companies	14,624,243	950,360
Taxation and social security	240,398	262,992
Other debtors	82,965	58,814
Prepayments	130,930	216,671
Deferred tax asset (note 16)	13,370	32,258
	<u>15,091,906</u>	<u>1,521,095</u>

All amounts shown under debtors fall due for payment within one year.

Pirtek Europe Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	170,242	66,809
Amounts due to group companies	10,905,252	3,653,489
Other creditors	407	18,650
Accruals	232,078	387,602
Corporation tax liability	106,198	37,324
	<u>11,414,177</u>	<u>4,163,874</u>

16 Deferred tax asset

The deferred tax asset is recognised as follows:

	2017 £	2016 £
At 1 April	32,258	-
(Charged)/credited to profit and loss account	(18,888)	32,258
	<u>13,370</u>	<u>32,258</u>
At 31 March	13,370	32,258

The deferred tax asset is analysed as follows:

	2017 £	2016 £
Accelerated capital allowances	12,180	10,374
Short term timing differences	1,190	21,884
	<u>13,370</u>	<u>32,258</u>

Pirtek Europe Limited

**Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)**

17 Financial instruments

The company's financial instruments may be analysed as follows:

	2017 £	2016 £
Financial assets		
Financial assets that are equity instruments measured at cost less impairment	9,170,580	9,170,580
Financial assets that are debt instruments measured at amortised cost	14,707,208	1,009,174
Financial assets that cash and cash equivalents	99,485	26,706
	<u>23,977,273</u>	<u>10,206,460</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(11,307,979)	(4,126,550)

Financial assets that are equity instruments measured at cost less impairment comprise fixed asset investments in unlisted company shares.

Financial assets measured at amortised cost comprise other debtors and amounts due from group companies.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts due to group companies and accruals.

The company's exposure to and management of credit risk, liquidity risk and currency risk are as follows:

Credit risk

The company's principal credit risk relates to the recovery of amounts owed by group companies. In order to manage credit risk, the directors review and discuss outstanding amounts on a regular basis.

Liquidity risk

Current and projected working capital demand is reviewed in conjunction with existing financing facilities to determine cash requirements as part of the routine reporting process.

Currency risk

The company has exposure to foreign exchange risk due to its investments in companies operating in Europe. The company manages currency risk through forward planning and assessing on-going exposure to movements in foreign exchange.

Pirtek Europe Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

18 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid.</i>		
3,861,486 (2016 - 3,861,486) 'A' ordinary shares of £1 each	3,861,486	3,861,486
683,473 (2016 - 683,473) 'B' ordinary shares of £1 each	683,473	683,473
	<hr/>	<hr/>
Total ordinary shares	4,544,959	4,544,959
2,100,000 (2016 - 2,100,000) preference shares of 1 pence each	21,000	21,000
	<hr/>	<hr/>
	4,565,959	4,565,959
	<hr/>	<hr/>

The preference shares are redeemable at a sum equal to the issue price of £0.01 per share. Realisation of these shares will be on the completion of an agreement for the purchase of all the Ordinary shares or the acceptance of an offer as a result of which the offer becomes entitled or bound to acquire any part of such shares, as set out in the Articles of Association adopted by special resolution on 20 December 2002.

All ordinary shares rank *pari passu* except on a winding up where distribution of assets is completed on the basis of a formula as set out in the Articles of Association adopted by special resolution on 20 December 2002.

19 Contingencies

As at 31 March 2017, the company is party to a cross guarantee in respect of \$22,506,250 (£17,946,137), of borrowings owed by Fast Pressure II Limited to Madison Capital LLC of Chicago, Illinois U.S.A. This will become payable if Fast Pressure II Limited defaults. At the balance sheet date, and at the date that the reports were signed, Fast Pressure II Limited had fulfilled all of its obligations under the terms of the loan. The company does not expect to have to make any payments in respect of this guarantee.

Fast Pressure II Limited is a direct subsidiary of Fast Pressure I Limited (see note 21).

20 Related parties

The company has taken advantage of the exemption under FRS 102 section 33 paragraph 1A from disclosing transactions with wholly owned group entities.

21 Ultimate controlling party and immediate parent company

The company's immediate parent company is Pirtek Europe Holdings Limited, a company incorporated in the United Kingdom. Fast Pressure I Limited, also incorporated in the United Kingdom, is the ultimate parent company and the parent of both the smallest and largest groups of which the company's results are consolidated.

Copies of the consolidated financial statements of Fast Pressure I Limited are available from Companies House.

At 31 March 2017, Halifax Cayman Capital Partners III, L.P. is considered the ultimate controlling party.