

**ACQUASPEN LIMITED**

AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2017

Registered Number: 06120431 (England and Wales)



## **ACQUASPEN LIMITED**

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## **ACQUASPEN LIMITED**

### **DIRECTORS, OFFICERS AND ADVISERS**

#### **Directors**

H D W Middleton  
A W Thompson

#### **Company Secretary**

N J Redman

#### **Registered Office**

Aspen Building, Apex Way, Hailsham, East Sussex, BN27 3WA

#### **Independent Auditor**

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

#### **Bankers**

Lloyds Bank plc, 10 Gresham Street, London, EC2V 7AE

#### **Solicitors**

Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL

**Company number:** 06120431

## ACQUASPEN LIMITED

### STRATEGIC REPORT

#### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company during the year was that of an intermediary holding company. No new investments were acquired during the year.

The Company provides loan funding to its underlying subsidiaries.

The results of the Company for the year, as set out on pages 11 - 14, show a loss for the year of £1.4m (2016: £3.4m). The loss for the year is due mainly to £1.8m (2016: £4.9m) of foreign exchange losses incurred in relation to the intragroup debt denominated in Euros.

The key performance indicators monitored by management are set out below.

#### Summary of key performance indicators

	2017 Actual £'000	2016 Actual £'000
Net assets	28,206	29,577
Borrowings	35,053	30,668

#### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company are, to the extent relevant to its activities, consistent with those facing the Group as outlined below.

The process of risk assessment and risk management is addressed through a framework of policies, procedures and internal controls. The business of the Group is subject to certain risks. The key business risks relate to competition, ensuring that the Group continues at the forefront of product development, the health of the markets which it serves and counterparty credit risks.

##### Competitive risks

The Group is subject to competitive risks. The Group's strength in managing these risks is to diversify its sales into new geographical markets, to closely monitor major competitors within the markets that it trades in and to seek competitive advantage from continuous innovation and product development within the sector.

##### Political and legislative risks

The Group is subject to political and legislative risks. The Group's strength in managing these risks is demonstrated by its ability to successfully diversify sales into new markets. This diversification mitigates the risk to the Group of any change in legislation for any single market or political uncertainty.

##### Credit risk

Trade and other receivables are short-term and without undue concentration, they are subject to a strong credit control process in order to mitigate credit risk. The Group is exposed to counterparty credit risk of a major clearing bank in relation to the financial derivatives entered into. The Group does not hold significant cash deposits, but again these are held with the same clearing bank.

On behalf of the Board



Hamish Middleton

Director

Date 14/5/2018

## **ACQUASPEN LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2017**

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

#### **RESULTS AND DIVIDENDS**

The Company loss for the year, after taxation, and its comprehensive loss amounted to £1.4m (2016: £3.4m). No dividend was declared or paid during the year (2016: £Nil).

A review of the business and principal risks and uncertainties is included in the Strategic Report on pages 3 and 4.

#### **DIRECTORS**

The directors set out below held office throughout the year except where stated:

H D W Middleton

A W Thompson

#### **FUTURE DEVELOPMENTS**

The growth in the principal trading subsidiaries achieved during 2017 is expected to continue in the forthcoming year with all markets continuing to be developed along with additional product ranges. Continual improvements in the supply chain and strong operational cost control should also lead to development of the margin.

The Company itself does not actively trade.

#### **SUBSEQUENT EVENTS**

There were no events subsequent to reporting date directly impacting the Company.

#### **FINANCIAL RISK MANAGEMENT**

Information relating to the Group's financial risk management is detailed in note 17 to the financial statements.

#### **GOING CONCERN**

Acquaspen Limited is an intermediate holding company. The Group's management expects the principal trading subsidiaries of Aspen Pumps Limited, Malessa & Schüller GmbH, Aspen Pumps France SAS, JAVAC (UK) Limited and ProPipe Supplies Pty Limited to continue to grow in 2018 and continue to generate positive cash flows sufficient to meet the day to day working capital requirements and the terms of the Group's bank borrowings. To manage the Group's liquidity risk, Colorado Bidco Limited has secured bank borrowings on a long term basis.

The Group's forecasts and projections, taking account of reasonably possible changes in the trading performance of its subsidiaries, show that the Group should be able to operate within the level of its current facilities. The Group's directors believe that the Group is well placed to manage its business risks successfully, as detailed above, despite the challenging market conditions and therefore have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future. Thus the directors of the Company continue to adopt the going concern basis of accounting in preparation of the financial statements of the Company.

## ACQUASPEN LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

#### PAYMENT POLICY AND PRACTICE

It is the Company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them. The Company does not actively trade, however, any payments due to suppliers are made within the agreed terms.

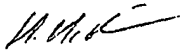
#### DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

#### AUDITORS

A resolution is to be proposed at the Annual General Meeting for re-appointment of BDO LLP as auditor of the Company.

On behalf of the Board



Hamish Middleton

Director

Date

14/5/2018

## ACQUASPEN LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Hamish Middleton

Director

Date

14/15/2018

## **ACQUASPEN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACQUASPEN LIMITED**

#### **Opinion**

We have audited the financial statements of Acquaspen Limited ("the Company") for the year ended 31 December 2017 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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



## **ACQUASPEN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACQUASPEN LIMITED (continued)**

#### **Other information**

*The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.*

*In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.*

*We have nothing to report in this regard.*

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

*In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Director's Report.*

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

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

#### **Responsibilities of directors**

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

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

## ACQUASPEN LIMITED

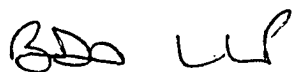
### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACQUASPEN LIMITED (continued)

#### Auditor's responsibilities for the audit of the financial statements

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.

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

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



David Eagle (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
Date:

14 May 2018

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

# ACQUASPEN LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

		Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
	Note		
Administrative expenses		(20)	(21)
<b>Loss from operations</b>		(20)	(21)
Finance income	7	3,154	3,154
Finance expense	7	(4,505)	(6,548)
<b>Loss before tax</b>		(1,371)	(3,415)
Income tax expense	8	-	-
<b>Loss for the year and total comprehensive loss</b>		(1,371)	(3,415)

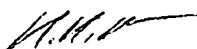
The notes on pages 14 to 23 form part of the financial statements

ACQUASPEN LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017  
Company No: 06120431

		31 December 2017 £'000	31 December 2016 £'000
	Note		
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	9	43,796	39,896
<b>Total current assets</b>		<u>43,796</u>	<u>39,896</u>
<b>Non-current assets</b>			
Investments in subsidiaries	10	26,036	26,036
<b>Total non current assets</b>		<u>26,036</u>	<u>26,036</u>
<b>Total assets</b>		<u>69,832</u>	<u>65,932</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	6,573	5,687
Borrowings	12	35,053	30,668
<b>Total current liabilities</b>		<u>41,626</u>	<u>36,355</u>
<b>Total liabilities</b>		<u>41,626</u>	<u>36,355</u>
<b>Net assets</b>		<u>28,206</u>	<u>29,577</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital	14	812	812
Retained earnings	14	27,394	28,765
<b>Total equity</b>		<u>28,206</u>	<u>29,577</u>

The financial statements were approved by the Board of Directors and authorised for issue on



Hamish Middleton  
Director

14/5/2018

The notes on pages 14 to 23 form part of the financial statements

# ACQUASPEN LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £'000	Capital contribution £'000	Retained earnings £'000	Total equity £'000
<b>Equity as at 1 January 2016</b>	689	123	32,180	32,992
Loss and total comprehensive loss for the year	-	-	(3,415)	(3,415)
<b>Contributions by owners:</b>				
Shares issued in the year	123	(123)	-	-
<b>Equity as at 31 December 2016</b>	812	-	28,765	29,577
Loss and total comprehensive loss for the year	-	-	(1,371)	(1,371)
<b>Equity as at 31 December 2017</b>	<b>812</b>	<b>-</b>	<b>27,394</b>	<b>28,206</b>

The notes on pages 14 to 23 form part of the financial statements

# ACQUASPEN LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
<b>Operating activities</b>			
Loss after tax		(1,371)	(3,415)
Adjustments for:			
Net finance charge	7	1,351	3,394
Add back corporation tax	8	-	-
		(20)	(21)
Decrease in trade and other receivables		9	169
Increase/(decrease) in trade and other payables		11	(86)
<b>Cash generated from operations</b>		-	62
Income taxes paid		-	(62)
<b>Net cash flows from operating activities</b>		-	-
<b>Net cash flows from investing activities</b>	18	-	-
<b>Financing activities</b>	18		
Interest paid		-	-
Interest received		-	-
<b>Net cash generated from financing activities</b>		-	-
<b>Net movement in cash and cash equivalents</b>		-	-
Cash and cash equivalents at beginning of year		-	-
<b>Cash and cash equivalents at end of year</b>		-	-

The notes on pages 14 to 23 form part of the financial statements

## ACQUASPEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. General information

Acquaspen Limited is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office can be found on the Directors, Officers and Advisors page. The nature of the Company's operations and its principal activities are detailed in the Strategic Report.

#### 2. Accounting policies

##### **Accounting convention**

The financial information for the year ended 31 December 2017 has been prepared in accordance with International Financial Reporting Standards and IFRS Interpretations Committee Interpretations issued by the International Accounting Standards Board, as adopted by the European Union ("IFRSs").

##### **Basis of preparation**

The financial statements are for the year ended 31 December 2017. They have been prepared in compliance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union as at 31 December 2017. The financial statements are presented in Sterling rounded to the nearest thousand except where indicated otherwise.

The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements are disclosed in note 3.

##### **Consolidation**

The Company is exempt from preparing consolidated financial statements in accordance with the Companies Act 2006 Section 400 on the basis that it is a wholly owned subsidiary of Colorado Holdco Limited and its results have been included in the consolidated financial statements of Colorado Holdco Limited.

##### **Going concern**

Acquaspen Limited is an intermediate holding company. The Group's management expects the principal trading subsidiaries of Aspen Pumps Limited, Malessa & Schüller GmbH, Aspen Pumps France SAS, JAVAC (UK) Limited and ProPipe Supplies Pty Limited to continue to grow in 2018 and continue to generate positive cash flows sufficient to meet the day to day working capital requirements and the terms of the Group's bank borrowings. To manage the Group's liquidity risk, Colorado Bidco Limited has secured bank borrowings on a long term basis.

The Group's forecasts and projections, taking account of reasonably possible changes in the trading performance of its subsidiaries, show that the Group should be able to operate within the level of its current facilities. The Group's directors believe that the Group is well placed to manage its business risks successfully, as detailed above, despite the challenging market conditions and therefore have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future. Thus the directors of the Company continue to adopt the going concern basis of accounting in preparation of the financial statements of the Company.

##### **Changes in accounting policies**

None of the new standards, interpretations and amendments, which are effective for the first time for periods beginning on or after 1 January 2017 had a significant effect on the Group's financial statements.

The ASB have issued the following EU adopted revised or new standards, yet to be adopted by the Company:

- IFRS 9 'Financial instruments' which is effective for periods commencing from 1 January 2018;
- IFRS 15 'Revenue from contracts with customers' which is effective for periods commencing from 1 January 2018;
- IFRS 16 'Leases' which is effective for periods commencing from 1 January 2019.

In the opinion of the directors, these new standards are not expected to have an impact on the Company's financial statements.

## ACQUASPEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 2. Accounting policies (continued)

The principal accounting policies applied during the year were as follows:

##### *Foreign currency translation*

###### *Functional and presentational currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Company's functional currency and presentational currency is Sterling.

###### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

##### *Financial assets*

The Company classifies its financial assets into the appropriate category, based upon the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity and only has assets in the following category at the year end:

###### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

The Company's loans and receivables comprise solely of amounts owed by Group entities included within the Statement of financial position at reporting date.

The Company does not carry any cash in its Statement of financial position and does not have a bank account.

##### *Financial liabilities*

The Company classifies all of its financial liabilities, other than derivatives, as other financial liabilities. These include the following:

- Bank loans and loans due to Group entities which are initially recognised at fair value net any of transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost ensuring the interest element of the borrowings are expensed over the repayment period at a constant rate.
- Trade payables, other borrowings and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

##### *Investments*

Investments by the Company in subsidiary undertakings are carried at cost less any provision for impairment.



## ACQUASPEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 2. Accounting policies (continued)

##### **Impairment**

The carrying values of non-financial assets are reviewed for impairment when there is an indication that assets might be impaired. When the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Impairment charges are included in profit or loss, except to the extent they reverse previous gains recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

##### **Share capital**

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

##### **Dividends**

Final equity dividends to the shareholders of the Company are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period they are declared by the directors.

##### **Deferred taxation**

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered.

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 on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

## ACQUASPEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 3. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Having given the matter consideration, the directors consider that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period.

#### 4. Capital management

The capital structure of the Company consists of the shareholder's equity as set out in the Statement of changes in equity. All working capital requirements of the Company and the Group are financed from the existing cash resources of fellow Group entities and the Group's borrowing facilities.

The Company's principal objective when maintaining capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders.

#### 5. Auditor's remuneration

Fees for the audit of the Company amounting to £6,670 (2016: £6,500) were borne by a fellow Group subsidiary.

#### 6. Directors' remuneration and key management personnel costs

The key management personnel are considered to be the directors of the Company.

The Company incurred no staff costs in the year and accordingly no compensation was paid to key management personnel in the year. The directors have service agreements with other Group companies and their costs are borne by those companies in the year. No amounts (2016: £Nil) were deemed attributable to the Company in the year, based on the work carried out by the directors for the Company.

There were two (2016: two) directors in the Group's defined contribution pension scheme during the year.

#### 7. Finance income and expenses

	2017 £'000	2016 £'000
<b>Finance income</b>		
Interest received on amounts due from Group entities	3,154	3,154
	<u>3,154</u>	<u>3,154</u>
<b>Finance expense</b>		
Foreign exchange losses	1,829	4,922
Interest payable on amounts due to Group entities	2,676	1,626
	<u>4,505</u>	<u>6,548</u>

# ACQUASPEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. Income tax expense

	2017	2016
	£'000	£'000
Income tax expense	-	-

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit for the year as follows:

	2017	2016
	£'000	£'000
Effective tax rate for the year	19.25%	20%
Loss before tax	(1,371)	(3,415)
Expected tax charge based on effective tax rate	(264)	(683)
Adjustments in respect of prior years	-	-
Expenses not deductible	2	2
Tax rate changes	-	-
Effects of group relief	262	681
Total tax expense	-	-

### Factors that may affect future tax charges

With effect from 1 April 2020, the UK corporate tax rate will be reduced to 17%. This change, which was announced in the March 2015 budget and affirmed in the March 2016 budget, will have no significant impact on these financial statements.

### 9. Trade and other receivables

	2017	2016
	£'000	£'000
Current		
Amounts owed by Group entities	43,796	39,887
Prepayments and accrued income	-	9
	43,796	39,896

# ACQUASPEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. Investments in subsidiaries

	31 December 2017 £'000	31 December 2016 £'000
At 1 January 2017 and 31 December 2017	26,036	26,036

The following is a full listing of subsidiaries of the Company as at 31 December 2017:

Name	Country of incorporation or registration	2017 Ownership %	Nature of business	Registered office
Aspen Pumps Limited*	UK	100%	Pump manufacturer	**
Aspen Oldco Limited	UK	100%	Non trading	**
Propipe Supplies Pty Limited	Australia	100%	Pump Distributor	8 Waddikee Rd, Lonsdale SA 5160, Australia
Aspen Pumps Netherlands BV *	The Netherlands	100%	Holding company	Atrium Building, 8th Floor - Strawinskylaan 3127 - 1077 ZX Amsterdam, The Netherlands
Aspen Pumps India PVT Limited	India	100%	Pump Distributor	Flat No. 333, 3rd Floor, Devika Tower, 6 Nehru Place, Delhi- 110019, India
Big Foot Systems Limited	UK	100%	Non-trading	**
Malessa & Schüller GmbH	Germany	100%	Pump Distributor	Tichauer Weg 30 - 40231 Düsseldorf, Germany
Salina SAS	France	100%	Pump distributor	15 Boulevard Richard Lenoir - 75011 Paris, France
JAVAC (UK) Limited	United Kingdom	100%	Manufacturer of specialist vacuum and refrigeration products	6 Drake Court, Britannia Park, Middlesbrough, Cleveland, TS2 1RS, UK
Aspen Pumps Inc.	USA	100%	US sales force for Aspen Pumps Limited (UK)	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, DE 19801 , USA

\* Intermediate parent company.

\*\* The registered office of the UK subsidiaries is the same as that of the parent.

Only Aspen Pumps Limited, Big Foot Systems Limited and Aspen Pumps Oldco Limited are directly owned by the Company at 31 December 2017.

# ACQUASPEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. Trade and other payables

	31 December 2017 £'000	31 December 2016 £'000
<b>Current</b>		
Trade creditors	60	-
Accruals and deferred income	-	7
Amounts owed to Group entities	6,513	5,680
	<u>6,573</u>	<u>5,687</u>

*Trade and other payables are all held in Sterling.*

Amounts owed to holding entities are unsecured and have no fixed terms of repayment. No interest is charged.

The directors consider that the carrying values of trade and other payables classified as financial liabilities measured at amortised cost approximate to their fair value.

### 12. Loans and borrowings

	31 December 2017 £'000	31 December 2016 £'000
<b>Current</b>		
Loan amounts owed to Group entities	35,053	30,668

The directors consider that the carrying values of the Group's borrowings approximate to their fair value.

Loans due to Group entities comprised a £22.2 million loan bearing interest at 10% with no fixed terms of repayment.

*Loans and borrowings held in currencies other than Sterling are as follows (Sterling equivalent):*

	31 December 2017 £'000	31 December 2016 £'000
Euro	35,053	30,668

# ACQUASPEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. Financial assets and liabilities

The classification of the Company's financial assets and liabilities as follows:

	31 December 2017 £'000	31 December 2016 £'000
<b>Financial assets - current</b>		
<i>Classified as loans and receivables measured at amortised cost:</i>		
Amounts owed by Group entities	43,796	39,887
<b>Total financial assets</b>	<b>43,796</b>	<b>39,887</b>

### Financial liabilities - current

*Classified as financial liabilities measured at amortised cost:*

Trade creditors	60	-
Accruals	-	7
Loans from Group entities	35,053	30,668
Amounts owed to Group entities	6,513	5,680
<b>Total financial liabilities</b>	<b>41,626</b>	<b>36,355</b>

### 14. Share capital and reserves

	2017 Nominal value £'000	2017 Number
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
At 1 January 2017 and 31 December 2017	812	811,684

All shares rank pari passu in all respects and are held by The Pump Group Limited.

The following describes the nature and purpose of each reserve in equity:

Reserves	Description and purpose
Retained earnings	Cumulative net gains and losses recognised in the Statement of comprehensive income, net of dividends paid.

## ACQUASPEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 15. Related party transactions

The following transactions took place with related parties during the year and comprise the provision of banking facilities and working capital finance:

	2017	2016
	£'000	£'000
<b>Owed (to)/by Group companies</b>		
<b>Current</b>		
Aspen Pumps Limited	3,153	(2,369)
Aspen Pumps Limited	(273)	5,462
Colorado Bidco Limited - loans	(4,385)	(6,466)
Colorado Bidco Limited	204	(169)
Colorado Bidco Limited	-	73
Colorado Midco Limited	1	-
The Pump Group Limited	(10)	-
	<u>(1,310)</u>	<u>(3,469)</u>

Amounts paid to directors can be found in note 6.

The following balances existed at year end with related parties (payable)/receivable:

	2017	2016
	£'000	£'000
<b>Owed (to)/by Group companies</b>		
<b>Current</b>		
Aspen Pumps Limited	43,040	39,887
Aspen Pumps Limited	(5,773)	(5,621)
Colorado Bidco Limited - loan	(35,053)	(30,668)
Colorado Midco Limited	1	-
Colorado Bidco Limited	79	(7)
Aspen Oldco Limited	(54)	(51)
The Pump Group Limited	(10)	-
	<u>2,230</u>	<u>3,540</u>

#### 16. Control

The immediate parent undertaking is The Pump Group Limited. The directors consider the ultimate parent undertaking and controlling party at 31 December 2017 to be 3i Investments Plc by virtue of its indirect controlling interest in the Company.

#### 17. Financial instruments

The Company's activities are limited to certain intercompany transactions. The exposure to financial risks: market risk (interest rate risk), credit risk and liquidity risk is therefore considered to be negligible.

The Company's principal financial instruments are amounts due to and from Group entities.

This note provides further detail on the Company's financial risk management activities and includes quantitative information on any specific risks the Company is exposed to. The Group's overall risk management programme focuses on the unpredictability of financial markets. The directors of the Company seek to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the Board and their policies are outlined below.

## ACQUASPEN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 17. Financial instruments (continued)

##### a) Market risk

###### *Interest rate risk*

The Company does not hold any external borrowings.

The directors regard the Company's interest rate risk on intra-group lending transactions as negligible.

##### b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company has no debtors other than amounts due from Group entities. The Company does not trade with external parties and the directors consider the credit risk as negligible.

##### c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company does not currently have a bank account and therefore relies on Group companies to assist in managing the Company's and the Group's liquidity risk. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

#### 18. Notes supporting statement of cash flows

The Company did not have any significant non-cash transactions from investing activities. Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions below:

	<b>Current borrowings £'000</b>
At 1 January 2017	30,668
Non-cash flows:	
- Interest accruing in the year	2,556
- Forex movements	1,829
At 31 December 2017	<u>35,053</u>

Comparative disclosures have not been provided in the current year as permitted by the standard.