

Sulzer Pumps Wastewater UK Limited

Annual report and financial statements

Registered number 02447926

31 December 2017

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Sulzer Pumps Wastewater UK Limited

Annual report and financial statements 31 December 2017

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Sulzer Pumps Wastewater UK Limited

Directors and advisers for the year ended 31 December 2017

Directors

C Patten
M Streicher
N James
A Penn
N Hussain

Company Secretary

C Patten

Registered office

5th Floor
Astral Towers Betts Way
Crawley
West Sussex
RH10 9UY

Independent auditor

KPMG LLP
Chartered Accountants and Statutory Auditors
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Bankers

HSBC Bank Plc
Thames Valley Corporate Banking Centre
5th Floor, Apex Plaza
Reading
RG1 1AX

Solicitors

Rawlison Butler
Griffen House
135 High Street
Crawley
RH10 1DQ

Sulzer Pumps Wastewater UK Limited

Strategic report for the year ended 31 December 2017

Principal activities, review of the business and future developments

The principal activities of the company continued to be sale, manufacture, installation and repair of pumping and mixing machinery.

The company's key financial and other performance indicators during the year were as follows:

	2017 £'000	2016 £'000	Change %
Turnover	12,390	11,647	6.4%
EBITDA	339	443	-23.5%
Operating profit	263	363	-27.5%
Profit before taxation	249	345	-27.8%

The growth in turnover reflects the growing investment in the UK water industry. The decline in profitability is due to a combination of product mix and increased administration expenses, both of which should balance out as growth continues. Looking forward, OFWAT have announced the water industry goals for the next investment period. These focus on improving customer satisfaction, quality and resilience, all of which promote infrastructure investment.

The directors have reviewed a range of non-financial indicators but the board do not view them as key to an understanding of the business.

There are no future developments requiring comment.

Results and dividends

The profit for the financial year is set out in the profit and loss account on page 10. The directors do not propose the payment of a dividend.

Principal risks and uncertainties

The nature of the business means that it faces a number of minor risks, but there are no risks which are individually significant to the business.

Business continuity and acts of terrorism

The most likely event would be the loss of one of our facilities, however, because our IT infrastructure is hosted in Switzerland and our logistics centre in Luxembourg we could quickly reinstate our operations from a temporary location and continue our business with minimum disruption.

Economic and market risks

Our business is in two main areas, with the water companies and via distributors to the commercial market. The water company business is to some extent protected from the general economic climate as the industry is strongly regulated through the Water Services Regulation Authority (OFWAT), who ensures that the quality and investment levels are maintained. The commercial market is less protected, thus therefore does pose a risk, however, our market share is relatively small and shortfalls can be offset by increased activity.

Sulzer Pumps Wastewater UK Limited

Strategic report for the year ended 31 December 2017

Principal risks and uncertainties (continued)

Environmental

The company is certified to ISO4001 and has an internal Environmental Policy which is enforced through internal auditing. The main risk to the business would be caused by a pollution incident reported to the Environmental Agency. To mitigate this we take every precaution including employee training and therefore we believe the risk is low.

Health and Safety

Our external staff are working in potentially hazardous locations and therefore there is a risk to them and the business. We do have a strong Health and Safety culture driven from the parent company in the business and we have rolled out a "Safe Behaviour Programme", combined with internal and external audits from which we continue to score highly.

By order of the Board



A Penn

Director

27th September 2018

Sulzer Pumps Wastewater UK Ltd
5th Floor Astral Towers
Betts Way
Crawley, West Sussex
RH10 9UY

Sulzer Pumps Wastewater UK Limited

Directors' report for the year ended 31 December 2017

The directors submit their report and the audited financial statements of the company for the year ended 31 December 2017.

Directors

The directors who served during the financial year ended 31 December 2017 and up to the date of signing the financial statements are noted on page 3.

Statement of directors' responsibilities in respect of the strategic report, 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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Sulzer Pumps Wastewater UK Limited

Directors' report for the year ended 31 December 2017 (continued)

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditor

In so far as each of the directors is aware:

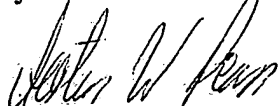
- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's Auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

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

By order of the Board



A Penn

Director

27th September 2018

Sulzer Pumps Wastewater UK Ltd
5th Floor Astral Towers
Betts Way
Crawley, West Sussex
RH10 9UY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Sulzer Pumps Wastewater UK Limited

Opinion

We have audited the financial statements of Sulzer Pumps Wastewater UK Limited ("the company") for the year ended 31 December 2017 which comprise the profit and loss account and other comprehensive income, statement of changes in equity, balance sheet 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 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 6, 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.

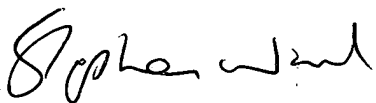
Auditor's responsibilities

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.

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.



Stephen Ward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

28 September 2018

Sulzer Pumps Wastewater UK Limited

Profit and loss account and other comprehensive income for the year ended 31 December 2017

		Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
	Note		
Turnover	3	12,390	11,647
Cost of sales		(7,906)	(7,205)
Gross profit		4,484	4,442
Selling and distribution costs		(3,049)	(3,022)
Administrative expenses		(1,172)	(1,057)
Operating profit	4	263	363
Interest payable and similar expenses	6	(14)	(18)
Profit before taxation		249	345
Tax on profit	7	(50)	(76)
Profit and other comprehensive income for the financial year		199	269

All operations in the year were continuing.

There is no material difference between the profit before taxation and the profit and other comprehensive income for the financial year stated above and their historical cost equivalents.

The notes on pages 13-23 form part of these financial statements.

Sulzer Pumps Wastewater UK Limited

Statement of Changes in Equity as at 31 December 2017

	Called up Share Capital £'000	Profit and loss account £'000	Total equity £'000
Balance as at 1 January 2016	6,000	(2,668)	3,332
Profit for the year and total comprehensive income	-	269	269
Balance as at 31 December 2016	6,000	(2,399)	3,601
Balance as at 1 January 2017	6,000	(2,399)	3,601
Profit for the year and total comprehensive income	-	199	199
Balance as at 31 December 2017	6,000	(2,200)	3,800

The notes on pages 13-23 form part of these financial statements.


Sulzer Pumps Wastewater UK Limited

Balance sheet as at 31 December 2017

Fixed assets			
Intangible assets	8	900	900
Tangible assets	9	175	233
		<u>1,075</u>	<u>1,133</u>
Current assets			
Stocks	10	2,821	2,270
Debtors		4,823	4,145
Including £198k (2016: £248k) due >1 years	11		
Cash at bank and in hand		<u>1</u>	<u>40</u>
		<u>7,645</u>	<u>6,455</u>
Creditors: Amounts falling due within one year	12	<u>(4,881)</u>	<u>(3,948)</u>
Net current assets		<u>2,764</u>	<u>2,507</u>
Total assets less current liabilities		3,839	3,640
Creditors: Amounts falling due after more than one year			
Provisions for liabilities	13	(39)	(39)
Net assets		<u><u>3,800</u></u>	<u><u>3,601</u></u>
Capital and reserves			
Called up share capital	14	6,000	6,000
Profit and loss account		<u>(2,200)</u>	<u>(2,399)</u>
Total shareholders' funds		<u><u>3,800</u></u>	<u><u>3,601</u></u>

The notes on pages 13-23 form part of these financial statements.

The financial statements on pages 10-23 were approved by the board of directors on 27th September 2018 and signed on its behalf by:



A Penn
Director
Registered Number 02447926

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017

1. Accounting policies

Sulzer Pumps Wastewater UK Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 02447926 and the registered address is 5th floor Astral Towers, Betts Way, Crawley, West Sussex, RH10 9UY.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Sulzer AG includes the Company in its consolidated financial statements. The consolidated financial statements of Sulzer AG are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Sulzer AG, CH 8401 Winterthur, Switzerland, or can be downloaded from the website at www.sulzer.com.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. It is not amortised but is tested annually for impairment, and carried at cost less accumulated impairment losses. This is not in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. Goodwill on acquisitions is included in intangible assets.

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1. Accounting policies (continued)

Depreciation of fixed assets

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives.

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Raw material, consumables and goods for resale	-Purchase cost on a first in first out basis
Work in progress and finished goods	-Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on actual or estimated selling price less any further costs to be incurred to completion and disposal.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences on exchange are taken to the profit and loss account.

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1. Accounting policies (continued)

Turnover

Turnover represents the net amounts chargeable to customers for goods and services supplied in respect of ordinary activities, excluding value added tax. Turnover is only recognised when significant risks and rewards of ownership have passed to the buyer and revenue can be measured reliably.

Operating leases

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Warranties

The company estimates the expense related to contractual product warranties. Estimates are established using historical information on the nature, frequency and average cost of warranty claims.

Going Concern

The directors believe that it is appropriate to prepare the financial statements on a going concern basis due to the continued financial support of a parent undertaking.

Pension costs

Defined Contribution scheme

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined Benefit scheme

The company also operated a defined benefit pension scheme which is now closed to new members.

Further details of the Sulzer Group pension scheme are included in the financial statements of Sulzer (UK) Holdings Limited.

2. Critical accounting estimates and judgements

All estimates and assessments are continually reviewed and are based on historical experiences and other factors, including expectations regarding future events that appear reasonable under the given circumstances. The company makes estimates and assumptions that relate to the future. By their nature, these estimates will only rarely correspond to actual subsequent events. The estimates and assumptions that carry a significant risk, in the form of a substantial adjustment to the present value of assets and liabilities within the next financial year, are set out below.

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

2. Critical accounting estimates and judgements (continued)

Provisions

Provisions for warranty, restructuring cost, and legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3. Turnover

Turnover, all of which arises from continuing operations, represents amounts invoiced by the company in respect of goods and services, excluding value added tax. Turnover for the year wholly relates to UK sales.

4. Operating profit

Operating profit is stated after charging:

	2017 £'000	2016 £'000
Directors' remuneration	180	163
Auditor's remuneration	17	18
Depreciation	<u>76</u>	<u>80</u>

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

5. Employees' and directors' remuneration

The average monthly number of persons employed during the year (excluding executive directors) was:

	31 December 2017 Number	31 December 2016 Number
Production	22	22
Administration	38	38
	<u>60</u>	<u>60</u>

Staff costs comprised of:

	31 December 2017 £'000	31 December 2016 £'000
Wages and salaries	2,168	2,038
Staff welfare costs	146	138
Pension costs- defined contribution	100	86
	<u>2,414</u>	<u>2,262</u>

Remuneration in respect of directors was as follows:

	31 December 2017 £'000	31 December 2016 £'000
Emoluments	<u>180</u>	<u>163</u>

The amount set out above includes remuneration in respect of the highest paid director as follows:

	165	151
Emoluments	165	151
Pension contributions	15	12
	<u>180</u>	<u>163</u>

6. Interest payable and similar expenses

	31 December 2017 £'000	31 December 2016 £'000
On bank loans and overdrafts	14	18
	<u>14</u>	<u>18</u>

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

7. Tax on profit

	31 December 2017 £'000	31 December 2016 £'000
Current taxation		
Current year	-	(4)
Prior year	-	-
Total current tax	-	(4)
Deferred tax (see Note 11)		
Origination and reversal of temporary difference	50	81
Prior year	-	(1)
Total deferred tax	50	80
Tax on profit	50	76

Factors affecting current tax charge

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on these rates.

	31 December 2017 £'000	31 December 2016 £'000
Profit before taxation	249	345
Tax at 20% (2016: 20%)	50	69
Factors affecting tax charge for the year:		
Tax effect of under/over provisions in prior years	-	(1)
Tax effect of rate changes	6	6
Disallowable expenses	(6)	2
Income tax charge	50	76

There are no unrecognised deferred tax assets.

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

8. Intangible fixed assets

	Goodwill £'000	Total £'000
Cost		
At 1 January 2017 and 31 December 2017	<u>1,000</u>	<u>1,000</u>
Accumulated amortisation		
At 1 January 2017 and 31 December 2017	<u>100</u>	<u>100</u>
Net Book Value		
At 31 December 2017	<u>900</u>	<u>900</u>
At 31 December 2016	<u>900</u>	<u>900</u>

On 29 November 2013, the company acquired the trade of a fellow group company, Sulzer Process Pumps (UK) Limited for a consideration of £1 million. No separately identifiable assets were acquired as part of the transaction. The resulting goodwill of £1 million has been reviewed for impairment based on Sulzer's knowledge of the business. The resulting net book value represents the impaired fair value of the asset.

Impairment testing

Goodwill and indefinite life intangible assets considered significant in comparison to the Company's total carrying amount of such assets have been allocated to cash generating units or groups of cash generating units as follows:

	Goodwill 2017 £000
Sulzer Process Pumps	900

The recoverable amount of goodwill in Sulzer Process Pumps has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

	2017
Period on which management approved forecasts are based	5 years
Growth rate applied beyond approved forecast period	3%
Discount rate	10%

The growth rates used in the value in use calculation reflect the average growth rate experienced by the Company for the product industry and market.

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

9. Tangible assets

	£'000	£'000
Cost		
At 1 January 2017	2,259	2,259
Additions	18	18
At 31 December 2017	2,277	2,277
Accumulated depreciation		
At 1 January 2017	2,026	2,026
Charge for the year	76	76
At 31 December 2017	2,102	2,102
Net Book Value		
At 31 December 2017	175	175
At 31 December 2016	233	233

10. Stocks

	31 December 2017 £'000	31 December 2016 £'000
Raw materials and consumables	2,332	1,458
Work in progress	299	187
Finished goods and goods for resale	190	625
	2,821	2,270

11. Debtors

	31 December 2017 £'000	31 December 2016 £'000
Amounts falling due within one year		
Trade debtors	3,435	3,186
Amount owed from group undertakings	987	555
Prepayments	203	156
	4,625	3,897
Amounts falling due after more than one year		
Deferred tax asset	198	248
	4,823	4,145

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

11. Debtors (continued)

Deferred tax

The deferred tax asset consists of the following amounts:

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Asset brought forward	(248)	(328)
Prior year adjustment	-	(1)
Profit and loss account movement arising during the year	50	81
Asset carried forward	<u>(198)</u>	<u>(248)</u>
Recognised in: Debtors	(198)	(248)

Deferred Tax

The deferred taxation asset consists of the tax effect of temporary differences in respect of:

	31 December 2017 £'000	31 December 2016 £'000
Excess of capital allowances over depreciation of fixed assets	(43)	(45)
Other temporary differences	(7)	(7)
Losses	<u>(148)</u>	<u>(196)</u>
	<u>(198)</u>	<u>(248)</u>

12. Creditors

Amounts falling due within one year:

	31 December 2017 £'000	31 December 2016 £'000
Trade creditors	404	273
Amounts owed to group undertakings	3,717	3,046
Other taxation and social security	268	301
Accruals	<u>492</u>	<u>328</u>
	<u>4,881</u>	<u>3,948</u>

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

13. Provisions for liabilities

	Warranty provision £'000
At 1 January 2017	39
Charged to profit and loss account	-
At 31 December 2017	<u>39</u>

14. Called up share capital

	31 December 2017 £'000	31 December 2016 £'000
<i>Issued and fully paid</i>		
1,000,000 Ordinary Shares of £1 each	1,000	1,000
5,000,000 Redeemable Ordinary Shares of £1 each	<u>5,000</u>	<u>5,000</u>
	<u>6,000</u>	<u>6,000</u>

The 5 million Redeemable Ordinary Shares of £1 each are redeemable by the shareholders upon giving one month's notice to the company. The amount payable on redemption is the paid up amount on the shares together with any arrears of dividend declared but not paid thereon. The ordinary and redeemable shares otherwise have the same rights and privileges and rank *pari passu* in all respects.

15. Directors' and secretary's interests in share capital

None of the directors' or secretary who held office at the end of the financial year had any disclosable interest in the shares of the company.

16. Related party transactions

The company has availed of the exemption granted under FRS 101.8(k) Related Party Disclosures and consequently does not disclose its transactions with other wholly owned subsidiaries of the Sulzer group.

17. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the company is Sulzer (UK) Holdings Limited, a company registered in the United Kingdom.

The ultimate parent undertaking and controlling party is Sulzer AG, a company registered in Switzerland.

Sulzer AG is the parent undertaking of the smallest and largest group for which group financial statements are prepared. Copies of group's financial statements are publicly available from Sulzer AG, CH 8401, Winterthur, Switzerland or can be downloaded from the website at www.sulzer.com.

Sulzer Pumps Wastewater UK Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

18. Commitments

Total commitments under non-cancellable operating leases as follows:

	2017		2016	
	Land & Buildings	Other	Land & Buildings	Other
	£'000	£'000	£'000	£'000
Operating leases				
Within 1 year	212	260	234	285
Between 2 to 5 years	523	807	621	450
Over 5 years	98	7	130	7
	<u>833</u>	<u>1,074</u>	<u>985</u>	<u>742</u>