

Company Registration No. 01217723 (England and Wales)

CAT PUMPS (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019
PAGES FOR FILING WITH REGISTRAR



CAT PUMPS (UK) LIMITED

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CAT PUMPS (UK) LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	4		449,147		459,323
Current assets					
Stocks	5	1,094,517		1,143,171	
Debtors	6	404,880		352,453	
Cash at bank and in hand		1,493,923		670,597	
		<u>2,993,320</u>		<u>2,166,221</u>	
Creditors: amounts falling due within one year	7	<u>(321,118)</u>		<u>(226,826)</u>	
Net current assets			<u>2,672,202</u>		<u>1,939,395</u>
Total assets less current liabilities			<u>3,121,349</u>		<u>2,398,718</u>
Provisions for liabilities	9		<u>(36,196)</u>		<u>(41,125)</u>
Net assets			<u><u>3,085,153</u></u>		<u><u>2,357,593</u></u>
Capital and reserves					
Called up share capital	11	1,532,150		1,532,150	
Profit and loss reserves		1,553,003		825,443	
Total equity			<u><u>3,085,153</u></u>		<u><u>2,357,593</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on **23.12.2019** and are signed on its behalf by:



D M Erickson
Director

Company Registration No. 01217723

CAT PUMPS (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	16	989,871		655,475	
Income taxes paid		(168,917)		(113,591)	
Net cash inflow from operating activities		820,954		541,884	
Investing activities					
Purchase of tangible fixed assets		(1,450)		-	
Interest received		3,822		1,972	
Net cash generated from investing activities		2,372		1,972	
Financing activities					
Dividends paid		-		(800,000)	
Net cash used in financing activities		-		(800,000)	
Net increase/(decrease) in cash and cash equivalents		823,326		(256,144)	
Cash and cash equivalents at beginning of year		670,597		926,741	
Cash and cash equivalents at end of year		1,493,923		670,597	

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

Company information

Cat Pumps (UK) Limited is a company limited by shares incorporated in England and Wales. The registered office is 100 New Bridge Street, London, EC4V 6JA and the place of business is 1 Fleet Business Park, Sandy Lane, Church Crookham, Fleet, Hampshire, GU52 8BF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Cat Pumps (UK) Limited is a wholly owned indirect subsidiary of Cat Pumps Corporation and the results of Cat Pumps (UK) Limited are included in the consolidated financial statements of Cat Pumps Corporation.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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 and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	nil and 2% on cost
Plant and machinery	10% to 50% on cost
Fixtures, fittings & equipment	20% to 33.3% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Average cost is used to value stock.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.14 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

2 Judgements and key sources of estimation uncertainty

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

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

There are no key sources of estimation uncertainty on the amounts recognised in the financial statements.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock

To determine whether any provision is required against slow moving or obsolete stock items. These decisions will depend on an assessment of the latest movements of the items held in stock at the balance sheet date, along with a physical inspection to identify any damaged items.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Sales, production and administration	14	13

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

4 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 December 2018	723,291	128,745	133,299	985,335
Additions	-	733	717	1,450
Disposals	-	-	(3,729)	(3,729)
At 30 November 2019	723,291	129,478	130,287	983,056
Depreciation and impairment				
At 1 December 2018	265,276	128,002	132,734	526,012
Depreciation charged in the year	10,345	596	685	11,626
Eliminated in respect of disposals	-	-	(3,729)	(3,729)
At 30 November 2019	275,621	128,598	129,690	533,909
Carrying amount				
At 30 November 2019	447,670	880	597	449,147
At 30 November 2018	458,015	743	565	459,323

5 Stocks

	2019 £	2018 £
Finished goods and goods for resale	1,094,517	1,143,171

An impairment loss of £12,682 (2018: £16,135) was recognised in cost of sales during the year due to slow moving and obsolete stock.

6 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	359,707	310,290
Prepayments and accrued income	45,173	42,163
	404,880	352,453

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	149,906	80,389
Corporation tax	32,859	33,967
Other taxation and social security	49,608	25,932
Accruals and deferred income	88,745	86,538
	<u>321,118</u>	<u>226,826</u>

8 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>359,707</u>	<u>310,290</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>152,812</u>	<u>166,927</u>

9 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	10	<u>36,196</u>	<u>41,125</u>

10 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Advanced capital allowances	<u>36,196</u>	<u>41,125</u>
Movements in the year:		2019 £
Liability at 1 December 2018		41,125
Credit to profit or loss		(4,929)
Liability at 30 November 2019		<u>36,196</u>

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

10 Deferred taxation

(Continued)

The provision for deferred tax liabilities in respect of accelerated capital allowances is not expected to materially reverse in the following financial year.

11 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
1,282,150 Ordinary Shares of £1 each	1,282,150	1,282,150
	<u>1,282,150</u>	<u>1,282,150</u>
Preference share capital		
Issued and fully paid		
250,000 Preference Shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

Preference shares:

In the event that any dividend is declared in relation to all or any of the issued shares of the company, the preference shares shall entitle the holders to a dividend of 0.5% on the capital paid up as at the date the dividend is declared in addition to the declared dividend. This dividend ranks for payment in priority to the payment of a dividend on any other shares. In the event of a winding up of the company, the preference shares entitle the holders to a return of capital together with a sum equal to any dividend arrears.

Preference shareholders have no right to receive notice of, or to attend or vote, at a general meeting except on a winding up of the company or on a proposed modification of the rights to their preference shares or if any dividend on the preference shares is three months in arrears at the date of the notice convening the meeting.

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	7,954	7,959
Between two and five years	6,238	13,849
	<u>14,192</u>	<u>21,808</u>

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

13 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	153,087	136,925

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2019	2018	2019	2018
	£	£	£	£
Group companies	462,345	569,175	253,645	211,863

14 Controlling party

Cat Pumps Corporation (incorporated in United States of America) is regarded by the directors as being the company's ultimate parent company.

The immediate parent company is Cat Pumps Europe B.V., a company incorporated in the Netherlands.

15 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Tracey Wickens.

The auditor was MGI Midgley Snelling LLP.

CAT PUMPS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

16 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	727,560	566,136
Adjustments for:		
Taxation charged	162,880	128,165
Investment income	(3,822)	(1,972)
Depreciation and impairment of tangible fixed assets	11,626	17,579
Movements in working capital:		
Decrease/(increase) in stocks	48,654	(69,215)
(Increase) in debtors	(52,427)	(59,394)
Increase in creditors	95,400	74,176
Cash generated from operations	<u>989,871</u>	<u>655,475</u>

17 Events after the reporting date

A dividend of £700,000 will be declared on 2 December 2019. This dividend will be payable to the company's sole shareholder Cat Pumps Europe B.V. on 3 February 2020.