

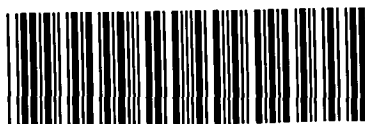
Hydrasun Group Investments Limited

Annual report and financial statements

Registered number 08369193

31 March 2020

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Officers and professional advisers

Directors

G J Doherty
R S Drummond

Secretary

G J Doherty

Registered office

48 Grosvenor Street
London
W1K 3HW

Banker

Lloyds TSB Bank Plc
3-5 Albyn Place
Aberdeen
AB10 1PY

Solicitor

Pinsent Masons LLP
13 Queen's Road
Aberdeen
AB15 4YL

Auditor

1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

Strategic report

The directors' present their Strategic report for the year ended 31 March 2020.

Principal activities

The company is an intermediate holding company and does not trade.

The Hydrasun Group is a leading provider of a wide range of fluid transfer, power and control solutions to the Energy industry.

The principal services provided by the Group include the design, engineering, manufacture, assembly and testing of hydraulic equipment, control panels, fluid connectors, multi-line hydraulic and electro-hydraulic control umbilicals for the Oil and Gas industry, along with a range of associated hose inspection and integrity management services. Out with Oil and Gas, other important market sectors are Petrochemical, Marine and Alternative and Renewable Energy, with particular emphasis on Hydrogen and CCUS (carbon capture, usage and storage).

Business model

The business model is based around Hydrasun Limited, the main trading company in the Hydrasun Group. Hydrasun's growth strategy focuses on internationalisation of the business, and the development of specialist products, services and bespoke solutions which are complementary to its established core product offering.

Statement relating to the Directors' responsibilities under Section 172 of the Companies Act

The Directors recognise their duty to act in a way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole in accordance with section 172 of the UK Companies Act 2006. The Directors' section 172 duties are part of Board discussions. The Directors continue to have regard to the interest of the company's key stakeholders and, throughout the year, the Board and management engage with key stakeholders on items relevant to them. We set out below our key stakeholder groups, their material issues and how the company engages with and considers the interest of each stakeholder group.

• Investors and lenders

Financial performance and strategy	Monthly executive board meeting, including Investor board members, reviewing financial performance, business strategy, HSEQ and Environmental, social and governance matters; together with regular update calls between CEO and investors.
Corporate Governance	Separate Audit and Remuneration Committees established, and directors are responsible for ensuring compliance with ABC Policy and Procedures, adherence to all relevant laws and regulations, and prevention of fraud.

• Employees

Engagement and work culture	The company holds employee team briefings and other organisational forums to communicate company performance, policy and initiatives. This provides an opportunity for staff engagement and to create a culture that fosters open honest and direct communications.
Training & Development	Continuous professional and personal development is actively promoted through the Group's communications processes and Performance Management System to enable employees to reach their full potential. OPITO accredited Training and Competency Management System Formal on-the-job training program that provides employees the opportunity to demonstrate in current roles and operational tasks while helping to prepare them for future promotions.

Strategic report (continued)

Statement relating to the Directors' responsibilities under Section 172 of the Companies Act (continued)

• Customers

Safety, Responsiveness, Quality, Service and Reliability.	The Group operates to the highest standards within all areas of HSEQ, and is accredited to the ISO 9001:2015 Quality Management Standard, the ISO 45001:2018 safety management standard, and the ISO 14001:2015 Environmental Management Standard.
Overall performance, satisfaction and value for money.	The Group closely monitors customer satisfaction, perception and feedback regarding our overall performance. This is done in accordance with the "First Point Assessment Limited" (FPAL) system, which is widely recognised and operated within the Oil and Gas industry.
Innovation and Development.	Continuous development of our specialist products, services and solutions and financial investment in new production equipment and processes.

• Suppliers

Expertise and collaborative approach	Unrivalled range and size of inventory coupled with established relationships and exclusive distributorship agreements with international manufacturers, enabling us to supply high quality, reliable products, at the right time. Similarly, through our specialist manufacturing facility, we can supply bespoke products to meet customer's specific applications.
Credibility/trust and reputation	We carefully select our business partners through the application of rigorous due diligence processes of business partners that share our values and our commitment to safety, integrity and quality.
Overall Performance	Supplier Performance is evaluated through regular reporting on On-Time Delivery, quote Speed of Response and Quality, which is discussed with suppliers and supplemented by regular supplier audits.
Business Conduct	Our Code of Business Conduct includes provisions addressing conflicts of interest, corporate opportunities, compliance with our policies and with laws, rules and regulations, including laws addressing insider trading, antitrust and anti-bribery. We expect our business partners, including suppliers and vendors, to act consistently with our Code.

• Other stakeholders including local communities and CSR

Local Communities	<p>"Hydrasun in the Community" enables us to give something back to the local areas in which we live and work. We understand that Corporate Social Responsibility is much more than just financial contribution and actively encourage our employees to get involved, be enthusiastic, identify projects and in their own way make a difference.</p> <p>As a progressive company it is our responsibility to lead by example - as a business, an employer, and a neighbour. Through local and national initiatives, we contribute to environmental, social, professional excellence and community projects whilst also promoting the health and well-being of our employees and enabling them to undertake voluntary activities. These initiatives, along with a dedicated sponsorship programme allow us to support causes that are both aligned with our corporate values and recognised, respected and valued within our local communities. Current sponsorships include CLAN Cancer support, Friends of Anchor Cancer care support and Robert Gordon University's "RGU Racing Team" initiative.</p>
Environmental and Sustainability Responsibilities	We employ an Environmental Management System and work in accordance with a widely recognised International Environmental management Standard focused on emission monitoring and reduction, waste management and discharge prevention to minimise our impact on the local communities in which we operate.

Strategic report (*continued*)

Business review and results

During the year the company made a profit of £nil (2019:£nil). The company is expected to have sufficient reserves going forward to meet any future costs through dividends received from its subsidiary undertaking.

Principal risks and uncertainties

The Group's principal risks and uncertainties are around any change in the global oil price which may affect companies' decisions to invest and ultimately use Hydrasun products. There are no additional risk specific to this Company.

The company has provided cross guarantees, as secured by certain property, plant and machinery and a floating charge over the assets of the company to bankers in respect of the borrowings of all UK incorporated subsidiaries to Hydrasun Group Holdings Limited, the company's ultimate parent undertaking.

There are no additional risks specific to this company.

Going concern

At the date of signing these financial statements, the COVID-19 outbreak continues to be declared a global pandemic. The Hydrasun Group continues to trade with its customers and to receive deliveries from its suppliers throughout this time. However, whilst the Group's operations continue largely unaffected, the resultant reduced demand for oil has significantly lowered oil prices since March 2020. A period of sustained lower oil prices may negatively affect demand for the Group's products and services from some customers. Therefore, as a result of the pandemic, the nature of the Group's business is such that in the next twelve months, there is expected to be greater variation in the value and timing of revenues from such customers.

As described in note 1 to the financial statements, the directors have prepared base case and sensitised projected cash flow information for the twelve months from the date of approval of these financial statements. Based on these forecasts, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statement on a going concern basis.

Future developments

The Hydrasun Group intends to continue to develop its UK and International markets in the financial year 2020/21, including new market segments outwith Oil and Gas including Hydrogen Fuel Cell Technologies, Wind Turbines and Carbon Capture, Usage and Storage (CCUS).

Signed on behalf of the board



R S Drummond
Director

48 Grosvenor Street
London
W1K 3HW

10 July 2020

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2020.

Directors

The directors who held office during the period were as follows:

G J Doherty
R S Drummond

Proposed dividend

The directors do not recommend the payment of a dividend.

Employee communications and involvement

For employees within its group, the company recognises the importance of employee communications and involvement and places considerable emphasis on this. The Group is a member of Investors in People and operates in accordance with its standards and requirements. This includes a process of regular team briefings and quarterly communications briefings/presentations conducted by the directors. In addition to this there are well established and effective arrangements at all branch locations for communication and consultation with employees. Continuous professional and personal development is actively promoted through the Group's communications processes and Performance Management System to enable employees to reach their full potential. Further information is included within the strategic report.

Engagement with Employees, Suppliers, Customers and Others

Relationships with stakeholders are of strategic importance to the company and these matters are therefore dealt with in the strategic report (under section 172 obligations).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



R S Drummond
Director

48 Grosvenor Street
London
W1K 3HW

10 July 2020

Statement of directors' responsibilities in respect of the Strategic report and the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Hydrasun Group Investments Limited

Opinion

We have audited the financial statements of Hydrasun Group Investments Limited ("the company") for the year ended 31 March 2020 which comprise the Profit and loss account and other comprehensive income, the Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.



Independent auditor's report to the members of Hydrasun Group Investments Limited *(continued)*

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.



Independent auditor's report to the members of Hydrasun Group Investments Limited
(continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink, appearing to read 'David Dery'.

David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

Date 13 July 2020

Profit and Loss Account and Other Comprehensive Income

for the year ended 31 March 2020

During the current and prior year the company had no income, expenses, gains or losses

Balance Sheet

at 31 March 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	4	240	240
Current assets			
Debtors	5	99,687	99,738
		<u>99,687</u>	<u>99,738</u>
Creditors: amounts falling due within one year	6	(115,687)	(115,738)
Net current liabilities		<u>(16,000)</u>	<u>(16,000)</u>
Total assets less current liabilities		<u>(15,760)</u>	<u>(15,760)</u>
Net liabilities		<u>(15,760)</u>	<u>(15,760)</u>
Capital and reserves			
Called up share capital	7	240	240
Profit and loss account		(16,000)	(16,000)
Total capital and reserves		<u>(15,760)</u>	<u>(15,760)</u>

These financial statements were approved by the board of directors on 10 July 2020 and were signed on its behalf by:



R S Drummond
Director

Statement of Changes in Equity

For the year ended 31 March 2019

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 April 2018	240	(16,000)	(15,760)
Total comprehensive expense for the year			
Loss for the year	-	-	-
Total comprehensive expense for the year	-	-	-
Balance at 31 March 2019	240	(16,000)	(15,760)

Statement of Changes in Equity

For the year ended 31 March 2020

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 April 2019	240	(16,000)	(15,760)
Total comprehensive expense for the year			
Loss for the year	-	-	-
Total comprehensive expense for the year	-	-	-
Balance at 31 March 2020	240	(16,000)	(15,760)

Notes

(forming part of the financial statements)

1 Accounting policies

Hydrasun Group Investments Limited (the “company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company’s ultimate parent undertaking, Hydrasun Group Holdings Limited includes the company in its consolidated financial statements. The consolidated financial statements of Hydrasun Group Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. 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
- Key Management Personnel compensation.

As the consolidated financial statements of Hydrasun Group Holdings Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors, in the application of these accounting policies, have made estimates that could have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year. The company makes an estimate of the recoverable value of debtors. When assessing impairment, management considers future performance and historical experience.

Notes (continued)

1 Accounting policies (continued)

1.1 Going concern

The financial statements for the company have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

At 31 March 2020 the company has net liabilities of £15,760,000 (2019: £15,760,000). The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Hydrasun Group Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Hydrasun Group Holdings Limited not seeking repayment of the amounts currently due to the group. Hydrasun Group Holdings Limited has indicated its intention not to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The company is a subsidiary of the Hydrasun Group Holdings Limited group ("the Group") and has issued financial guarantees as set out in note 8 in respect of borrowings of the Group. As a result, the directors of the company have assessed going concern by reference to financial information and forecasts of the Group and company. At the year end, the Group had cash at bank of £5.3 million and at 31 May 2020 held cash of £8.5 million. The Group's bank debt comprises a term loan of £29.0m which is repayable in March 2022, unless the facility is extended. Group shareholder loan notes of £226.7 million have terms which do not expire before 2063.

At the date of signing these financial statements, the COVID-19 outbreak continues to be a global pandemic. The Group continues to trade with its customers and suppliers. However, whilst the Group's operations continue largely unaffected, the resultant reduced demand for oil has significantly lowered oil prices since March 2020. A period of sustained lower oil prices may negatively affect demand for the Group's products and services from some customers. Other customers in other market segments may also be impacted by the adverse economic environment caused by the pandemic. Therefore, in the next twelve months, there could be greater variation in the value and timing of revenues from such customers.

To reflect this outlook, the Group's directors have prepared base case projected cash flow information for the twelve months from the date of approval of these financial statements in which revenues are reduced compared with the year to 31 March 2020. In the first three months of the new financial year, subsequent to the year end, the Group has traded in line with this budget. On the basis of this cash flow information the directors consider that the Group will continue to operate within the liquidity available under its existing borrowing facilities and will continue to comply with agreed quarterly financial covenants under the Group's bank facility.

Financial covenants principally comprise quarterly tests on a rolling twelve month basis for EBITDA tested against net financial indebtedness and EBITDA tested against interest. Covenant compliance is dependent on the value and timing of revenues from customers between quarterly periods and the Group's ability to control costs, if required. The directors have produced a reasonably possible, severe but plausible downside sensitivity in which the base case projected revenues are reduced by a further seven percent, partly offset by controllable cost savings which are considered to be achievable if required in the forecast period. Under this downside sensitivity, the Group continues to have sufficient liquidity and quarterly financial covenants are met. There is however limited forecast EBITDA against net financial indebtedness headroom at the 31 March and 30 June 2021 testing dates, though this headroom is expected to be sufficient should revenues reduce further and approximate to levels reported during the previous oil price downturn.

Consequently, the directors of the company are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.2 Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.4 Impairment of fixed assets

The carrying amounts of the company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Notes *(continued)*

2 Notes to the profit and loss account

Auditor's remuneration of £3,500 (2019: £2,000) was borne by another group company, Hydrasun Limited.

Fees paid to the company's auditor, KPMG LLP, and its associates for services other than the statutory audit of the company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated financial statements of the company's ultimate parent undertaking.

3 Remuneration of directors

No remuneration was paid to the directors in the year (2019: £nil) for provision of qualifying services to the company.

The directors also hold office in other group undertakings. Emoluments, paid to the directors for services to other group companies are disclosed within their financial statements.

Notes (continued)

4 Fixed asset investments

	Shares in group undertakings £000
<i>Cost and net book value</i>	
At beginning and end of year	240

The company's subsidiary undertakings at the year-end are shown below. They are involved in the manufacture and supply of hydraulic equipment and associated services. All shareholdings are of Ordinary shares.

The company's subsidiary undertakings at the year-end were as follows:

Subsidiaries	Country	Registered office	Proportion of shares held in current and prior year
Hydrasun Group Acquisitions Limited	UK	48 Grosvenor Street, London, W1K 3HW	100%
Hydrasun Group Limited*	UK	Gateway Business Park, Moss Road, Aberdeen, AB12 3GQ	100%
Hydrasun Limited*	UK	Gateway Business Park, Moss Road, Aberdeen, AB12 3GQ	100%
Hydrasun Instrumentation BV*	The Netherlands	Overwegwachter 2, Bedrijfspark, Boezembocht 3034 KG Rotterdam	100%
Hydrasun Kazakhstan LLP*	Republic of Kazakhstan	Sector #34 Promzona #3 Aktau 130000	100%
Hydrasun Rapid Solutions LLC*	Azerbaijan	Unit 4, Kilo 15 Salyan Highway, Shikhov, Baku	50%
Hydrasun Rapid Solutions Limited*	UK	Gateway Business Park, Moss Road, Aberdeen, AB12 3GQ	60%
Hydrasun AMC Limited*	UK	Gateway Business Park, Moss Road, Aberdeen, AB12 3GQ	100%
Hydrasun Remaq Indústria e Comércio Ltda*	Brazil	Avenida Rio Branco, nº43, 20º andares, Centro - Rio de Janeiro, RJ CEP 20090-003	100%
Hydrasun FZE*	UAE	Office No.TPOFCB0328, Jebel Ali, Dubai	100%

*Investment held indirectly through a subsidiary

Notes (continued)

5 Debtors

	2020 £000	2019 £000
Amounts owed by group undertakings	99,687	99,738

6 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Amounts due to group undertakings	115,687	115,738

7 Called up share capital

	2020 £	2019 £
<i>Allotted, called up and fully paid</i> 239,695 Ordinary shares of £1 each	239,695	239,695

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

8 Contingent liabilities

The company has provided a cross guarantee, as secured by certain property, plant and machinery and a floating charge over the assets of the company to its bankers in respect of the borrowings of all UK incorporated subsidiaries of Hydrasun Group Holdings Limited, the company's ultimate parent undertaking. The contingent liability to the company at 31 March 2020 amounted to £28,997,000 (2019: £28,997,000).

9 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Hydrasun Group Finance Limited which itself is a subsidiary of Hydrasun Group Holdings Limited, the ultimate parent company incorporated in England.

The largest and only group in which the results of the company are consolidated is that headed by Hydrasun Group Holdings Limited. The consolidated financial statements of Hydrasun Group Holdings Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The registered address of Hydrasun Group Holdings Limited is 48 Grosvenor Street, London, W1K 3HW.

Funds managed by Investcorp Bank BSC are the majority shareholder of Hydrasun Group Holdings Limited as at the date of signing these accounts. The registered office is Investcorp House, Building 499, Road 1706, Diplomatic Area 317, Manama, Kingdom of Bahrain.