

Pumping Services (G.B.) Ltd

Abbreviated accounts

For the year ended 31 December 1994

Registered number 813276



Pumping Services (G.B.) Ltd

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3-4
Profit and loss account	5
Balance sheet	6
Cashflow statement	7
Notes	8-19

Pumping Services (G.B.) Ltd

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Principal activities

The principal activity of the company is the sale and repair of pumps.

Business review

The results for the year are shown on page 5 of the financial statements.

Proposed dividend

The directors do not recommend the payment of a dividend and the deficit of £381,391 is transferred to reserves.

Significant changes in fixed assets

The movements in fixed assets during the year are set out in note 7 to the financial statements.

Taxation status

The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

Directors and directors' interests

The directors who held office during the year were as follows:

A Verder
J Kok

The directors who held office at the end of the year had no interests in the shares of the company.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board

J Kok
Director

Whitehouse Street
Jack Lane
LEEDS
LS10 1AD

28 April 1995

Pumping Services (G.B.) Ltd

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.



1 The Embankment
Neville Street
Leeds
LS1 4DW

Report of the auditors to the members of Pumping Services (G.B.) Ltd

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 5 to 19 together with the financial statements of Pumping Services (G.B.) Ltd prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1994. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 6 and that the abbreviated accounts have been properly prepared from those financial statements.

In our opinion, the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part I of Schedule 8 to that Act in respect of the year ended 31 December 1994, and the abbreviated accounts on pages 5 to 19 have been properly prepared in accordance with that Schedule.

On 28 April 1995 we reported, as auditors of Pumping Services (G.B.) Ltd, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 19.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



1 The Embankment
Neville Street
Leeds
LS1 4DW

Report of the auditors to the members of Pumping Services (G.B.) Ltd

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG.

KPMG
Registered Auditors

28 April 1995

Pumping Services (G.B.) Ltd

Profit and loss account for the year ended 31 December 1994

	<i>Note</i>	Continuing operations	
		1994 £	1993 £
Gross profit		1,009,753	790,893
Distribution costs		(101,306)	(56,969)
Administrative expenses		(890,439)	(722,780)
Other operating income		8,315	5,001
		<hr/>	<hr/>
Operating profit		26,323	16,145
Other interest receivable and similar income		9,900	15,000
Exceptional amounts written off investments		(327,061)	-
Interest payable and similar charges	5	(90,553)	(115,085)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2-4	(381,391)	(83,940)
Tax on loss on ordinary activities	6	-	(794)
		<hr/>	<hr/>
Loss on ordinary activities after taxation and retained deficit for the financial year		(381,391)	(84,734)
		<hr/>	<hr/>

Note of historical cost profits and losses

	1994 £	1993 £
Loss on ordinary activities before taxation	(381,391)	(83,940)
Difference between historical cost depreciation charge and the actual charge calculated on the revalued amount	11,515	-
Difference between the historical cost profit and the loss on disposal calculated on the revalued amount	24,030	-
	<hr/>	<hr/>
Historical cost loss on ordinary activities before taxation	(345,846)	(83,940)
	<hr/>	<hr/>

A statement of movements on reserves is shown in note 14 to the accounts.

The company has no gains or losses for the accounting period other than the loss for the year.

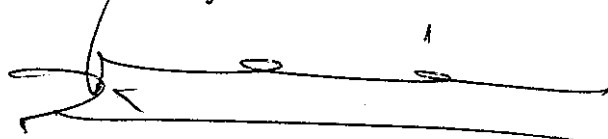
Pumping Services (G.B.) Ltd

Balance sheet
at 31 December 1994

	Note	1994 £	£	1993 £	£
Fixed assets					
Tangible assets	7	565,542		592,112	
Investments	8	102,106		-	
Current assets		667,648		592,112	
Stocks	9	366,928		374,574	
Debtors	10	1,078,282		1,238,335	
Cash at bank and in hand		671		1,211	
		1,445,881		1,614,120	
Creditors: amounts falling due within one year	11	(825,206)		(1,213,266)	
Net current assets		620,675		400,854	
Total assets less current liabilities		1,288,323		992,966	
Creditors: amounts falling due after more than one year	12	(575,051)		(852,634)	
Net assets		713,272		140,332	
Capital and reserves					
Called up share capital	13	964,331		10,000	
Revaluation reserve	14	168,392		206,697	
Profit and loss account	14	(419,451)		(76,365)	
		713,272		140,332	
Shareholders funds					
Equity		96,223		140,332	
Non-equity		617,049		-	
	19	713,272		140,332	

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a medium company.

These financial statements were approved by the board of directors on 28 April 1995 and were signed on its behalf by:



A Verder
Director

Pumping Services (G.B.) Ltd

Cash flow statement

for the year ended 31 December 1994

	Note	1994		1993	
		£	£	£	£
Net cash inflow from operating activities	20		320,216		54,326
Return on investments and servicing of finance					
Interest paid		399,574		110,305	
Interest element of finance lease rental payments		8,140		4,780	
Net cash outflows from return on investments and servicing of finance			(407,714)		(115,085)
Taxation					
Tax paid			-		(794)
Investing activities					
Purchase of tangible fixed assets		72,653		13,219	
Sale of tangible fixed assets		(47,699)		(16,926)	
Purchase of fixed asset investments		429,167		-	
Net cash (outflow)/inflow from investing activities			(454,121)		3,707
Net cash outflow before financing			(541,619)		(57,846)
Financing					
Repayment of amounts borrowed		(63,989)		(61,393)	
New loans		209,789		-	
Capital element of finance lease rental payments		(42,838)		(20,643)	
Share issue		954,331		-	
New finance lease contracts		38,774		-	
Net cash inflow/(outflow) from financing			1,096,067		(82,036)
Increase/(decrease) in cash and cash equivalents	21		554,448		(139,882)

Pumping Services (G.B.) Ltd

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of land and buildings.

Basis of consolidation

In accordance with Section 228(1) of the Companies Act 1985, Pumping Services (G.B.) Ltd is exempt from the requirement to prepare group accounts as it is the wholly owned subsidiary of an EC group. The financial statements present information about the undertaking as an individual undertaking and not about its group.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives as follows:

Freehold buildings	-	4 % per annum on cost
Leasehold property	-	over the period of the lease of 99 years on a straight line basis
Plant and equipment	-	10 % and 15 % per annum on a reducing balance basis
Fixtures and fittings	-	15 % per annum on a reducing balance basis
Motor vehicles	-	25 % per annum on a reducing balance basis
Computer equipment	-	33 1/3 % per annum on cost

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pumping Services (G.B.) Ltd

Notes (continued)

1 Accounting policies (continued)

Pension costs

The company operates a money purchase scheme. The amount charged represents the contributions payable to the scheme in respect of the year.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made by the liability method for all timing differences which are expected to be reversed in the foreseeable future.

2 Loss on ordinary activities before taxation

	1994	1993
	£	£
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Exceptional item	327,061	-
Auditors' remuneration		
- audit services	9,250	9,500
Depreciation	49,879	30,662
Vehicle hire	43,959	34,919
	<hr/>	<hr/>

The exceptional item relates to the provision for amounts written off for the diminution in value of fixed asset investments.

3 Remuneration of directors

The directors received £nil (1993: £nil) remuneration during the year.

Pumping Services (G.B.) Ltd

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	1994	1993
Office management	21	20
Workshop	7	7
Stores and distribution	4	3
	<hr/>	<hr/>
	32	30
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1994	1993
	£	£
Wages and salaries	468,302	456,505
Social security costs	50,063	40,806
Other pension costs	18,987	15,881
	<hr/>	<hr/>
	537,352	513,192
	<hr/>	<hr/>

5 Interest payable and similar charges

	1994	1993
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years	36,643	43,010
On all other loans payable to group undertakings	45,770	67,295
Hire purchase charges	8,140	4,780
	<hr/>	<hr/>
	90,553	115,085
	<hr/>	<hr/>

Pumping Services (G.B.) Ltd

Notes (continued)

6 Taxation

	1994 £	1993 £
Adjustment relating to an earlier year	-	794
	<u>-</u>	<u>794</u>

Corporation tax losses amounting to approximately £525,000 (1993: £525,000) are carried forward and can be utilised against future trading profits of the company.

No provision has been made for deferred taxation (1993: £nil).

7 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost or valuation</i>				
At 1 January 1994	520,339	174,512	65,462	760,313
Additions	-	42,019	30,634	72,653
Disposals	(37,500)	(4,919)	(35,899)	(78,318)
	<u>482,839</u>	<u>211,612</u>	<u>60,197</u>	<u>754,648</u>
At 31 December 1994	482,839	211,612	60,197	754,648
<i>Depreciation</i>				
At 1 January 1994	22,486	114,036	31,679	168,201
Charge for year	20,441	15,443	13,995	49,879
On disposals	(4,188)	(1,640)	(23,146)	(28,974)
	<u>38,739</u>	<u>127,839</u>	<u>22,528</u>	<u>189,106</u>
At 31 December 1994	38,739	127,839	22,528	189,106
<i>Net book value</i>				
At 31 December 1994	<u>444,100</u>	<u>83,773</u>	<u>37,669</u>	<u>565,542</u>
At 31 December 1993	<u>497,853</u>	<u>60,476</u>	<u>33,783</u>	<u>592,112</u>

Pumping Services (G.B.) Ltd

Notes (continued)

7 Tangible fixed assets (continued)

The net book value of land and buildings comprises:

	1994 £	1993 £
Freehold	86,423	122,256
Long leasehold	357,677	375,598
	<u>444,100</u>	<u>497,854</u>

The land and buildings were revalued on 31 July 1991 on an open market basis. In the opinion of the directors the valuation at 31 December 1994 had not diminished.

Particulars relating to revalued assets are given below:

	1994 £	1993 £
<i>Land and buildings</i>		
At 1991 open market value	482,839	520,339
Aggregate depreciation thereon	(38,739)	(22,486)
	<u>444,100</u>	<u>497,853</u>
Net book value		
	<u>444,100</u>	<u>497,853</u>
Historical cost of revalued assets	363,363	381,213
Aggregate depreciation based on historical cost	(68,941)	(61,546)
	<u>294,422</u>	<u>319,667</u>
Historical cost net book value		
	<u>294,422</u>	<u>319,667</u>

The net book value of assets acquired under hire purchase contracts is as follows:

	1994 £	1993 £
Motor vehicles	22,976	20,146
Plant and equipment	18,342	21,579
	<u>41,318</u>	<u>41,725</u>

Pumping Services (G.B.) Ltd

Notes (continued)

7 Tangible fixed assets (continued)

The depreciation charged in the year on these assets is as follows:

	1994	1993
	£	£
Motor vehicles	7,659	6,715
Plant and equipment	3,237	3,808
	<u> </u>	<u> </u>

8 Fixed asset investments

	Shares in subsidiary undertaking £
<i>Cost or valuation</i>	
At 1 January 1994	-
Additions	429,167
Amounts written off investments	(327,061)
	<u> </u>
At 31 December 1994	<u>102,106</u>

The companies in which the company's interest is more than 10% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held	
<i>Subsidiary undertakings</i>				
Thomas Matthews (Pumps) Limited	England and Wales	Pump distribution	100%	£1 ordinary
Electrical & Mechanical Systems (Pumps) Limited	Northern Ireland	Pump distribution	100%	£1 ordinary

9 Stocks

	1994	1993
	£	£
Raw materials and consumables	-	67,002
Work in progress	15,627	40,152
Finished goods and goods for resale	351,301	267,420
	<u> </u>	<u> </u>
	<u>366,928</u>	<u>374,574</u>

Pumping Services (G.B.) Ltd

Notes (continued)

10 Debtors

	Due within one year 1994 £	Due after one year 1994 £	Due within one year 1993 £	Due after one year 1993 £
Trade debtors	702,201	-	702,382	-
Amounts owed by group undertakings	254,311	59,400	358,500	165,000
Other debtors	3,605	-	7,828	-
Prepayments and accrued income	58,765	-	4,625	-
	<u>1,018,882</u>	<u>59,400</u>	<u>1,073,335</u>	<u>165,000</u>
<i>The amounts owed by group undertakings comprise:</i>				
Parent and fellow subsidiary undertakings	117,588	59,400	36,695	55,000
Subsidiary undertakings	136,723	-	321,805	110,000
	<u>254,311</u>	<u>59,400</u>	<u>358,500</u>	<u>165,000</u>

Pumping Services (G.B.) Ltd

Notes (continued)

11 Creditors: amounts falling due within one year

	1994	1993
	£	£
Bank loans and overdrafts	10,682	405,670
Obligations under finance leases and hire purchase contracts	12,419	14,482
Trade creditors	513,453	517,695
Amounts owed to group undertakings	236,562	184,969
Other creditors including taxation and social security:		
Other taxes and social security	39,054	42,464
Other creditors	388	3,770
	<u>39,442</u>	<u>46,234</u>
Accruals and deferred income	12,648	44,216
	<u>825,206</u>	<u>1,213,266</u>
<i>The amounts owed to group undertakings comprise:</i>		
Parent and fellow subsidiary undertakings	235,801	182,352
Subsidiary undertakings	761	2,617
	<u>236,562</u>	<u>184,969</u>

12 Creditors: amounts falling due after more than one year

	1994	1993
	£	£
Bank loans and overdrafts	20,000	180,000
Obligations under hire purchase contracts	7,196	9,197
Amounts owed to group undertakings	547,855	663,437
	<u>575,051</u>	<u>852,634</u>
<i>The amounts owed to group undertakings comprise:</i>		
Parent and fellow subsidiary undertakings	<u>547,855</u>	<u>663,437</u>

Pumping Services (G.B.) Ltd

Notes (continued)

12 Creditors: amounts falling due after more than one year (continued)

The amounts owed to other group companies is represented by a loan from Verder Holdings (UK) Limited. The interest on the loan is 7% and is due on 31 December each year. The capital amount of the loan is redeemable on 31 December 2000. Repayment thereafter can be undertaken any time in amounts of £1,000 with ten days notice to Verder Holdings (UK) Limited.

The total amount of bank loans and overdrafts is analysed as follows:

	1994 £	1993 £
Falling due in the second to fifth years	20,000	102,000
Falling due after more than five years	-	78,000
	<u>20,000</u>	<u>180,000</u>

Bank loans and overdrafts which total £30,000 are repayable by various methods over the next three years. The rates of interest on the loans are at fixed rates over base rate and are secured by fixed charges on the freehold property and by a floating charge over the other assets and group undertakings of the company.

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	1994 £	1993 £
<i>Leases which expire:</i>		
Within one year	12,419	14,482
Within second to fifth years	7,196	9,197
	<u>19,615</u>	<u>23,679</u>

Pumping Services (G.B.) Ltd

Notes (continued)

13 Called up share capital

	1994 £	1993 £
<i>Authorised</i>		
Equity share capital:		
Ordinary shares of £1 each	50,000	50,000
Non-equity share capital		
Ordinary shares of £1 each redeemable at par on 22 July 1999	990,000	-
	<u>1,040,000</u>	<u>50,000</u>
<i>Allotted, called up and fully paid</i>		
Equity share capital:		
Ordinary shares of £1 each	10,000	10,000
Non equity share capital:		
Ordinary shares of £1 each redeemable at par on 22 July 1999	954,331	-
	<u>964,331</u>	<u>10,000</u>
At 31 December 1994		

The company increased its authorised share capital to £1,000,000 by special resolution at an Extraordinary general meeting of the company on 22 July 1999, by the creation of 990,000 redeemable ordinary shares of £1 each. On the same day, 954,331 redeemable ordinary shares were issued and fully paid.

14 Movement on reserves

	Property revaluation £	Depreciation eliminated on revaluation £	Revaluation reserve £	Profit and loss account £	Total reserves £
At beginning of year	157,840	48,857	206,697	(76,365)	130,332
Excess depreciation on revalued assets	(11,515)	-	(11,515)	11,515	-
Disposal of revalued assets	(19,650)	(7,140)	(26,790)	26,790	-
Loss for the financial year	-	-	-	(381,391)	(381,391)
	<u>126,675</u>	<u>41,717</u>	<u>168,392</u>	<u>(419,451)</u>	<u>(251,059)</u>

Pumping Services (G.B.) Ltd

Notes (continued)

15 Capital commitments

There were no capital commitments at 31 December 1994 (1993: £nil).

16 Contingent liabilities

The company has guaranteed the overdrafts of its subsidiaries to Barclays Bank plc; the amount outstanding at the year end was £nil (1993: £nil).

17 Ultimate parent company

The company is a subsidiary undertaking of Verder Holdings (UK) Limited, a company registered in England and Wales. The financial statements of the company can be obtained from Companies House.

The ultimate parent company of the group to which the company belongs is Beheermaatschappij AF Verder BV, a company registered in The Netherlands. The financial statements of the company can be obtained from their registered office:

Utrechtseweg 4A
NL 3450 AA Vleuten
The Netherlands.

18 Pension costs

The company previously operated a pension scheme, Pumping Services (G.B.) Ltd and Associated Companies Retirement Benefits Scheme, until 31 August 1992. The scheme provided benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. This was replaced on 1 October 1992 by a money purchase scheme. An estimate of the actuarial value of the old scheme was made on 1 September 1992 which suggested a surplus existed in the scheme.

The charge for the year is £18,987 (1993: £15,881).

19 Statement of movements in shareholders' funds

	1994 £	1993 £
Loss for the financial year	(381,391)	(84,734)
Issue of shares	954,331	-
Shareholders' funds brought forward	140,332	225,066
	<hr/>	<hr/>
Shareholders' funds carried forward	713,272	140,332
	<hr/>	<hr/>

Pumping Services (G.B.) Ltd

Notes (continued)

20 Reconciliation of operating profit to net cash outflow from operating activities

	1994 £	1993 £
Operating profit	26,323	16,145
Depreciation charge	49,879	39,742
Loss on sale of tangible fixed assets	1,645	9,692
Amounts written off investments	327,061	-
Decrease in stocks	7,646	41,304
(Increase) in debtors	(49,736)	(45,125)
Decrease in creditors	(42,602)	(7,432)
Net cash inflow from operating activities	<u>320,216</u>	<u>54,326</u>

21 Analysis of changes in cash and cash equivalents

	Bank loan £	Cash £	Overdraft £	Net £
Balance at 1 January 1994	(200,888)	1,211	(384,782)	(584,459)
Net cash (outflow)/inflow	<u>170,888</u>	<u>(540)</u>	<u>384,100</u>	<u>554,448</u>
Balance at 31 December 1994	<u>(30,000)</u>	<u>671</u>	<u>(682)</u>	<u>(30,011)</u>