

Pumps and Gearboxes Ltd

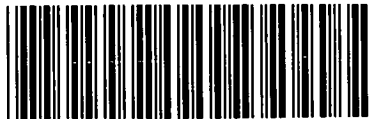
Directors' Report and Financial Statements

Year Ended

31 December 2021

Company Number 04148794

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Pumps and Gearboxes Ltd

Company Information

| | |
|----------------------------|---|
| Directors | S L Gill B D Hancock R P Johnson |
| Company secretary | S Deakes |
| Registered number | 04148794 |
| Registered office | Richard Alan House Shaw Cross Business Park Owl Lane Dewsbury West Yorkshire WF12 7RD |
| Independent auditor | BDO LLP 3 Hardman Street Manchester M3 3AT |

Pumps and Gearboxes Ltd

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Pumps and Gearboxes Ltd

Directors' Report For the Year Ended 31 December 2021

The Directors present their report together with the audited financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company continued to be that of suppliers of pumps and gearbox equipment.

Results and dividends

The profit for the year, after taxation, amounted to £62,126 (2020 - £43,800).

No ordinary dividends were paid during the year (2020 - £Nil). The Directors do not recommend payment of a final dividend.

Directors

The Directors who served during the year were:

S L Gill
B D Hancock
R P Johnson

Qualifying third party indemnity provisions

The Company has provided an indemnity for its directors, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29 JUNE 2022 and signed on its behalf.



S Deakes
Secretary

Pumps and Gearboxes Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2021

The Directors are responsible for preparing 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; and
- 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.

Pumps and Gearboxes Ltd

Independent Auditor's report to the members of Pumps and Gearboxes Ltd

Opinion on the 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 December 2021 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.

We have audited the financial statements of Pumps and Gearboxes Ltd ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Pumps and Gearboxes Ltd

Independent Auditor's report to the members of Pumps and Gearboxes Ltd (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

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 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
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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.

Pumps and Gearboxes Ltd

Independent Auditor's report to the members of Pumps and Gearboxes Ltd (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Company accounting policies, the financial reporting framework and the UK Companies Act 2006; those that relate to the payment of employees; and industry related such as compliance with health and safety legislation. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries with a particular focus on manual journals to revenue as well as journal entries posted by an unexpected member of staff based on our understanding of the business;
- Testing a sample of revenue recognised either side of the year end to ensure revenue has been recognised in the correct period;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions, accounting estimates and judgements made by the Directors particularly in relation to stock provisioning; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

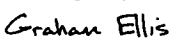
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Pumps and Gearboxes Ltd

Independent Auditor's report to the members of Pumps and Gearboxes Ltd (continued)

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.

DocuSigned by:

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Graham Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
29 June 2022

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

Pumps and Gearboxes Ltd

Statement of Comprehensive Income For the Year Ended 31 December 2021

| | Note | 2021 £ | 2020 £ |
|---|------|----------------|----------------|
| Turnover | | 1,873,410 | 1,517,655 |
| Cost of sales | | (1,417,365) | (1,193,822) |
| Gross profit | | 456,045 | 323,833 |
| Administrative expenses | | (401,960) | (351,218) |
| Other operating income | 4 | 24,118 | 81,984 |
| Operating profit | | 78,203 | 54,599 |
| Interest payable and similar expenses | | (179) | - |
| Profit before tax | | 78,024 | 54,599 |
| Tax on profit | | (15,898) | (10,799) |
| Profit and total comprehensive income for the financial year attributable to the equity holders of the Company | | 62,126 | 43,800 |

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 9 to 16 form part of these financial statements.

Pumps and Gearboxes Ltd

Registered number: 04148794

Statement of Financial Position As at 31 December 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible fixed assets | 6 | 68,826 | 38,848 |
| Current assets | | | |
| Stocks | | 231,855 | 179,245 |
| Debtors: amounts falling due within one year | 7 | 543,949 | 515,047 |
| Cash at bank and in hand | | 122,911 | 84,200 |
| | | <u>898,715</u> | <u>778,492</u> |
| Creditors: amounts falling due within one year | 8 | <u>(425,870)</u> | <u>(336,986)</u> |
| Net current assets | | <u>472,845</u> | <u>441,506</u> |
| Total assets less current liabilities | | <u>541,671</u> | <u>480,354</u> |
| Provisions for liabilities | | | |
| Deferred tax | 9 | (178) | (987) |
| Net assets | | <u><u>541,493</u></u> | <u><u>479,367</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 1,333 | 1,333 |
| Profit and loss account | | 540,160 | 478,034 |
| Shareholders' funds | | <u><u>541,493</u></u> | <u><u>479,367</u></u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 JUNE 2022.


R P Johnson
Director

The notes on pages 9 to 16 form part of these financial statements.

Pumps and Gearboxes Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

Pumps and Gearboxes Ltd is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The registered office given on the Company Information page and the nature of the Company's operations and its principal activities are outlined in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in GBP and rounded to the nearest pound.

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 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company remained operational throughout 2021 and was not adversely affected by the COVID pandemic during the year. Performance has been relatively strong with an increase in annual turnover of 23% on 2020. Further growth is predicted in 2022 with turnover forecasted to increase by around 11% to £2.1million.

The Company's customer base has remained largely unchanged throughout 2021 and into 2022. The Directors are conscious, however, that customer defaults/insolvencies may occur in the future as a result of the many challenges facing businesses today. The Company's credit control procedures were reviewed in 2021 to ensure that they are robust and would mitigate the impacts of any potential defaults.

The Company meets its day-to-day working capital requirements through normal trading. Its forecasts for 2022 and 2023, taking into account of reasonably possible changes in trading performance, show that the Company will have sufficient cash for at least the next twelve months.

Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

Turnover is recognised on delivery of goods.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Pumps and Gearboxes Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.5 Government grants

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pumps and Gearboxes Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

| | | |
|---------------------------------|---|----------------------------|
| Long-term property improvements | - | 10% straight line basis |
| Plant and machinery | - | 15% reducing balance basis |
| Motor vehicles | - | 25% reducing balance basis |
| Fixtures and fittings | - | 15% reducing balance basis |
| Computer equipment | - | 25% straight line basis |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Pumps and Gearboxes Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Pumps and Gearboxes Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Inventory provisioning

When calculating inventory provisions, management make judgements based on the age, status and saleability of the inventory, considering expected saleability and historical experience.

4. Other operating income

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| Government grants receivable for furloughed employees | <u>24,118</u> | <u>81,984</u> |

5. Employees

The average monthly number of employees, including directors, during the year was 11 (2020 - 10).

Pumps and Gearboxes Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

6. Tangible fixed assets

| | Long-term leasehold property £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--------------------------|---|-----------------------------|-------------------------------|----------------------------|------------|
| Cost or valuation | | | | | |
| At 1 January 2021 | 10,943 | 36,292 | 19,181 | 48,451 | 114,867 |
| Additions | 24,947 | 8,873 | 2,497 | 9,049 | 45,366 |
| Disposals | - | - | - | (5,326) | (5,326) |
| At 31 December 2021 | 35,890 | 45,165 | 21,678 | 52,174 | 154,907 |
| Depreciation | | | | | |
| At 1 January 2021 | 9,055 | 26,966 | 16,864 | 23,134 | 76,019 |
| Charge for the year | 2,082 | 1,561 | 738 | 11,007 | 15,388 |
| Disposals | - | - | - | (5,326) | (5,326) |
| At 31 December 2021 | 11,137 | 28,527 | 17,602 | 28,815 | 86,081 |
| Net book value | | | | | |
| At 31 December 2021 | 24,753 | 16,638 | 4,076 | 23,359 | 68,826 |
| At 31 December 2020 | 1,888 | 9,326 | 2,317 | 25,317 | 38,848 |

7. Debtors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 340,880 | 282,595 |
| Amounts owed by group undertakings | 156,364 | 207,754 |
| Prepayments and accrued income | 46,705 | 24,698 |
| | 543,949 | 515,047 |

Amounts owed by group undertakings that are due within one year are unsecured, repayable on demand and interest free.

Pumps and Gearboxes Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

8. Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 339,632 | 274,379 |
| Amounts owed to group undertakings | 15,211 | 12,567 |
| Corporation tax | 12,094 | 13,249 |
| Other taxation and social security | 19,791 | 22,418 |
| Accruals and deferred income | 39,142 | 14,373 |
| | 425,870 | 336,986 |

Amounts owed to group undertakings that are due within one year are unsecured, repayable on demand and interest free.

9. Deferred taxation

| | 2021 £ |
|----------------------------|------------|
| At beginning of year | 987 |
| Credited to profit or loss | (809) |
| At end of year | 178 |

The provision for deferred taxation is made up as follows:

| | 2021 £ | 2020 £ |
|---|------------|------------|
| Fixed asset timing differences | 401 | 1,673 |
| Short term timing differences - trading | (223) | (686) |
| | 178 | 987 |

10. Financial commitments, guarantees and contingent liabilities

Pumps and Gearboxes Ltd is party to an unlimited cross guarantee arrangement for bank borrowings with companies within the group headed by Richard Alan Group Holdings Limited. At the Statement of Financial Position date, these borrowings amounted to £1,042,932 (2020 - £1,661,061).

Pumps and Gearboxes Ltd

Notes to the Financial Statements For the Year Ended 31 December 2021

11. Commitments under operating leases

At 31 December 2021, the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2021 £ | 2020 £ |
|--|----------------|---------------|
| Not later than 1 year | 106,810 | 36,399 |
| Later than 1 year and not later than 5 years | 368,000 | 12,796 |
| Later than 5 years | 444,667 | - |
| | <u>919,477</u> | <u>49,195</u> |

12. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate Parent Company or any wholly owned subsidiary undertaking of the Group.

13. Controlling party

The Company's immediate parent undertaking is Pumps & Gearboxes Holdings (UK) Limited, a company registered in England and Wales with registered office at Richard Alan House, Shaw Cross Business Park, Owl Lane, Dewsbury, West Yorkshire, WF12 7RD.

The ultimate Parent Company is Orange UK Holdings Limited, a Company registered in England and Wales. The registered office of the ultimate Parent Company is 1 Goose Green, Altrincham, Cheshire, WA14 1DW.

The largest Group in which the results of the Company are consolidated is that headed by Orange UK Holdings Limited.

The smallest group in which the results of the Company are consolidated is that headed by CorpAcq Limited. The consolidated financial statements of the Group are available to the public and may be obtained from CorpAcq Limited at Corpacq House, 1 Goose Green, Altrincham, Cheshire, WA14 1DW, United Kingdom.

The Directors consider that, by virtue of his shareholding in the ultimate Parent Company, the ultimate controlling party is Mr S Orange.