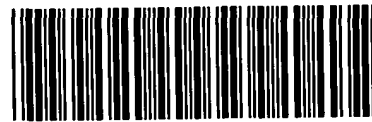


Company Registration No. 04839607 (England and Wales)

**SPP Pumps Limited**  
**Annual report and**  
**group financial statements**  
**for the year ended 31 December 2024**

TUESDAY



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## **SPP Pumps Limited**

### **Company information**

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<b>Chairman</b>	Sanjay Kirloskar
<b>Directors</b>	Sanjay Kirloskar Alok Kirloskar Pratap Shirke Owen Shevlin Robert Tichband
<b>Secretary</b>	Speafi Secretarial Limited Amit Naniwadekar
<b>Company number</b>	04839607
<b>Registered office</b>	SPP Pumps Limited Crucible Close Mushet Industrial Park Coleford Gloucestershire GL16 8PS
<b>Independent auditor</b>	Saffery LLP Suite 12 Westpoint Peterborough Business Park Lynch Wood Peterborough PE2 6FZ

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## **SPP Pumps Limited**

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## SPP Pumps Limited

### Strategic report

For the year ended 31 December 2024

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The directors present the strategic report for the year ended 31 December 2024 for SPP Pumps Limited ("the Company") and its subsidiaries ("the Group").

#### **Fair review of the business**

2024 was another excellent year for both the Company and the Group. Order intake remained strong throughout the year, with the high point being receipt in the final quarter of SPP's largest ever order: to supply submersible firewater pumpsets to an FPSO being installed off the west coast of Africa. The Energy, Industrial Fire and Engineering Service Divisions performed particularly strongly in terms of order intake. This leaves the Group as a whole with a very healthy order book going into 2025.

In respect of order execution, the Company had to deal with some challenges in the first half of the year due to supply chain issues and delays from clients on some engineered-to-order projects. The second half of the year was more productive and saw completion of several large Energy and Water jobs.

There continues to be a focus across the business on improving operational performance through the adoption of digital technologies and investment in staff and facilities. SPP's apprenticeship schemes have seen particular investment in the last two years. Today we have 15 apprentices at various stages of their programmes, covering electrical and machining, fitting, site maintenance, and business administration. It was pleasing for SPP's work in this area to be recognised by winning the 'People & Competency' category at the Energy Industry Council (EIC) National awards in October. SPP's entry was based on its highly successful Future Cell: 'Investing in the next generation to futureproof our business'.

Overall, the Group has surpassed expectations with its financial results, achieving sales revenues of £114.3 million (2023: £101.9m) and a profit before tax and FX gains/losses of £12.2 million (2023: £9.7m). Gross margin has remained unchanged from prior year at 27%. Distribution and administrative costs have remained well controlled. The results are underpinned by strong performances from the Engineering Services, Energy and Industrial Fire Divisions, as well as the US business.

The Group has remained focused on generating positive cash flows and efficient working capital management. Net current assets have increased by £5.1 million in the year. Its strong cash flow performance has allowed the Group to make dividend payments of £3.2 million during 2024 and a further £0.8m since year-end.

The outlook for the Group remains encouraging. With a healthy order book, good prospects for the forthcoming year, and strong support from its ultimate parent company, the Board looks forward to 2025 with optimism.

#### **Principal risks and uncertainties**

##### *Commodity risk*

The price of oil fluctuated during the course of 2024, reaching a peak in the third quarter before falling back and finishing the year at around \$75 a barrel (2023: \$77 a barrel). Although a higher oil price has increased fuel and freight charges, it can be beneficial to the Company as it is positively correlated with order levels from the Energy sector.

The other principal commodity risk is base metal prices. Increases in base metal prices impact directly on manufacturing costs and can make budgeting difficult. SPP mitigates such risk by locking commodity suppliers into fixed price deals where possible.

##### *Currency risk*

Approximately 75% of the Group's sales and many of its key component purchases are from outside the UK, with a significant portion denominated in US Dollars. Foreign exchange movements are an ongoing risk. The Group minimises this risk by hedging foreign currency transactions through forward contracts matched to specific orders.

## **SPP Pumps Limited**

### **Strategic report (continued)**

**For the year ended 31 December 2024**

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#### *Credit risk*

The slowdown in the global economy has inevitably increased credit risk across the Group. SPP controls its credit exposure carefully in order to minimise such risk. The vast majority of customers in the sectors in which the Group operates are financially robust and this, together with its own credit risk controls, have meant that the Group has not suffered any significant bad debts during the year.

#### *Liquidity risk*

With market conditions more changeable, the Group has focused on controlling capital expenditure and working capital. There has been sound management of cash flow throughout the year. The Group continues to be backed by first class international banks and retains the facilities required to fully support the demands of the business.

### **Development and performance**

SPP has continued to invest in the development of new products and services during the year. It has also focused on developing the markets in which it sells, notably in Europe, Middle East and the Far East.

It has taken steps to strengthen its brand image and reputation for product quality through industry accreditations, adherence to quality standards, as well as marketing and exhibition activities. It has invested in protecting the SPP brand by extending its portfolio of trademarks into new geographical areas and trademark classes. The Company was proud to win Manufacturer of the Year at The Pump Industry Awards in 2024, the second year running. Founded by the BPMA (British Pump Manufacturers Association), the awards programme celebrates the achievements of pump companies and is recognised as one of the leading award ceremonies in the industry.

Within the Energy Division (formerly Oil & Gas Division), there is a focus on the “energy transition” from traditional hydrocarbons to renewable energy sources such as hydrogen, tidal, wind, solar, and OTEC. In this respect, the Company is mirroring its customers by exploring opportunities to support the move to a greener and more sustainable energy industry. SPP will continue to offer world class products and services to support the industry through this phase and it will remain a key part of our business.

Kirloskar Brothers Limited (“KBL”), the Group’s ultimate parent company, continues to offer strong support. The Group benefits from its close association with KBL and other members within the KBL group of companies.

The Board recognises the hard work and dedication of its employees and would like to place on record its thanks to them.

SPP is strongly positioned to benefit from the ongoing recovery in market confidence and its strong order backlog. Its focus will remain on developing its core business and improving its standing through sound financial management.

### **Overview of how the Board performed its duties**

The Board continues to have regard to the interests of employees and other stakeholders when making decisions that it considers most likely to promote the success of the Company and Group in the long term.

Fundamentally, SPP is a manufacturer of pumps and pump packages. Like all commercial enterprises, the goal is to achieve a consistent pattern of superior value offering to its customers and better returns for its shareholders. It is therefore important for SPP to differentiate itself in the way that it creates and delivers value.

In line with SPP’s Mission Statement, by giving customers superior service and value, SPP will achieve sustainable growth, profitability and ensure the long term future of the Group. This is underpinned by some key fundamental relationships:

**SPP Pumps Limited**

**Strategic report (continued)  
For the year ended 31 December 2024**

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*Customers*

SPP works collaboratively with its customers to provide security in their supply chain through world class products and services. Adding value for customers is at the heart of everything SPP does. This is achieved through regular customer visits and asking for honest feedback, which helps SPP improve its products and services.

*Suppliers*

SPP works in partnership with its suppliers, actively involving them in its business and providing a basis for mutual prosperity.

*Community*

SPP works as an active member of the local community to provide security through employment, either direct or indirect, as well as volunteering and other social programmes.

*Environment*

SPP actively pursues an environmental policy that benefits and protects both the local community and the wider public at large.

Approved by the Board on 5 February 2025 and signed on its behalf by:



.....  
Amit Nahiwadekar  
Company Secretary

.....

## **SPP Pumps Limited**

### **Directors' report**

**For the year ended 31 December 2024**

---

The directors present their annual report and financial statements for the year ended 31 December 2024.

#### **Principal activities**

The principal activity of the Group are the design, manufacture, supply and service of pumps, pump packages and associated equipment.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Sanjay Kirloskar  
Alok Kirloskar  
Pratap Shirke  
Owen Shevlin  
Robert Tichband

#### **Results and dividends**

The results for the year are set out on page 10.

Interim dividends totalling £3.2 million were paid during the year. The directors do not recommend the payment of a final dividend.

#### **Disabled persons**

Applications for employment by disabled persons are fully and fairly considered having regard to the abilities of each applicant. Efforts are made to enable any employee who becomes disabled during employment to continue their career with the Group. Training, career development and promotion of disabled persons are, as far as reasonably practicable, identical to that of other employees who are not disabled.

#### **Employee involvement**

It is Group policy that there should be effective communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs and future prospects. The achievement of this policy has to be treated flexibly in accordance with the varying circumstances and needs of companies in the Group but, in all cases, the emphasis is on communication at the local level.

The Group actively encourages the promotion of safe working conditions and the development of practices that secure and enhance the health and welfare of employees at work.

#### **Emissions and energy consumption**

During the year, the Company emitted an estimated 851 tonnes of CO<sub>2</sub>e (2023: 812 tonnes) from activities involving the combustion of gas and consumption of fuel for the purposes of transport and refrigerants, and 241 tonnes of CO<sub>2</sub>e (2023: 258 tonnes) from the purchase of electricity for its own use. In aggregate it consumed an estimated 4.95 million kWh of energy (2023: 4.71 million kWh). Greenhouse gas emissions were calculated using the UK Government GHG Conversion Factors for Company Reporting 2024. Energy usage data was gathered from a variety of sources, including utility bills for gas and electric, and mileage expenses and fuel card data for transport. Where actual figures for the full year were not available, estimated figures have been used. The Company's intensity ratio, expressed as tonnes of CO<sub>2</sub>e per total £m of sales revenue, is 16.6 (2023: 19.4).

## SPP Pumps Limited

### Directors' report (continued) For the year ended 31 December 2024

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SPP continues to take measured strides to reduce carbon emissions and its overall impact on the environment as it progresses towards achieving net zero before 2050. During the year, full LED lighting was installed across the manufacturing centre in Coleford, which has reduced CO2e emissions by 26 tonnes per year. Following a change of waste management provider, recycling rates are as high as 90% and on course for zero to landfill. Electricity procurement across all UK sites is now from 100% renewable sources, reducing CO2e emissions by 208 tonnes per year. Plans are being discussed to install solar panels at both the manufacturing centre and service centre in Coleford.

#### Overseas branches

The Company has subsidiary companies in the USA and France, and an overseas branch office in the United Arab Emirates.

#### Auditor

The auditors, Saffery LLP, have indicated their willingness to continue in office.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Group is aware of that information.

#### Going Concern

The Group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report on pages 1 to 3. The Group has considerable financial resources together with a strong order book and long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue its operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The ultimate parent company has a good expectation that the Company and its subsidiaries have adequate resources to continue their operational existence for the foreseeable future.

By order of the Board



.....  
Amit Nafiwadekar  
Company Secretary

Date: 5/2/25

## **SPP Pumps Limited**

### **Directors' responsibilities statement For the year ended 31 December 2024**

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The directors are responsible for preparing the Annual 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). 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 Group and Company, and of the profit or loss of the Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **SPP Pumps Limited**

### **Independent auditor's report To the members of SPP Pumps Limited**

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#### **Opinion**

We have audited the financial statements of SPP Pumps Limited ('the Parent Company') and its subsidiaries ('the Group') for the year ended 31 December 2024 which comprise the Group statement of comprehensive income, the Group Statement of financial position, the Company statement of financial position, the Group statement of changes in equity, the Company statement of changes in equity, the Group statement of cash flows and notes to the financial statements, including 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 affairs of the Group and of the Parent Company as at 31 December 2024 and of the Group's profit 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 Group and Parent 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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## **SPP Pumps Limited**

### **Independent auditor's report (continued)**

#### **To the members of SPP Pumps Limited**

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#### **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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' 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 directors' responsibilities statement, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the Group and Parent Company by discussions with directors and communication with component auditors, and by updating our understanding of the sector in which the Group and Parent Company operates.

## SPP Pumps Limited

### Independent auditor's report (continued) To the members of SPP Pumps Limited

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Laws and regulations of direct significance in the context of the Parent Company include The Companies Act 2006, and UK Tax legislation including as it relates to research and development as well as similar laws and regulations prevailing in each country in which we identified a significant component.

#### Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the Parent Company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the Parent Company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance including the maintenance of industry accreditations.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud, including those areas with a high risk of possible management manipulation including revenue recognition for Energy contracts and stock provisioning. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries, and identifying and testing any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As Group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at Group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the Group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

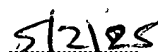
#### Use of our report

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.



**Alistair Hunt (Senior Statutory Auditor)**  
for and on behalf of Saffery LLP

**Statutory Auditors**



Suite 12  
Westpoint  
Peterborough Business Park  
Lynch Wood  
Peterborough  
PE2 6FZ

**SPP Pumps Limited**

**Group statement of comprehensive income  
For the year ended 31 December 2024**

	Notes	2024 £	2023 £
<b>Turnover</b>	<b>3</b>	114,296,979	101,876,023
Cost of sales		(83,279,923)	(74,136,693)
<b>Gross profit</b>		<u>31,017,056</u>	<u>27,739,330</u>
Distribution costs		(6,590,422)	(6,144,844)
Administrative expenses		(13,538,204)	(11,892,351)
Other operating income	<b>3</b>	1,239,699	288,207
<b>Operating profit</b>	<b>7</b>	<u>12,128,129</u>	<u>9,990,342</u>
Interest receivable and similar income		380,488	62,750
Interest payable and similar expenses	<b>8</b>	(271,492)	(317,786)
Other gains and losses	<b>9</b>	1,176,130	631,681
<b>Profit before taxation</b>		<u>13,413,255</u>	<u>10,366,987</u>
Tax on profit	<b>10</b>	(3,382,925)	(2,747,746)
<b>Profit for the financial year</b>		<u>10,030,330</u>	<u>7,619,241</u>
<b>Other comprehensive income</b>			
Currency translation gain/(loss) taken to retained earnings		198,894	(468,501)
Cash flow hedges (loss)/gain arising in the year		(1,143,093)	757,897
<b>Total comprehensive income for the year</b>		<u><u>9,086,131</u></u>	<u><u>7,908,637</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

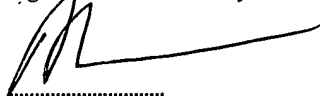
Total comprehensive income for the year is all attributable to the owners of the parent company.

**SPP Pumps Limited**

**Group statement of financial position  
As at 31 December 2024**

		2024		2023	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	12		-		3,857
Other intangible assets	12		-		10,516
Total intangible assets			-		14,373
Tangible assets	15		8,438,743		8,262,660
			8,438,743		8,277,033
<b>Current assets</b>					
Stocks	16	21,299,716		21,684,632	
Debtors	17	26,756,261		26,429,204	
Cash at bank and in hand		15,421,810		5,934,897	
			63,477,787		54,048,733
<b>Creditors: amounts falling due within one year</b>	18	(32,736,925)		(28,413,083)	
<b>Net current assets</b>			30,740,862		25,635,650
<b>Total assets less current liabilities</b>			39,179,605		33,912,683
<b>Creditors: amounts falling due after more than one year</b>	19		(4,165,292)		(4,548,163)
<b>Provisions for liabilities</b>	24		(997,017)		(1,228,340)
<b>Net assets</b>			34,017,296		28,136,180
<b>Capital and reserves</b>					
Called up share capital	25		3,000,000		3,000,000
Capital redemption reserve			50,000		50,000
Hedging reserve			(196,892)		946,201
Profit and loss reserves			31,164,188		24,139,979
<b>Total equity</b>			34,017,296		28,136,180

The financial statements were approved by the board of directors and authorised for issue on 5/2/25 and are signed on its behalf by:



Alok Kirloskar  
Director

Company Registration No. 04839607


**SPP Pumps Limited**

**Company statement of financial position  
As at 31 December 2024**

	Notes	£	2024 £	£	2023 £
<b>Fixed assets</b>					
Tangible assets	15		4,360,487		4,229,259
Investments	13		286,514		286,514
			<u>4,647,001</u>		<u>4,515,773</u>
<b>Current assets</b>					
Stocks	16	15,567,121		13,881,226	
Debtors	17	20,058,998		20,413,874	
Cash at bank and in hand		9,321,414		1,124,964	
		<u>44,947,533</u>		<u>35,420,064</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(26,040,971)</u>		<u>(20,211,504)</u>	
<b>Net current assets</b>			<u>18,906,562</u>		<u>15,208,560</u>
<b>Total assets less current liabilities</b>			<u>23,553,563</u>		<u>19,724,333</u>
<b>Creditors: amounts falling due after more than one year</b>	19		-		(250,000)
<b>Provisions for liabilities</b>	24		<u>(826,000)</u>		<u>(680,000)</u>
<b>Net assets</b>			<u><u>22,727,563</u></u>		<u><u>18,794,333</u></u>
<b>Capital and reserves</b>					
Called up share capital	25		3,000,000		3,000,000
Capital redemption reserve			50,000		50,000
Hedging reserve			(196,892)		946,201
Profit and loss reserves			19,874,455		14,798,132
<b>Total equity</b>			<u><u>22,727,563</u></u>		<u><u>18,794,333</u></u>

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £8,281,338 (2023 : £4,339,577 profit).

The financial statements were approved by the board of directors and authorised for issue on 5/2/25 and are signed on its behalf by:



Alok Kirloskar  
Director

Company Registration No. 04839607

**SPP Pumps Limited**

**Group statement of changes in equity  
For the year ended 31 December 2024**

	Notes	Share capital £	Capital redemption reserve £	Hedging reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2023</b>		3,000,000	50,000	188,304	19,458,481	22,696,785
<b>Year ended 31 December 2023:</b>						
Profit for the year		-	-	-	7,619,241	7,619,241
Other comprehensive income:						
Currency translation differences		-	-	-	(468,501)	(468,501)
Cash flow hedges gains arising in the year		-	-	757,897	-	757,897
<b>Total comprehensive income for the year</b>		-	-	757,897	7,150,740	7,908,637
Dividends	11	-	-	-	(2,469,242)	(2,469,242)
<b>Balance at 31 December 2023</b>		3,000,000	50,000	946,201	24,139,979	28,136,180
<b>Year ended 31 December 2024:</b>						
Profit for the year		-	-	-	10,030,330	10,030,330
Other comprehensive income:						
Currency translation differences		-	-	-	198,894	198,894
Foreign exchange hedges gains arising in the year		-	-	(1,143,093)	-	(1,143,093)
<b>Total comprehensive income for the year</b>		-	-	(1,143,093)	10,229,224	9,086,131
Dividends	11	-	-	-	(3,205,015)	(3,205,015)
<b>Balance at 31 December 2024</b>		3,000,000	50,000	(196,892)	31,164,188	34,017,296

**SPP Pumps Limited**

**Company statement of changes in equity  
For the year ended 31 December 2024**

	Notes	Share capital £	Capital redemption reserve £	Hedging reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2023</b>		3,000,000	50,000	188,304	12,927,797	16,166,101
<b>Year ended 31 December 2023:</b>						
Profit for the year		-	-	-	4,339,577	4,339,577
Other comprehensive income:						
Cash flow hedges gains arising in the year		-	-	757,897	-	757,897
Total comprehensive income for the year		-	-	757,897	4,339,577	5,097,474
Dividends	11	-	-	-	(2,469,242)	(2,469,242)
<b>Balance at 31 December 2023</b>		3,000,000	50,000	946,201	14,798,132	18,794,333
<b>Year ended 31 December 2024:</b>						
Profit for the year		-	-	-	8,281,338	8,281,338
Other comprehensive income:						
Foreign exchange hedges gains arising in the year		-	-	(1,143,093)	-	(1,143,093)
Total comprehensive income for the year		-	-	(1,143,093)	8,281,338	7,138,245
Dividends	11	-	-	-	(3,205,015)	(3,205,015)
<b>Balance at 31 December 2024</b>		3,000,000	50,000	(196,892)	19,874,455	22,727,563

**SPP Pumps Limited**

**Group statement of cash flows  
For the year ended 31 December 2024**

	Notes	£	2024 £	£	2023 £
<b>Cash flows from operating activities</b>					
Cash generated from operations	31		18,051,121		10,617,169
Interest paid			(271,492)		(317,786)
Income taxes paid			(3,725,705)		(1,510,711)
<b>Net cash inflow from operating activities</b>			<b>14,053,924</b>		<b>8,788,672</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,167,966)		(1,161,150)	
Proceeds from disposal of tangible fixed assets		-		3,350	
Interest received		380,488		62,750	
<b>Net cash used in investing activities</b>			<b>(787,478)</b>		<b>(1,095,050)</b>
<b>Financing activities</b>					
Repayment of bank loans		(568,426)		(968,377)	
Payment of finance leases obligations		(6,092)		(6,602)	
Dividends paid to equity shareholders		(3,205,015)		(2,469,242)	
<b>Net cash used in financing activities</b>			<b>(3,779,533)</b>		<b>(3,444,221)</b>
<b>Net increase in cash and cash equivalents</b>			<b>9,486,913</b>		<b>4,249,401</b>
Cash and cash equivalents at beginning of year			5,934,897		1,685,496
<b>Cash and cash equivalents at end of year</b>			<b>15,421,810</b>		<b>5,934,897</b>

## SPP Pumps Limited

### Notes to the financial statements For the year ended 31 December 2024

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#### 1 Accounting policies

##### Company information

SPP Pumps Limited ("the Company") is a private limited company incorporated in England and Wales. The registered office is SPP Pumps Limited, Crucible Close, Mushet Industrial Park, Coleford, Gloucestershire, GL16 8PS.

The Group consists of SPP Pumps Limited and all of its subsidiaries, as set out in note 14.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Basis of consolidation

The Group financial statements incorporate those of SPP Pumps Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

##### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is recognised:

- In respect of engineered products, when the risks and rewards of ownership of the goods have passed to the buyer in line with the terms of the agreed contract;
- In respect of standard products, on shipment of completed product to the customer; and
- In respect of spares and service work, to the extent that the Company has obtained the right to consideration through its performance.

**1 Accounting policies (continued)**

**1.5 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**1.6 Intangible fixed assets - goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its expected useful economic life, which is 10 years. Provision is made for any impairment.

**1.7 Intangible fixed assets other than goodwill**

Intangible assets - patents and trademarks

Patents and trademarks are included at cost and depreciated in equal annual instalments over a period of 10 years which is their estimated useful economic life. Provision is made for any impairment.

Intangible assets - research and development

Development expenditure is capitalised where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is between three and five years. Provision is made for any impairment.

**1.8 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line basis
Leasehold improvements	5% to 20% straight line basis
Plant and equipment	5% to 33.33% straight line basis
Tooling and patterns	20% - 25% straight line basis
Motor vehicles	25% straight line basis
Assets in course of construction	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**1.9 Fixed asset investments**

In the Parent Company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

## 1 Accounting policies (continued)

### 1.10 Stocks

Stocks are valued at the lower of cost and selling price less costs to sell, which is equivalent to the net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:

- Raw materials, consumables and goods for resale - moving weighted average.
- Work in progress and finished goods - direct material costs and attributable production overheads

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

### 1.11 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### 1.12 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### ***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### ***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

**1 Accounting policies (continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**1.13 Equity instruments**

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

**1.14 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

## 1 Accounting policies (continued)

### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the Group 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.

### 1.15 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

#### Warranty

The Group provides for its estimated liability on the warranties given on the sale of products based on experience of past claims on the sales of products from different business units.

### 1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## **1 Accounting policies (continued)**

### **1.19 Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.
- The Company adopted hedge accounting on 1st July 2022, applying the recognition and measurement requirements of International Financial Reporting Standard (IFRS) 9. The Company uses a rollover cash flow hedging strategy in respect of its forecast foreign currency transactions with the aim of hedging against its exposure to foreign exchange risk. Gains and Losses on hedged instruments initiated after 1st July 2022 are recognised in Other Comprehensive Income, and only released to the profit and loss account to match the underlying hedged transaction.

## **2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Warranty provision***

Provisions for warranty costs are recognised as a 5 year rolling average of claims made against annual turnover levels. The average percentage is applied to sales made during the period and the value provided for is the best estimate made by the Directors of the expenditure required to settle the Group's likely obligations. These estimates are reviewed at the reporting date and updated as necessary.

## SPP Pumps Limited

### Notes to the financial statements (continued) For the year ended 31 December 2024

#### 2 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### *Deferred tax asset*

The Group has recognised a deferred tax asset in its balance sheet in respect of tax losses available for use against future taxable profits. The directors have considered the budgets, pipelines and order book in estimating the corporation tax losses to be recognised in the financial statements.

#### 3 Turnover and other revenue

	2024	2023
	£	£
<b>Turnover analysed by class of business</b>		
Engineered Products	33,802,219	22,600,429
Standard Products	56,861,966	58,144,137
Spares and Servicing	23,632,794	21,131,457
	<u>114,296,979</u>	<u>101,876,023</u>
Rental Income	5,476	1,603
Royalties	37,352	35,301
Other	1,196,871	251,303
	<u>1,239,699</u>	<u>288,207</u>
	2024	2023
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	26,939,905	21,996,499
North America	37,030,503	39,233,017
South East Asia and Australia	9,462,084	10,248,125
Europe	14,504,648	7,402,020
Middle East	12,864,197	11,997,843
Rest of World	13,495,642	10,998,519
	<u>114,296,979</u>	<u>101,876,023</u>

## SPP Pumps Limited

### Notes to the financial statements (continued) For the year ended 31 December 2024

#### 4 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the Group and Company	72,826	70,326
<b>For other services</b>		
Interim assurance reviews	10,494	10,494
Taxation compliance services	12,768	12,768
Accounts preparation services	6,412	6,412
	<u>102,500</u>	<u>100,000</u>

#### 5 Employees

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

	2024	2023
	Number	Number
Management and administration	57	58
Manufacturing	245	232
Sales and distribution	76	69
	<u>378</u>	<u>359</u>

Their aggregate remuneration including directors comprised:

	2024	2023
	£	£
Wages and salaries	18,666,449	16,780,412
Social security costs	1,803,097	1,572,452
Pension costs	1,004,088	904,438
	<u>21,473,634</u>	<u>19,257,302</u>

#### 6 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	1,716,759	813,257
Company pension contributions to defined contribution schemes	67,904	51,514
	<u>1,784,663</u>	<u>864,771</u>

**SPP Pumps Limited****Notes to the financial statements (continued)  
For the year ended 31 December 2024****6 Directors' remuneration (continued)**

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2023 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2024	2023
	£	£
Remuneration for qualifying services	1,195,635	348,596
Company pension contributions to defined contribution schemes	15,450	14,714
	<u>1,211,085</u>	<u>363,310</u>

There are no key management personnel other than the directors.

**7 Operating profit**

	2024	2023
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	896,285	950,280
Depreciation of tangible fixed assets held under finance leases	111,219	5,632
Loss/(profit) on disposal of tangible fixed assets	56,731	(2,591)
Amortisation of intangible assets	14,624	86,527
Operating lease charges	859,130	733,868
	<u>1,937,989</u>	<u>1,773,716</u>

**8 Interest payable and similar expenses**

	2024	2023
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	270,743	316,995
Other interest on financial liabilities	749	791
	<u>271,492</u>	<u>317,786</u>

## SPP Pumps Limited

### Notes to the financial statements (continued) For the year ended 31 December 2024

#### 9 Other gains and losses

	2024	2023
	£	£
<b>Fair value gains/(losses) on financial instruments</b>		
Exchange differences on fair value hedging instruments	1,176,130	631,681

The Company hedges all sales and purchase orders above £10,000 denominated in US Dollars and Euros using forward contracts with expiry dates to match the expected dates of cash receipt and payment. This is an effective strategy to minimise the risk of foreign exchange movements. The Company has very little trade in other currencies.

The reported currency movement arises mainly because forward contracts are taken out when a sales order is received. For Engineered Products, there is often a significant lead time between receiving an order and the invoicing of that order, so at any point in time, there is a significant value of forward contracts for un-invoiced sales orders. At the year-end, approximately half of all forward contracts refer to orders not invoiced. However, FRS102 requires the Group to value all forward contract liabilities, even where the corresponding asset is not yet included in the Group's balance sheet, as the work is not yet invoiced.

The reported profit/loss on currency valuation is mainly a notional accounting adjustment and for individual trades the calculated profit/loss will reverse as the sales orders are invoiced and as cash is ultimately received.

From 1st July 2022 the directors made an election to adopt hedge accounting, applying the recognition and measurement requirements of International Financial Reporting Standard (IFRS) 9. Specifically, the Company adopts a rollover cash flow hedging strategy in respect of its forecast foreign currency transactions with the aim of hedging against the Company's exposure to foreign exchange risk. As a result, Gains and Losses on hedged instruments initiated after 1st July 2022 are recognised in Other Comprehensive Income, and only released to the profit and loss account to match the underlying hedged transaction.

The Company's subsidiary companies do not have any significant foreign currency transactions.

**SPP Pumps Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2024**

**10 Taxation**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	3,384,105	2,206,935
Adjustments in respect of prior periods	64,191	(60,463)
<b>Total current tax</b>	<u>3,448,296</u>	<u>2,146,472</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	16,909	390,852
Adjustment in respect of prior periods	(82,280)	210,422
<b>Total deferred tax</b>	<u>(65,371)</u>	<u>601,274</u>
<b>Total tax charge</b>	<u>3,382,925</u>	<u>2,747,746</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>13,413,255</u>	<u>10,366,987</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 23.19% (2023: 21.64%)	3,110,534	2,243,416
Tax effect of expenses that are not deductible in determining taxable profit	37,382	23,577
Tax effect of income not taxable in determining taxable profit	-	48,254
Fixed asset differences	43,339	-
Adjustments in respect of prior years	58,182	160,722
Effect of change in corporation tax rate	(73,563)	18,270
Overseas withholding tax suffered	332,062	124,632
Other	3,703	5,747
Foreign PE exemption	(128,714)	-
Difference in tax rates	-	123,128
<b>Taxation charge</b>	<u>3,382,925</u>	<u>2,747,746</u>

The Group's overseas tax rates are lower than those in the UK. The US main federal tax rate was 21% (2023: 21%) with France rates at 19.25% (2023: 19.25%).

**SPP Pumps Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2024**

**11 Dividends**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Recognised as distributions to equity holders:		
Final paid	3,205,015	2,469,242

**12 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>	<b>Patents and trademarks</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2024	230,568	763,122	993,690
Exchange adjustments	4,013	12,114	16,127
At 31 December 2024	234,581	775,236	1,009,817
<b>Amortisation and impairment</b>			
At 1 January 2024	226,711	752,606	979,317
Amortisation charged for the year	3,925	10,699	14,624
Exchange adjustments	3,945	11,931	15,876
At 31 December 2024	234,581	775,236	1,009,817
<b>Carrying amount</b>			
At 31 December 2024	-	-	-
At 31 December 2023	3,857	10,516	14,373

The Company had no intangible fixed assets at 31 December 2024 or 31 December 2023.

**13 Fixed asset investments**

	<b>Notes</b>	<b>Group</b>	<b>2023</b>	<b>Company</b>	<b>2023</b>
		<b>2024</b>	<b>£</b>	<b>2024</b>	<b>£</b>
		<b>£</b>		<b>£</b>	
Investments in subsidiaries	<b>14</b>	-	-	286,514	286,514

## SPP Pumps Limited

### Notes to the financial statements (continued) For the year ended 31 December 2024

#### 13 Fixed asset investments (continued)

Movements in fixed asset investments Company	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2024 and 31 December 2024	1,382,688
<b>Impairment</b>	
At 1 January 2024 and 31 December 2024	1,096,174
<b>Carrying amount</b>	
At 31 December 2024	286,514
At 31 December 2023	286,514

#### 14 Subsidiaries

Details of the Company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	% Held	
			2024	2023
SPP Pumps Inc.	USA	Supply of Pumps and related equipment	100%	100%
SPP France SAS	France	Supply and servicing of pumps and related equipment	100%	100%
SPP Real Estate LLC*	USA	Real Estate	100%	100%
SyncroFlo, Inc*	USA	Supply of pumping equipment	100%	100%

\*SPP Real Estate LLC and SyncroFlo, Inc are subsidiaries of SPP Pumps Inc.

SPP Pumps Inc. and its subsidiaries are based in Atlanta, Georgia. SPP France SAS has its main office in 2 rue du Chateau d'eau, 95450 US, France.

SPP Pumps Limited

Notes to the financial statements (continued)  
For the year ended 31 December 2024

15 Tangible fixed assets

Group	Freehold land and buildings	Leasehold improvements	Assets under construction	Plant and equipment	Tooling and patterns	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 January 2024	8,481,321	611,958	394,775	14,300,960	1,905,671	63,677	25,758,362
Additions	-	-	63,285	1,017,890	76,683	10,108	1,167,966
Disposals	-	-	(54,322)	(118,895)	(830)	(6,757)	(180,804)
Transfers	-	-	(279,046)	279,046	-	-	-
Exchange adjustments	81,382	1,616	-	55,829	(588)	(724)	137,515
At 31 December 2024	8,562,703	613,574	124,692	15,534,830	1,980,936	66,304	26,883,039
<b>Depreciation and impairment</b>							
At 1 January 2024	3,071,370	555,249	-	12,172,097	1,633,587	63,399	17,495,702
Depreciation charged in the year	256,426	15,110	-	642,512	92,196	1,260	1,007,504
Eliminated in respect of disposals	-	-	-	(116,846)	(830)	(6,757)	(124,433)
Exchange adjustments	22,028	1,616	-	43,179	(588)	(712)	65,523
At 31 December 2024	3,349,824	571,975	-	12,740,942	1,724,365	57,190	18,444,296
<b>Carrying amount</b>							
At 31 December 2024	5,212,879	41,599	124,692	2,793,888	256,571	9,114	8,438,743
At 31 December 2023	5,409,951	56,709	394,775	2,128,863	272,084	278	8,262,660

**SPP Pumps Limited**

**Notes to the financial statements (continued)  
For the year ended 31 December 2024**

**15 Tangible fixed assets (continued)**

Company	Freehold land and buildings	Leasehold improvements	Assets under construction	Plant and equipment	Tooling and patterns	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 January 2024	3,711,119	519,122	394,775	11,197,883	1,892,843	23,380	17,739,122
Additions	-	-	63,285	745,122	76,129	-	884,536
Disposals	-	-	(54,322)	(41,043)	-	-	(95,365)
Transfers	-	-	(279,046)	279,046	-	-	-
At 31 December 2024	<u>3,711,119</u>	<u>519,122</u>	<u>124,692</u>	<u>12,181,008</u>	<u>1,968,972</u>	<u>23,380</u>	<u>18,528,293</u>
<b>Depreciation and impairment</b>							
At 1 January 2024	1,711,228	462,413	-	9,692,083	1,620,759	23,380	13,509,863
Depreciation charged in the year	119,902	15,110	-	471,803	92,171	-	698,986
Eliminated in respect of disposals	-	-	-	(41,043)	-	-	(41,043)
At 31 December 2024	<u>1,831,130</u>	<u>477,523</u>	<u>-</u>	<u>10,122,843</u>	<u>1,712,930</u>	<u>23,380</u>	<u>14,167,806</u>
<b>Carrying amount</b>							
At 31 December 2024	<u>1,879,989</u>	<u>41,599</u>	<u>124,692</u>	<u>2,058,165</u>	<u>256,042</u>	<u>-</u>	<u>4,360,487</u>
At 31 December 2023	<u>1,999,891</u>	<u>56,709</u>	<u>394,775</u>	<u>1,505,800</u>	<u>272,084</u>	<u>-</u>	<u>4,229,259</u>

**SPP Pumps Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2024**

**15 Tangible fixed assets (continued)**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Plant and equipment	10,599	126,875	10,128	118,897
Depreciation charge for the year in respect of leased assets	111,219	143,673	108,769	138,041

**16 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials and consumables	12,915,781	13,188,661	9,027,842	8,182,924
Work in progress	7,166,382	6,587,747	5,975,194	5,378,382
Finished goods and goods for resale	1,217,553	1,908,224	564,085	319,920
	21,299,716	21,684,632	15,567,121	13,881,226

**17 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	23,902,826	22,026,028	17,988,693	16,759,864
Corporation tax recoverable	107,997	-	-	-
Amounts owed by group undertakings	569,282	1,201,039	432,945	1,281,069
Derivative financial instruments	-	889,929	-	889,929
Other debtors	783,892	857,858	774,683	834,819
Prepayments and accrued income	965,263	737,194	749,792	476,660
	26,329,260	25,712,048	19,946,113	20,242,341
<b>Amounts falling due after more than one year:</b>				
Deferred tax asset (note 22)	427,001	717,156	112,885	171,533
<b>Total debtors</b>	<b>26,756,261</b>	<b>26,429,204</b>	<b>20,058,998</b>	<b>20,413,874</b>

**SPP Pumps Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2024**

**18 Creditors: amounts falling due within one year**

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Bank loans and overdrafts	20	205,708	394,480	-	200,000
Obligations under finance leases	21	3,274	6,149	-	-
Payments received on account		10,038,276	7,638,094	10,038,276	7,638,094
Trade creditors		12,745,928	11,913,330	9,111,312	7,912,548
Amounts owed to group undertakings		1,189,350	1,529,303	819,014	1,075,405
Corporation tax payable		697,295	860,835	697,295	756,619
Other taxation and social security		102,498	142,440	-	67,817
Derivative financial instruments		325,024	-	325,024	-
Other creditors		279,345	161,211	146,185	127,915
Accruals and deferred income		7,150,227	5,767,241	4,903,865	2,433,106
		<u>32,736,925</u>	<u>28,413,083</u>	<u>26,040,971</u>	<u>20,211,504</u>

**19 Creditors: amounts falling due after more than one year**

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Bank loans and overdrafts	20	4,165,292	4,544,946	-	250,000
Obligations under finance leases	21	-	3,217	-	-
		<u>4,165,292</u>	<u>4,548,163</u>	<u>-</u>	<u>250,000</u>

**20 Loans and overdrafts**

	Group 2024 £	2023 £	Company 2024 £	2023 £
Bank loans	<u>4,371,000</u>	<u>4,939,426</u>	<u>-</u>	<u>450,000</u>
Payable within one year	205,708	394,480	-	200,000
Payable after one year	<u>4,165,292</u>	<u>4,544,946</u>	<u>-</u>	<u>250,000</u>

## SPP Pumps Limited

### Notes to the financial statements (continued) For the year ended 31 December 2024

#### 20 Loans and overdrafts (continued)

##### Bank loans:

SPP Pumps Limited and its subsidiaries have term loans to finance the purchase of land, buildings and equipment:

Term Loan Secured by	Interest rate	Due date	2024 £	2023 £
A Fixed and moveable assets - Second Charge (ICICI)	8.25%	31 Mar 26	-	450,000
B Building	3.85%	01 Mar 30	4,371,000	4,489,426
			<u>4,371,000</u>	<u>4,939,426</u>

##### Bank overdrafts:

SPP Pumps Limited has an overdraft facility of £2.0 million from Barclays Bank Plc to finance working capital requirements. This is secured by a first charge over the Company's assets.

In addition, the Company has a short-term loan facility of £3.0 million from ICICI Bank Plc for working capital requirements. None of this facility was utilised as at 31 December 2024. It is secured by a second charge on the Company's fixed and moveable assets.

SPP Pumps Inc. and subsidiaries have lines of credit totalling \$4.0million to finance working capital requirements. The lines of credit and term loans are collateralised by substantially all of the assets of SPP Pumps Inc. SPP Real Estate LLC and SyncroFlo Inc. None of these facilities were utilised by the above entities at 31 December 2024.

#### 21 Finance lease obligations

	Group 2024 £	2023 £	Company 2024 £	2023 £
Future minimum lease payments due under finance leases:				
Within one year	3,274	6,149	-	-
In two to five years	-	3,217	-	-
	<u>3,274</u>	<u>9,366</u>	<u>-</u>	<u>-</u>

**SPP Pumps Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2024**

**22 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the Group and Company, and movements thereon:

	<b>Liabilities</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Assets</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	-	361,398	(363,279)	140,720
Tax losses	-	-	132,089	136,609
Acquired intangible assets	-	-	2,838	967
Other timing differences	-	-	520,289	408,047
Short term timing differences	-	-	135,064	30,813
	<u>-</u>	<u>361,398</u>	<u>427,001</u>	<u>717,156</u>
	<u><u>-</u></u>	<u><u>361,398</u></u>	<u><u>427,001</u></u>	<u><u>717,156</u></u>
	<b>Liabilities</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Assets</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Company</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	-	-	(22,179)	140,720
Short term timing differences	-	-	135,064	30,813
	<u>-</u>	<u>-</u>	<u>112,885</u>	<u>171,533</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>112,885</u></u>	<u><u>171,533</u></u>
			<b>Group</b>	<b>Company</b>
			<b>2024</b>	<b>2024</b>
			<b>£</b>	<b>£</b>
<b>Movements in the year:</b>				
Liability/(asset) at 1 January 2024			(355,758)	(171,533)
(Credit)/charge to profit or loss			(71,243)	58,648
Liability/(asset) at 31 December 2024			<u>(427,001)</u>	<u>(112,885)</u>
			<u><u>(427,001)</u></u>	<u><u>(112,885)</u></u>

**23 Retirement benefit schemes**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>1,004,088</u>	<u>904,438</u>
	<u><u>1,004,088</u></u>	<u><u>904,438</u></u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount outstanding at the end of the year was £138,886 (2023: £113,794).

**SPP Pumps Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2024**

**24 Provisions for liabilities**

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Warranties		727,017	716,942	556,000	530,000
Dilapidations		270,000	150,000	270,000	150,000
		<u>997,017</u>	<u>866,942</u>	<u>826,000</u>	<u>680,000</u>
Deferred tax liabilities	22	-	361,398	-	-
		<u>997,017</u>	<u>1,228,340</u>	<u>826,000</u>	<u>680,000</u>

Movements on provisions apart from deferred tax liabilities:

Group	Warranties £	Dilapidations £	Total £
At 1 January 2024	716,942	150,000	866,942
Additions to provision in the year	472,022	120,000	592,022
Utilisation of provision	(464,798)	-	(464,798)
Exchange difference	2,851	-	2,851
At 31 December 2024	<u>727,017</u>	<u>270,000</u>	<u>997,017</u>

Company	Warranties £	Dilapidations £	Total £
At 1 January 2024	530,000	150,000	680,000
Additions to provision in the year	347,576	120,000	467,576
Utilisation of provision	(321,576)	-	(321,576)
At 31 December 2024	<u>556,000</u>	<u>270,000</u>	<u>826,000</u>

**Warranties**

The provision for warranties relates to expected warranty claims on products sold in the last three years. The provision includes an estimate for the expected average warranty cost incurred plus a provision for specific known issues. It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within three years of the balance sheet date.

**Deferred tax**

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

**24 Provisions for liabilities (continued)**

***Forward contract valuation***

In accordance with FRS 102, the Group's forward exchange contracts have been valued at the year end using Mark-to-Market valuations provided by the forward contract providers. These contracts are used to hedge against currency exchange fluctuations for debtor and creditor balances denominated in overseas currencies and are typically held for a period of 6-9 months.

Forward contracts are held at fair value in the balance sheet within debtors or creditors as appropriate. For contracts enacted prior to 1 July 2022 movements in fair value are charged or credited to the profit and loss account. From 1st July 2022 the directors have made an election to adopt hedge accounting, applying the recognition and measurement requirements of International Financial Reporting Standard (IFRS) 9. As a result, Gains and Losses on hedged instruments initiated after 1st July 2022 were recognised in Other Comprehensive Income, and only released to the profit and loss account to match the underlying hedged transaction.

***Dilapidations***

The dilapidations provision represents an estimate of the future costs of meeting the company's obligation to return leasehold premises to their configuration and condition as observed at lease inception, on termination or expiry of the associated lease.

**25 Share capital**

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50,000 A ordinary shares of £1 each	50,000	50,000
2,950,000 C ordinary shares of £1 each	2,950,000	2,950,000
	<u>3,000,000</u>	<u>3,000,000</u>

The share classes rank pari passu in all respects other than in the event of liquidation any surplus will be applied first to repayment of amounts paid in respect of class C ordinary shares, thereafter equally for all shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The capital redemption reserve of £50,000 arose from the Company's purchase of own shares on 25 August 2009 when B ordinary shares were redeemed for £123,100.

**26 Financial commitments, guarantees and contingent liabilities**

Performance bonds and guarantees remain outstanding at 31 December 2024. These arose in the normal course of business and amount to £10,153,010 (2023: 8,362,040).

## SPP Pumps Limited

### Notes to the financial statements (continued) For the year ended 31 December 2024

#### 27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Acquisition of tangible fixed assets	64,082	428,814	64,082	428,814

#### 28 Operating lease commitments

##### Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Within one year	518,561	488,663	499,428	438,037
Between two and five years	835,536	646,527	815,414	628,370
In over five years	2,841	-	2,841	-
	1,356,938	1,135,190	1,317,683	1,066,407

#### 29 Related party transactions

The Company has taken advantage of the exemption available under FRS 102, section 33.1A not to disclose transactions with other wholly-owned members of the Kirloskar Brothers Limited Group.

#### 30 Controlling party

The ultimate parent company of SPP Pumps Limited is Kirloskar Brothers Limited, whose registered office is "Yamuna", Survey No. 98 / (3 to 7), Plot No. 3, Baner, Pune 411 045, State Maharashtra, India.

The intermediate parent company of SPP Pumps Limited is Kirloskar Brothers International BV, a company incorporated in the Netherlands. Kirloskar Brothers Limited is the controlling party of the smallest and largest group for which SPP Pumps Limited is a member and is the ultimate parent company of the smallest and largest group for which the consolidated accounts are prepared which include SPP Pumps Limited. Kirloskar Brothers Limited is a publicly listed company incorporated in India. Copies of these financial statements can be obtained from the company's registered office at "Yamuna", Survey No. 98 / (3 to 7), Plot No. 3, Baner, Pune 411 045, State Maharashtra, India, or online at [www.kirloskarpumps.com](http://www.kirloskarpumps.com).

**SPP Pumps Limited**

**Notes to the financial statements (continued)  
For the year ended 31 December 2024**

**31 Cash generated from group operations**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	10,030,330	7,619,241
<b>Adjustments for:</b>		
Taxation charged	3,382,925	2,747,746
Finance costs	271,492	317,786
Investment income	(380,488)	(62,750)
Loss/(gain) on disposal of tangible fixed assets	56,371	(2,591)
Amortisation and impairment of intangible assets	14,624	86,527
Depreciation and impairment of tangible fixed assets	1,007,504	955,912
Other gains and losses	(1,016,442)	513,426
Increase in provisions	130,075	111,154
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	384,916	(3,504,016)
(Increase)/decrease in debtors	(509,215)	898,044
Increase in creditors	4,679,029	936,690
<b>Cash generated from operations</b>	<b>18,051,121</b>	<b>10,617,169</b>

**32 Analysis of changes in net funds - group**

	<b>1 January</b>	<b>Cash flows</b>		<b>31 December</b>
	<b>2024</b>			<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
Cash at bank and in hand	5,934,897	9,486,913	15,421,810	
Borrowings excluding overdrafts	(4,939,426)	568,426	(4,371,000)	
Obligations under finance leases	(9,366)	6,092	(3,274)	
	<u>986,105</u>	<u>10,061,431</u>	<u>11,047,536</u>	