

Sweepax Pumps Limited

**Directors' report and financial
statements**

Registered number 03198281

For the year ended 31 December 2019



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Principal activity

The company owns an intellectual property and licence agreement in pump engineering technology and, in prior years, received royalty income for the use of these. No income was received during 2018 and on 12 March 2018 the directors decided to cease trading.

Results and dividends

The results for the year are as set out in the profit and loss account on page 7.

No interim dividend was paid during the year (2018: £19,478). The directors do not recommend the payment of a final dividend.

Going concern

50% of the company's share capital is owned by Andrews Sykes Group plc and the Company is reliant on the continuing financial support and success of that group.

The group's consolidated financial statements for the 12 months ended 31 December 2019 were approved on 11 May 2020. In those financial statements, the board of Andrews Sykes Group plc concluded that "based on the detailed forecast prepared by management taking into account the anticipated impact of the coronavirus pandemic, the Board has a reasonable expectation that the group has adequate resources to continue to trade for the foreseeable future even in the extreme scenario that the downturn continues throughout 2021. Accordingly, the Board continues to adopt the going concern basis when preparing this Annual Report and Financial Statements". Further information explaining why the board reached this conclusion is given on pages 15 and 16 of the group's 2018 annual report and financial statements.

Subsequent to the approval of the 2019 Annual Report and Financial Statements the board declared an interim dividend of £10.0 million that was paid to shareholders on 28th August 2020 which was not included in the above forecast. A detailed reforecast taking into account this dividend has been prepared which shows that the group continues to have significant cash reserves* throughout 2020 and 2021.

*defined as cash at bank less bank loans before right-of-use lease obligations.

The directors of this Company have confirmed with the board of Andrews Sykes Group plc that they still consider the Andrews Sykes Group to be a going concern as at the date of approval of these financial statements. Given that assurance, the directors have continued to adopt the going concern basis in the preparation of this company's annual report and financial statements.

Directors

The directors who served during the financial year and subsequently are as follows:

T Oakley
LJ Oakley
PT Wood
AW Phillips (resigned 13 January 2020)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Grant Thornton UK LLP will, therefore, continue in office.

Directors' report *(continued)*

Qualifying third party indemnity provisions

The company has provided qualifying indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

Small company provision

In preparing this report, the Directors have taken advantage of the small companies' exemption in Part 15 of the Companies Act 2006.

Signed by order of the board


MJ Calderbank ACA
Company Secretary

St David's Court
Union Street
Wolverhampton
WV1 3JE

11 September 2020

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

Independent auditor's report to the members of Sweepax Pumps Limited

Opinion

We have audited the financial statements of Sweepax Pumps Limited (the 'company') for the year ended 31 December 2019 which comprise the Profit and loss account, Statement of income and retained earnings, the Balance sheet, the Cash flow statement, 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent auditor's report to the members of Sweepax Pumps Limited

(continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

Independent auditor's report to the members of Sweepax Pumps Limited

(continued)

Auditor's responsibilities for the audit of the financial statements

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Grant Thornton UK LLP

Andrew Turner FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
11 September 2020

Profit and loss account
For the year ended 31 December 2019

No profit and loss account is presented within these Financial Statements because the Company has not received any income, incurred any expenditure or recognised any gains or losses during either the year under review or the preceding financial year.

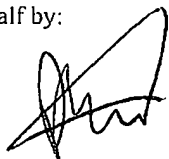
Statement of income and retained earnings
For the year ended 31 December 2019

	2019 £	2018 £
Retained earnings at the beginning of the year	-	19,478
Profit for the financial year	-	-
Dividends declared and paid	-	(19,478)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Balance sheet
At 31 December 2019

	<i>Note</i>	2019 £	2018 £
Current assets			
Debtors	3	27,366	27,366
Current liabilities			
Creditors falling due within one year	4	(27,362)	(27,362)
Net assets		<u>4</u>	<u>4</u>
Capital and reserves			
Called up share capital	5	4	4
Profit and loss account		-	-
Shareholders' funds		<u>4</u>	<u>4</u>

These financial statements were approved by the board of directors on 11 September 2020 and were signed on its behalf by:



PT Wood
Director

Company number: 03198281

Cash flow statement
For the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	-	-
Adjustments for:		
Movement in debtors	-	19,478
	<hr/>	<hr/>
Cash from operations	-	19,478
Taxation paid	-	-
	<hr/>	<hr/>
Net cash generated from operating activities	-	19,478
	<hr/>	<hr/>
Financing activities		
Equity dividends paid	-	(19,478)
	<hr/>	<hr/>
Net cashflow from financing activities	-	(19,478)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
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Cash and cash equivalents at the end of the year	-	-
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Notes

(forming part of the financial statements)

1 Accounting policies

Sweepax Pumps Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in December 2017. The presentation currency of these financial statements is sterling.

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

In the opinion of the directors there were no judgements required when applying these accounting policies or other key sources of estimation uncertainty that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

Change in accounting policy/prior period adjustments

There are no changes in accounting policy or prior year adjustments in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis. The following accounting policies or sources of key estimation uncertainty have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Going concern

The financial statements have been prepared on the assumption that the Company is a going concern and will continue to trade for at least 12 months following the date of approval of the financial statements and based on the assessment made by the directors in the directors' report; see going concern commentary on page 1 in the directors' report.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Other financial instruments

Financial instruments not considered to be basic financial instruments (Other financial instruments)

The Company does not currently hold any financial instruments that do not fall within the definition of basic financial instruments.

Notes (continued)

2 Audit fees and directors' emoluments

Fees payable to the company's auditor in respect of the audit of company's financial statements and fees payable to the company's auditor in respect of non-audit services, are borne by related parties.

Fees payable to the company's auditors in respect of non-audit services have been included in the disclosures of the consolidated financial statements for the year ended 31 December 2019 of the ultimate parent undertaking, Andrews Sykes Group plc, as required by the Companies Act 2006.

Directors' emoluments were borne by other group companies, Andrews Sykes Hire Limited and Andrews Sykes Group plc in both years and it is not practicable to ascertain the proportion of these directors' emoluments that specifically relate to the company. The company has no employees other than the directors in both years.

3 Debtors

	2019 £	2018 £
Amounts owed by related parties	27,362	27,362
Other debtors	4	4
	<u>27,366</u>	<u>27,366</u>

4 Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to related parties	27,362	27,362
	<u>27,362</u>	<u>27,362</u>

5 Called up share capital

	2019 £	2018 £
<i>Called up, allotted and unpaid:</i>		
4 ordinary shares of £1 each	4	4
	<u>4</u>	<u>4</u>

6 Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities are:

	2019 £	2018 £
Assets measured at amortised cost	27,366	27,366
Liabilities measured at amortised cost	<u>27,362</u>	<u>27,362</u>

Financial assets measured at amortised cost comprise other debtors and related party balances.

Financial liabilities measured at amortised cost comprise related party balances.

Notes (continued)

7 Related party transactions

Andrews Sykes Hire Limited is a subsidiary undertaking of Andrews Sykes Group plc, a company registered in England and Wales, which owns two shares in Sweepax Pumps Limited. In previous years the company has earned royalty income in respect of sales and hires made by Andrews Sykes Hire Limited.

In addition, Andrews Sykes Hire Limited has incurred, but not recharged, the audit fee expense on behalf of the company. The year end balance owed by Andrews Sykes Hire Limited was £27,362 (2018: £27,362).

Andrews Sykes Group plc paid previous year's corporation tax liabilities on behalf of the company. The year end balance owed to Andrews Sykes Group plc was £27,362 (2018: £27,362).

8 Controlling parties

The company was jointly controlled by Andrews Sykes Group plc, a company registered in England and Wales, and T Oakley and L Oakley throughout the year.