

Registered number
03925336

Gear Pump Distributors (UK) Limited

Report and Financial Statements

30 November 2020

Gear Pump Distributors (UK) Limited

Company Information

Directors

L Jacobs

C Amoils

G Dunford

T Dunford

Auditors

Mills Pyatt Limited

11 Kingfisher Business Park

Arthur Street, Lakeside

Redditch

Worcestershire

B98 8LG

Bankers

NatWest Bank plc

124 High Street

Bromsgrove

Worcestershire

B61 8HJ

Registered office

11 Kingfisher Business Park

Arthur Street, Lakeside

Redditch

Worcestershire

B98 8LG

Registered number

03925336

Gear Pump Distributors (UK) Limited

Registered number: 03925336

Directors' Report

The directors present their report and financial statements for the year ended 30 November 2020.

Principal activities

The company's principal activity during the year continued to be the wholesale distribution of hydraulic gear pumps, motors, flow dividers and related components.

Directors

The following persons served as directors during the year:

L Jacobs
C Amoils
G Dunford
T Dunford

Strategic Report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of business review, principal risks and future developments.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 31 August 2021 and signed on its behalf.

L Jacobs
Director

Gear Pump Distributors (UK) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 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.

Gear Pump Distributors (UK) Limited

Strategic Report

Review of the business

The company revenues remained stable despite the vast implications of COVID-19.

The gross margin reduced due to the increase in cost of goods sold primarily from the impacts of COVID-19 and Brexit.

The Key Performance Indicators used by the business are:

	Performance in 2020	Performance in 2019
Turnover	£1.1m	£1.1m
Gross Profit %	48.9%	49.8%
Net Profit Before Tax %	15.8%	18.8%
Sales Split % (UK : Europe : Rest of World)	39% : 41% : 20%	40% : 42% : 18%

Principal risks and uncertainties

The company faces increased carriage costs, along with increased material costs as a result of both Brexit and the COVID-19 pandemic. The company recognises these are global issues, and will fight to ensure that the company is prepared for all scenarios.

In view of this the directors are continuously looking carefully at both existing and potential new markets.

Future developments

The company envisages a stable market during the next financial year. The company's main KPI remains a strong stable gross profit margin.

The focus will be kept on the continued improvement of product quality, availability and service.

The drivers for growth will be:

- Offering a diverse range of superior quality products to the industry incorporating the latest technology;

- Delivering products within 24 hours to any location within the company's territory (Brexit delays excluded); and

- Carrying out high service levels of manufacture and repair through training and retention of world-class expertise.

This report was approved by the board on 31 August 2021 and signed on its behalf.

L Jacobs
Director

Gear Pump Distributors (UK) Limited

Independent auditor's report

to the member of Gear Pump Distributors (UK) Limited

Opinion

We have audited the financial statements of Gear Pump Distributors (UK) Limited for the year ended 30 November 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the

audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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.

H G Pyatt

(Senior Statutory Auditor)

for and on behalf of

Mills Pyatt Limited

Accountants and Statutory Auditors

31 August 2021

11 Kingfisher Business Park

Arthur Street, Lakeside

Redditch

Worcestershire

B98 8LG

Gear Pump Distributors (UK) Limited
Income Statement
for the year ended 30 November 2020

	Notes	2020 £	2019 £
Turnover	2	1,083,675	1,105,452
Cost of sales		(553,754)	(554,608)
Gross profit		<u>529,921</u>	<u>550,844</u>
Administrative expenses		(360,553)	(347,637)
Other operating income		-	3,350
Operating profit	3	<u>169,368</u>	<u>206,557</u>
Interest receivable		2,036	773
Profit on ordinary activities before taxation		<u>171,404</u>	<u>207,330</u>
Tax on profit on ordinary activities	6	(32,963)	(35,368)
Profit for the financial year		<u>138,441</u>	<u>171,962</u>
Profit attributable to:			
Owners of the parent		<u>138,441</u>	<u>171,962</u>

Gear Pump Distributors (UK) Limited

Reg no. 03925336

Statement of Financial Position**as at 30 November 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	7	21,305	24,234
Current assets			
Stocks	8	443,591	457,990
Debtors	9	267,703	233,470
Cash at bank and in hand		615,237	542,550
		<u>1,326,531</u>	<u>1,234,010</u>
Creditors: amounts falling due within one year	10	(98,056)	(146,905)
Net current assets		<u>1,228,475</u>	<u>1,087,105</u>
Net assets		<u>1,249,780</u>	<u>1,111,339</u>
Capital and reserves			
Called up share capital	11	10	10
Profit and loss account	12	1,249,770	1,111,329
Total equity		<u>1,249,780</u>	<u>1,111,339</u>

L Jacobs

Director

Approved by the board on 31 August 2021

Gear Pump Distributors (UK) Limited
Statement of Changes in Equity
for the year ended 30 November 2020

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 December 2018	10	-	-	939,367	939,377
Profit for the financial year attributable to owners of the parent				171,962	171,962
At 30 November 2019	10	-	-	1,111,329	1,111,339
At 1 December 2019	10	-	-	1,111,329	1,111,339
Profit for the financial year attributable to owners of the parent				138,441	138,441
At 30 November 2020	10	-	-	1,249,770	1,249,780

Gear Pump Distributors (UK) Limited
Statement of Cash Flows
for the year ended 30 November 2020

	Notes	2020 £	2019 £
Operating activities			
Profit for the financial year		138,441	171,962
Adjustments for:			
Interest receivable		(2,036)	(773)
Tax on profit on ordinary activities		32,963	35,368
Depreciation		5,373	4,032
Decrease/(increase) in stocks		14,399	(66,736)
(Increase)/decrease in debtors		(29,915)	36,461
Decrease in creditors		(35,212)	(19,176)
		<u>124,013</u>	<u>161,138</u>
Interest received		2,036	773
Corporation tax paid		(50,918)	(50,691)
Cash generated by operating activities		<u>75,131</u>	<u>111,220</u>
Investing activities			
Payments to acquire tangible fixed assets		(2,444)	(23,116)
Cash used in investing activities		<u>(2,444)</u>	<u>(23,116)</u>
Net cash generated			
Cash generated by operating activities		75,131	111,220
Cash used in investing activities		(2,444)	(23,116)
Net cash generated		<u>72,687</u>	<u>88,104</u>
Cash and cash equivalents at 1 December		542,550	454,446
Cash and cash equivalents at 30 November		<u>615,237</u>	<u>542,550</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>615,237</u>	<u>542,550</u>

Gear Pump Distributors (UK) Limited

Notes to the Accounts

for the year ended 30 November 2020

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 3 to 7 years
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Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. Current tax liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Analysis of turnover	2020	2019
	£	£
Sale of goods	1,083,675	1,105,452
By geographical market:		
UK	423,385	443,561
Europe	441,927	466,076
Rest of world	218,363	195,815
	<u>1,083,675</u>	<u>1,105,452</u>
3 Operating profit	2020	2019
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	5,373	4,032
Operating lease rentals - plant and machinery	11,435	7,695
Operating lease rentals - land and buildings	23,021	23,453
Auditors' remuneration for audit services	3,150	3,100
Key management personnel compensation (including directors' emoluments)	62,775	61,569
Carrying amount of stock sold	492,110	495,814
	<u>492,110</u>	<u>495,814</u>
4 Directors' emoluments	2020	2019
	£	£
Emoluments	62,775	61,569
Company contributions to defined contribution pension plans	1,309	1,146
	<u>64,084</u>	<u>62,715</u>
Number of directors to whom retirement benefits accrued:	2020	2019
	Number	Number
Defined contribution plans	<u>1</u>	<u>1</u>
5 Staff costs	2020	2019
	£	£
Wages and salaries	210,791	210,998
Social security costs	15,410	16,458
Other pension costs	2,920	2,814
	<u>219,121</u>	<u>229,270</u>

	229,121	230,270
Average number of employees during the year	Number	Number
Administration	2	1
Development	1	1
Manufacturing	5	5
	<u>8</u>	<u>7</u>

6 Taxation

	2020	2019
	£	£

Analysis of charge in period

Current tax:

UK corporation tax on profits of the period	33,020	36,127
Adjustments in respect of previous periods	(57)	(759)
	<u>32,963</u>	<u>35,368</u>
Tax on profit on ordinary activities	<u>32,963</u>	<u>35,368</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2020	2019
	£	£
Profit on ordinary activities before tax	<u>171,404</u>	<u>207,330</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	32,567	39,393
Effects of:		
Expenses not deductible for tax purposes	112	122
Depreciation for period in excess of capital allowances/ (Capital allowances in excess of depreciation)	518	(3,388)
Tax decrease from other tax effects	(177)	-
Adjustments to tax charge in respect of previous periods	(57)	(759)
Current tax charge for period	<u>32,963</u>	<u>35,368</u>

Factors that may affect future tax charges

Receiving Royal Assent on 10 June 2021, Finance Act 2021 increases the main rate of corporation tax from 19% to 25% from 1 April 2023. Substantive enactment of the Report took place after the year end on 24 May 2021. Any deferred tax at the year end has therefore been calculated based on 19%.

7 Tangible fixed assets

**Plant and
machinery**
At cost

				£
Cost or valuation				
At 1 December 2019				100,365
Additions				2,444
At 30 November 2020				<u>102,809</u>
Depreciation				
At 1 December 2019				76,131
Charge for the year				5,373
At 30 November 2020				<u>81,504</u>
Carrying amount				
At 30 November 2020				<u>21,305</u>
At 30 November 2019				<u>24,234</u>
8 Stocks		2020	2019	
		£	£	
Finished goods and goods for resale		<u>443,591</u>	<u>457,990</u>	
9 Debtors		2020	2019	
		£	£	
Trade debtors		132,052	192,673	
Amounts owed by group undertakings		100,000	-	
Other debtors		22,290	33,138	
Prepayments and accrued income		13,361	7,659	
		<u>267,703</u>	<u>233,470</u>	
10 Creditors: amounts falling due within one year		2020	2019	
		£	£	
Trade creditors		11,624	11,913	
Amounts owed to group undertakings		45,891	95,457	
Corporation tax		-	13,637	
Other taxes and social security costs		5,585	5,891	
Other creditors		34,956	20,007	
		<u>98,056</u>	<u>146,905</u>	
11 Share capital	Nominal value	2020 Number	2020 £	2019 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	10	<u>10</u>	<u>10</u>

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

12 Profit and loss account	2020	2019
	£	£
At 1 December	1,111,329	939,367
Profit for the financial year	138,441	171,962
At 30 November	<u>1,249,770</u>	<u>1,111,329</u>

13 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings	Land and buildings	Other	Other
	2020	2019	2020	2019
	£	£	£	£
Falling due:				
within one year	27,979	15,714	8,664	4,488
within two to five years	57,266	-	22,672	17,005
in over five years	-	-	1,771	5,904
	<u>85,245</u>	<u>15,714</u>	<u>33,107</u>	<u>27,397</u>

14 Contingent liabilities

The company has a potential liability in respect of import duty and VAT. However the amount and timing are uncertain at the accounts approval date and subsequently no provision has been included within the financial statements.

15 Related party transactions

The company has taken advantage of the exemption provisions under paragraph 33.1A of FRS102 from disclosing transactions with wholly owned group companies.

16 Controlling party

The company is wholly owned by Hudaco Trading (Proprietary) Limited, a company incorporated in the Republic of South Africa. The directors regard the ultimate parent company to be Hudaco Industries Limited incorporated in the Republic of South Africa. That company is not under the control of any one individual. The largest and smallest group of undertakings to which the company belongs and which draws up consolidated accounts is Hudaco Industries Limited. The consolidated accounts are publicly available on their website or can be obtained from 1st Floor, Building 9, Greenstone Hill Office Park, Emerald Boulevard, Greenstone Hill, Edenvale (Private Bag 13, Elandsfontein, 1406).

17 Presentation currency

The financial statements are presented in Sterling.

18 Legal form of entity and country of incorporation

Gear Pump Distributors (UK) Limited is a private company limited by shares and incorporated in England.

19 Principal place of business

The address of the company's principal place of business is:

Unit 14 Aston Fields Trading Estate
Sugarbrook Road
Bromsgrove
Worcestershire
B60 3DW

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.