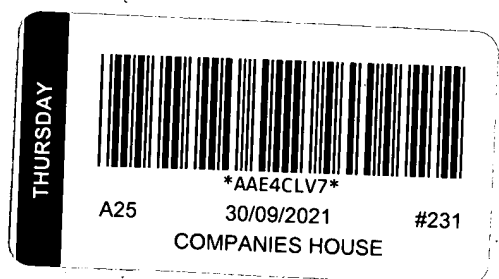


Registered Number: 03336919

AVTPump Limited  
Annual Report  
for the year ended 31 December 2020



AVTPump Limited

Annual Report

for the year ended 31 December 2020

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# **AVTPump Limited**

## **Directors and advisers**

### **Directors**

C J Rea CBE DL

J H Chappell

S M Shaw

A J Gales

J N Hamilton

C L Dickinson

### **Company Secretary**

C L Dickinson

### **Registered office**

Global Technology Centre

Mill Close

Bradmarsh Business Park

Rotherham

S60 1BZ

### **Independent auditors**

KPMG LLP

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

### **Bankers**

HSBC Bank plc

4<sup>th</sup> Floor, City Point

29 King Street

Leeds

LS1 2HL

# **AVTPump Limited**

## **Strategic report for the year ended 31 December 2020**

The directors present their strategic report on the company for the year ended 31 December 2020.

### **Principal activities**

The principal activity of the company during the year was the sale, repair and service of pumps, rotating equipment and ancillaries.

### **Our purpose**

The company's purpose is to put customers at the heart of our business through providing exceptional customer service.

### **Review of business and future developments**

The company reported a decrease in sales to £5.4m (2019: £6.3m). The company also showed a decrease in profitability. The company reported a profit before tax of £346,000 (2019: profit of £596,000).

Our confidence for the future is built on the excellence of our product and service offering, and the business model and value proposition of our ultimate parent company, AES Engineering Limited, which is unique in the industry sector. We are carefully managing the coronavirus situation and the Group is committed to providing a safe environment for our employees and ensuring business continuity. We already have in place processes to protect our staff, including travel restrictions, working from home arrangement and temperature checks on entry to buildings.

### **Consolidated results**

The company is exempt from the requirement to prepare consolidated group financial statements at the year end date. It is included in the consolidated financial statements of the ultimate parent undertaking, AES Engineering Limited.

### **Principal risks and uncertainties and key performance indicators**

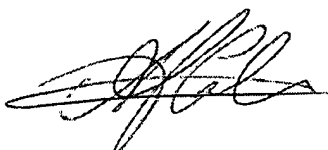
The directors of AES Engineering Limited, the ultimate parent company manage the group's risks and operations at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that discussion of the group's risks and analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of the group, including credit, liquidity and cash flow risk of the company, and the development, performance and position of the company are discussed in the Director's report of AES Engineering Limited's Annual Report which does not form part of this report.

### **Withdrawal of the United Kingdom from the European Union**

The UK has now left the EU and the transition period also ended on 31 December 2020. Supply chain disruption was the main risk to the company following the transition period however we continue to actively engage with our key suppliers and freight forwarders to reduce any impact on supply chains and distribution of our own products to customers. We have maintained Authorised Economic Operator status to enable streamlined border checks. The company has a diverse geographical customer base and is experienced in trading under multiple global trade and customs arrangements.

**Approved by and signed on behalf of the Board**

**A J Gales**  
Director  
7 June 2021



# **AVTPump Limited**

## **Directors' report for the year ended 31 December 2020**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

Details of principal risks, including financial risks, and KPIs are provided in the Strategic report.

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

C J Rea CBE DL  
J H Chappell  
S M Shaw  
A J Gales  
J N Hamilton  
C L Dickinson

### **Results and dividends**

The profit for the financial year is set out on page 10. No dividends were paid during the year (2019: £nil).

### **Employees**

Communication is crucial to helping employees engage with the business. We communicate through team briefings, presentations, intranet and newsletters. The company has well-established forums for exchanging information and best practice, as well as discussing business issues, including efficiency initiatives, training and development, environmental and health & safety issues. All employees contribute to and understand the company's business culture - particularly the needs of the customers it serves. The company uses employee surveys to establish feedback.

The company is committed to promoting policies which are designed to ensure that employees and those who seek to work for the company are treated equally regardless of sex, marital status, sexual orientation, race or ethnic origin.

The company gives full and fair consideration to applications for employment by people who are disabled, to continue wherever possible the development of staff who become disabled and to provide equal opportunities for the career development of disabled employees.

The company recognises that training for all levels of staff is vital to performance and it also provides a mechanism for increasing morale and improving staff retention. This ensures that knowledge of the company's product offering is not lost, thereby enhancing customer service. All employees are provided with regular training on behavioural standards.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

# AVTPump Limited

## Directors' report for the year ended 31 December 2020 - continued

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

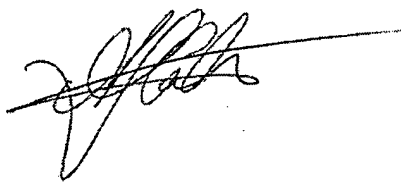
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

- So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by and signed on behalf of the Board

A J Gales  
Director  
7 June 2021



## **Independent auditor's report to the members of AVTPump Limited**

### **Opinion**

We have audited the financial statements of AVTPump Limited ("the company") for the year ended 31 December 2020 which comprise the profit & loss account, the balance sheet, the statement of changes in equity and related notes, including the accounting policies on page 13.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

## **Independent auditors' report to the members of AVTPump Limited– continued**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud;
- Reading board minutes;
- Considering remuneration incentive schemes and performance targets; and
- Using analytical procedures to identify unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, including: the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify additional fraud risks.

In determining the audit procedures we have taken into account the results of our evaluation of the company-wide fraud risk management controls. We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts involving revenue and cash.
- For a sample of revenue transactions around the period end, vouching to supporting external documentation to corroborate whether those items were recorded in the correct accounting period.

## **Independent auditors' report to the members of AVTPump Ltd – continued**

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulation.*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of company legislation, recognising the nature of the company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **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;

## **Independent auditors' report to the members of AVTPump Ltd – continued**

- 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; or

We have nothing to report in these respects.

### **Directors' responsibilities**

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

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **Independent auditors' report to the members of AVTPUMP Ltd – continued**

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**David Caseldine (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

# AVTPump Limited

## Profit and loss account for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	1	5,431	6,296
Change in stocks of finished goods and in work in progress		104	34
		5,535	6,330
Raw materials and consumables		(3,422)	(4,001)
Staff costs	2	(1,290)	(1,236)
Depreciation and amortisation	3	(126)	(126)
Other operating expenses		(351)	(368)
		(5,189)	(5,731)
Operating profit	3	346	599
Net interest receivable/(payable)	4	-	(3)
Profit before taxation		346	596
Tax on profit	6	(77)	(117)
Profit for the financial year		269	479

All items dealt with in arriving at operating profit above relate to continuing operations.

The notes on Page 13 to Page 24 form part of the financial statements.

The company has no other comprehensive income and therefore no separate statement of other comprehensive income has been presented.

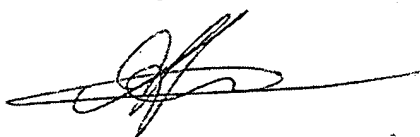
# AVTPump Limited

## Balance Sheet as at 31 December 2020

Registered number: 03336919

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangible assets	7	80	112
Tangible assets	9	249	258
Investments	8	-	-
		<b>329</b>	<b>370</b>
<b>Current assets</b>			
Stock	10	643	539
Debtors – amounts falling due within one year	11	1,191	1,306
Debtors – amounts falling after more than one year	11	470	171
Cash at bank and in hand		351	379
		<b>2,655</b>	<b>2,395</b>
Creditors: amounts falling due within one year	12	(642)	(688)
<b>Net current assets</b>		<b>2,013</b>	<b>1,707</b>
<b>Total assets less current liabilities</b>		<b>2,342</b>	<b>2,077</b>
Provision for liabilities	13	(56)	(60)
<b>Net assets</b>		<b>2,286</b>	<b>2,017</b>
<b>Capital and reserves</b>			
Called up share capital	15	20	20
Profit and loss account		2,266	1,997
<b>Total shareholders' funds</b>		<b>2,286</b>	<b>2,017</b>

The financial statements on pages 10 to 24 were approved by the board of directors on 7 June 2021 and were signed on its behalf:



A J Gales  
Director

07/06/21

## AVTPump Limited

### Statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Retained earnings	Total
	£'000	£'000	£'000
At 1 January 2019	20	1,518	1,538
Profit for the financial year	-	479	479
At 31 December 2019	20	1,997	2,017
Profit for the financial year	-	269	269
At 31 December 2020	20	2,266	2,286

The notes on Page 13 to Page 24 form part of the financial statements.

# **AVTPump Limited**

## **Statement of accounting policies**

### **General Information**

AVTPump Limited's ('the company') principal activity is the sale, repair and service of pumps, rotating equipment and ancillaries.

The company is limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Global Technology Centre, Mill Close, Bradmarsh Business Park, Rotherham S60 1BZ.

### **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### **Basis of preparation**

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

The directors have prepared detailed cash flow forecasts for a period of 13 months from the date of these financial statements. The forecasts consider the directors' views of current and future economic conditions that are expected to prevail over the period. These forecasts include assumptions regarding future revenues and costs together with risks and mitigating actions where applicable.

The forecasts indicate the company is able to meet its liabilities as they fall due throughout the period to 30 June 2022.

Taking account of the anticipated continuing impact of COVID-19 on operations and its financial resources, the directors have modelled a severe but plausible downside scenario sensitivity which allows for a further two month period of lockdown between the date of these accounts and 30 June 2022. The business continued to trade profitably through various 2020 and 2021 lockdown periods and would expect to be able to do so again, should the government impose further lockdown restrictions in the future and as at 31 December 2020 the company had significant net cash reserves of £351,000. Taking into account the severe but plausible downside before other mitigating actions available, the company is expected still to be able to operate with significant positive cash levels throughout the period to 30 June 2022. Accordingly, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

### **Exemptions for qualifying entities under FRS 102**

The company is a wholly owned subsidiary of AES Engineering Limited. It is included in the consolidated financial statements of AES Engineering Limited which are publicly available. Consequently the company is a qualifying entity as per FRS 100 and has taken advantage of the disclosure exemptions of FRS 102, Section 1, paragraph 1.12(a) reconciliation of the number of shares outstanding at the beginning and at the end of the period, paragraph 1.12(b) statement of cash flows, 1.12(d) certain share based payments disclosures and 1.12(e) key management compensation in total.

The company has taken advantage of the exemption available under the terms of FRS 102 not to disclose related party transactions with group companies.

### **Turnover**

Turnover represents the amounts invoiced to customers net of value added tax. Under normal circumstances, turnover from product sales is recognised upon delivery to the customer or, in the case of goods supplied ex-works, generally upon collection by the customer or their agent. Where consignment stock arrangements are in place, turnover is recognised upon notification by the customer that the product has been withdrawn from consignment. Turnover arising from the service of pumps is recognised on return of the pump to the customer.

# AVTPump Limited

## Statement of accounting policies – continued

### Tangible assets and depreciation

The cost of tangible assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual value, on a straight line basis over their estimated economic lives. The depreciation rates used for this purpose are:

Plant, fixtures and equipment	10% - 25% straight line
Motor vehicles	25% straight line

### Intangible assets

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of identifiable net assets, liabilities and contingent liabilities identified. Where the company is not able to make a reliable estimate of useful economic life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the profit and loss account.

### Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

### Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value. In respect of finished goods and goods for resale, cost includes direct materials, labour and manufacturing overheads incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs to completion and selling costs. Provision is made for slow moving and obsolete stock.

### Deferred taxation

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

### Pension costs

The company operates defined contribution pension schemes. The charge in the profit and loss account for pension costs is the amount of the company's contributions payable to the pension schemes in the year.

### Foreign currency

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency have been translated into the local currency at the year-end rates. Where there are related or matched forward contracts in respect of trading transactions, the rates of exchange specified in those contracts are used. Realised foreign exchange differences are taken to the profit and loss account.

### Leasing

Operating lease rentals are charged to the profit and loss account as they are incurred.

# **AVTPump Limited**

## **Statement of accounting policies – continued**

### **Critical accounting estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to them are recognised in the period in which they are revised.

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:

#### **(a) Useful economic lives of property, plant and equipment**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the assets. See note 9 for the carrying values of plant, property and equipment.

#### **(b) Inventory provisioning**

The company repairs a wide range of rotating equipment and is subject to changing customer demands. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management consider the nature and condition of inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 10 for the net carrying amount of the inventory.

#### **(c) Provisions**

Provision is made for dilapidations. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

# AVTPump Limited

## Notes to the financial statements for the year ended 31 December 2020

### 1 Turnover

The company's turnover and operating profit relate entirely to its principal activity.

### 2 Staff costs

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

	2020	2019
By activity	Number	Number
Sales engineers	2	3
Management and administration	5	3
Production and stores	22	22
	29	28

Staff costs for the above persons were:	2020	2019
	£'000	£'000
Wages and salaries	1,155	1,109
Social security costs	112	108
Other pension costs	23	19
	1,290	1,236

### 3 Operating Profit

	2020	2019
	£'000	£'000
Operating profit is stated after charging / (crediting):		
Operating leases - property	53	53
Depreciation of owned fixed assets	94	94
Amortisation of goodwill	32	32
Auditors' remuneration including expenses for audit services	20	16
Profit on disposal of fixed assets	(5)	(16)

# AVTPump Limited

## Notes to the financial statements for the year ended 31 December 2020 - continued

### 4 Net Interest receivable/(payable)

	2020	2019
	£'000	£'000
Interest payable to other group companies	-	(3)
	-	(3)

### 5 Directors' emoluments

	2020	2019
	£'000	£'000
Emoluments including benefits in kind	101	80
Company contributions to money purchase pension scheme	1	-
	102	80

Retirement benefits are accruing to nil (2019: nil) directors under a money purchase scheme.

The highest paid director received emoluments of £102,284, including £1,314 to a pension. Some of the directors of AVTPump Limited are remunerated by other group companies, AESSEAL Plc & AVT Reliability Limited.

### 6 Tax on profit

	2020	2019
	£'000	£'000
Total current tax	80	120
Deferred tax (note 14)	(3)	(3)
<b>Tax on profit</b>	<b>77</b>	<b>117</b>

Corporation tax is calculated at 19% (2019: 19.00%) of the estimated assessable profit for the year. Deferred tax balances at the year-end have been measured at 19%.

The UK Budget on 3 March 2021 included an announcement that the corporation tax rate will increase to 25% from 1 April 2023 for certain companies. The increase has not yet been substantively enacted, and its effects therefore are not reflected in these financial statements.

# AVTPump Limited

## Notes to the financial statements for the year ended 31 December 2020 - continued

### 6 Tax on profit - continued

The tax charged on the profit for the year is higher (2019: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£'000	£'000
<b>Profit before taxation</b>	<b>346</b>	<b>596</b>
Standard rate of corporation tax in the UK	19%	19%
Profit before taxation multiplied by the standard rate of corporation tax in the UK	66	113
Effects of:		
Expenses not deductible for tax purposes	9	7
Origination and reversal of timing differences	2	(3)
<b>Tax on profit</b>	<b>77</b>	<b>117</b>

### 7 Intangible assets

	Goodwill
	£'000
<b>Cost</b>	
At 1 January 2020	342
<b>At 31 December 2020</b>	<b>342</b>
<b>Accumulated Amortisation</b>	
At 1 January 2020	230
Charge for the year	32
<b>At 31 December 2020</b>	<b>262</b>
<b>Net book value</b>	
<b>At 31 December 2020</b>	<b>80</b>
At 31 December 2019	112

# AVTPump Limited

## Notes to the financial statements for the year ended 31 December 2020 - continued

### 8 Investments

	Subsidiary Undertaking £'000
<b>Cost of shares</b>	
At 1 January 2020 and 31 December 2020	704
<b>Impairment of shares</b>	
At 1 January 2020 and 31 December 2020	(704)
<b>Net book amount</b>	
At 31 December 2020	-
At 31 December 2019	-

The assets and results of the subsidiary companies listed below are included within the consolidated financial statements of the ultimate parent undertaking.

The investments are all unlisted and relate to group companies shown in note 18. The material results and reserves of subsidiary undertakings are detailed below:

		2020 £'000	2019 £'000
AVT Reliability BV	Aggregate capital & reserves	(1,496)	(1,496)
	Loss for the year	-	-

# AVTPump Limited

## Notes to the financial statements for the year ended 31 December 2020 - continued

### 9 Tangible assets

	Plant, fixtures and equipment	Motor vehicles	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2020	305	354	659
Additions	69	16	85
Disposals	-	(11)	(11)
<b>At 31 December 2020</b>	<b>374</b>	<b>359</b>	<b>733</b>
<b>Accumulated depreciation</b>			
At 1 January 2020	215	186	401
Charge for the year	30	64	94
On disposals	-	(11)	(11)
<b>At 31 December 2020</b>	<b>245</b>	<b>239</b>	<b>484</b>
<b>Net book value</b>			
<b>At 31 December 2020</b>	<b>129</b>	<b>120</b>	<b>249</b>
At 31 December 2019	90	168	258

### 10 Stocks

	2020	2019
	£'000	£'000
Work in progress	50	78
Finished goods and goods for resale	593	461
	<b>643</b>	<b>539</b>

Stock write downs have resulted in a loss of £22,400 during the year (2019:£15,640)

# AVTPump Limited

## Notes to the financial statements for the year ended 31 December 2020 - continued

### 11 Debtors

	2020	2019
	£'000	£'000
Trade debtors	961	1,150
Amounts owed by group undertakings	151	92
Deferred tax asset (see note 14)	25	22
Prepayments and accrued income	54	42
	1,191	1,306
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	470	171

Amounts owed by group undertakings are unsecured, at a market rate of interest and repayable on demand.

### 12 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	173	165
Amounts owed to group undertakings	48	100
Corporate tax payable	19	120
Other taxation and social security	160	149
Accruals and deferred income	242	154
	642	688

Amounts owed to group undertakings are unsecured, at a market rate of interest and repayable on demand.

# AVTPump Limited

## Notes to the financial statements for the year ended 31 December 2020 - continued

### 13 Provisions for liabilities

	£'000
As at 1 January 2020	60
Decrease of provision	(4)
As at 31 December 2020	56

Provision relates to dilapidation costs for a contractual obligation to make good any modifications of damage outside of normal wear and tear on leased premises used by the company.

### 14 Deferred tax asset

	2020 £'000	2019 £'000
The movement in the deferred tax asset during the year was:		
As at 1 January	22	19
Credit to the profit and loss account (note 6)	3	3
As at 31 December (see note 11)	25	22

	2020 £'000	2019 £'000
Deferred taxation provided in the financial statements comprises:		
Timing differences:		
Decelerated capital allowances	(25)	(22)
	(25)	(22)

### 15 Called up share capital

	Nominal Value	Number	2020 £'000	2019 £'000
Authorised				
Ordinary shares	£1 each	50,000	50	50
Allotted and fully paid				
Ordinary shares	£1 each	20,000	20	20

# AVTPump Limited

## Notes to the financial statements for the year ended 31 December 2020 - continued

### 16 Leasing commitments

At 31 December the company had total commitments under non-cancellable operating leases expiring as follows:

	2020	2019
	£'000	£'000
<b>Land and buildings</b>		
Within one year	53	53
Between two and five years	83	135
	<b>136</b>	<b>188</b>

### 17 Pension commitments

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds.

Outstanding contributions payable to the schemes by the company are included in the pension cost charge in respect of the year end amounted to £4,235 (2019: £4,501).

### 18 Group companies

#### Interest in group undertakings:

The undertakings of the company at 31 December 2020, all of which are included in the group consolidated financial statements are shown below:

Name	Nature of business	Registered Address	Class of share	% held
AVT Reliability BV	Service of fluid pumps and related equipment	Nikkelstraat 27 4823 AE Breda(NL)	Ordinary	100

### 19 Related party transactions and balances

The company has no other related party transactions with other companies that are not wholly owned within the group.

# **AVTPump Limited**

## **Notes to the financial statements for the year ended 31 December 2020 - continued**

### **20 Contingent liability**

Along with the other group undertakings based in the United Kingdom, the company has given security in favour of HSBC Bank plc against group borrowings by way of an unlimited multilateral company guarantee to secure all liabilities of each other, and a debenture giving fixed and floating charges over assets of the company.

The gross overdraft balance in the other companies covered by the multilateral guarantee was £846,000 (2019: £1,339,000).

In the opinion of the directors, no loss will arise in respect of this matter.

### **21 Parent undertaking and ultimate controlling party**

The ultimate parent undertaking, and the largest and smallest group in which the results of the company are consolidated, is AES Engineering Limited, a company incorporated in Great Britain.

Copies of the consolidated financial statements of AES Engineering Limited can be obtained from the Registered Office at Global Technology Centre, Mill Close, Bradmarsh Business Park, Rotherham S60 1BZ, United Kingdom. The ultimate controlling party is considered to be Mr C J Rea CBE DL, by virtue of his shareholding in AES Engineering Limited.