



Registered number: 01678942

INVICTA VALVES LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 30 SEPTEMBER 2018**



INVICTA VALVES LIMITED
REGISTERED NUMBER:01678942

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	4,071	28,498
Tangible assets	6	116,905	80,468
		<u>120,976</u>	<u>108,966</u>
Current assets			
Stocks	7	149,074	262,670
Debtors: amounts falling due within one year	8	1,439,364	1,505,482
Cash at bank and in hand	9	67,681	11,526
		<u>1,656,119</u>	<u>1,779,678</u>
Creditors: amounts falling due within one year	10	(1,106,804) ¹	(1,493,482)
Net current assets		<u>549,315</u>	<u>286,196</u>
Total assets less current liabilities		<u>670,291</u>	<u>395,162</u>
Creditors: amounts falling due after more than one year	11	(1,139)	(6,844)
Provisions for liabilities			
Other provisions	13	(25,000)	(25,000)
		<u>(25,000)</u>	<u>(25,000)</u>
Net assets		<u><u>644,152</u></u>	<u><u>363,318</u></u>

INVICTA VALVES LIMITED
REGISTERED NUMBER:01678942

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital	14	2,000	2,000
Profit and loss account	15	642,152	361,318
Shareholders' funds		<u>644,152</u>	<u>363,318</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2018.


A Izod
Director

The notes on pages 3 to 15 form part of these financial statements.

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

Invicta Valves Limited is a private Company limited by shares and incorporated in the United Kingdom. Registered number 01678942. Its registered head office is located at Invicta Valves Limited, Units 10 - 11 Boxmend, Bircholt Road, Parkwood Industrial Estate, Maidstone, Kent, ME15 9XT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company has good relationships with its customers and suppliers. The Company operates as part of the Group cash pooling arrangement and arising from this access to cash balances to continue operations under the normal course of business. AVK Holding A/S, also provide a suretyship to cover the Company's facilities. As a result of the above and having reviewed forecasts for the next 12 months the directors do not believe that there are any material uncertainties which cast significant doubt on the ability of the Company to continue as a going concern.

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	3 years	-
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INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- 20% straight-line
Plant and machinery	- 20% straight-line
Motor vehicles	- 10 - 20% straight-line
Fixtures, fittings & equipment	- 10 - 20% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects on that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements.

Stock provisioning is an estimation uncertainty. When calculating the stock provision the Company adheres to the group accounting policy of 50% write down if stock days exceed two years.

4. Employees

The average monthly number of employees, including executive directors, was 33 (2017: 33).

5. Intangible assets

	Develop- ment costs £
Cost	
At 1 October 2017	73,280
At 30 September 2018	<u>73,280</u>
Amortisation	
At 1 October 2017	44,782
Charge for the year	24,427
At 30 September 2018	<u>69,209</u>
Net book value	
At 30 September 2018	<u>4,071</u>
At 30 September 2017	<u>28,498</u>

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

6. Tangible fixed assets

	Leasehold property improvements £	Motor vehicles £	Fixtures, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation					
At 1 October 2017	79,112	57,011	88,543	74,270	298,936
Additions	-	20,970	2,336	43,817	67,123
At 30 September 2018	<u>79,112</u>	<u>77,981</u>	<u>90,879</u>	<u>118,087</u>	<u>366,059</u>
Depreciation					
At 1 October 2017	69,954	32,611	82,533	33,370	218,468
Charge for the year on owned assets	6,377	10,096	2,697	11,517	30,687
At 30 September 2018	<u>76,331</u>	<u>42,707</u>	<u>85,230</u>	<u>44,887</u>	<u>249,155</u>
Net book value					
At 30 September 2018	<u>2,781</u>	<u>35,274</u>	<u>5,649</u>	<u>73,200</u>	<u>116,904</u>
At 30 September 2017	<u>9,158</u>	<u>24,400</u>	<u>6,010</u>	<u>40,900</u>	<u>80,468</u>

7. Stocks

	2018 £	2017 £
Stocks	<u>149,074</u>	<u>262,670</u>

INVICTA VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

8. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,293,552	1,335,456
Amounts owed by group undertakings	49,872	87,077
Other debtors	47,108	46,469
Corporation tax	41,586	14,943
Deferred tax asset (note 14)	7,246	21,537
	<u>1,439,364</u>	<u>1,505,482</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	67,681	11,526
Less: bank overdrafts	(90)	(156,635)
	<u>67,591</u>	<u>(145,109)</u>

10. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	90	156,635
Trade creditors	591,169	715,418
Amounts owed to group undertakings	325,944	503,380
Other taxation and social security	149,893	81,533
Net obligations under finance lease and hire purchase contracts	5,705	11,394
Other creditors	34,003	25,122
	<u>1,106,804</u>	<u>1,493,482</u>

The bank overdraft is secured by way of a guarantee from the company's holding company, AVK Holding A/S.

Assets held under hire purchase and finance lease agreements are secured on the assets concerned.

Amounts owed to group undertakings and group parent company have been aggregated and disclosed as amounts owed to group undertakings in the current year.

INVICTA VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

11. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	<u>1,139</u>	<u>6,844</u>

12. Deferred tax asset

	2018 £	2017 £
Balance at beginning of the year	21,537	23,217
Charge/ (credit) to the profit & loss	(14,291)	(1,680)
Balance at the end of year	<u><u>7,246</u></u>	<u><u>21,537</u></u>

The deferred tax asset is comprised of:

	2018 £	2017 £
Depreciation in excess of capital allowances	6,947	8,633
Tax losses	299	12,904
Balance at the end of year	<u><u>7,246</u></u>	<u><u>21,537</u></u>

13. Provisions

	Warranty provision £
At 1 October 2017	25,000
At 30 September 2018	<u><u>25,000</u></u>

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

14. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2,000 Ordinary shares of £1 each	2,000	2,000

15. Reserves

Profit and loss account

Includes all current and prior periods retained profits and losses.

16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Within one year	82,954	93,540
Between one and five years	14,141	51,288
	97,095	144,828

17. Guarantee

The company is party to a cash pool agreement. Under the terms of this agreement, the participants (being group companies) in the cash pooling agreement provide cross guarantees in favour of the bank.

AVK Holding A/S, also provide a suretyship to cover Invicta Valves Limited's facilities.

18. Related party transactions

As a wholly owned subsidiary, the company is exempt from the requirements of FRS 102 Section 33 to disclose transactions with other members of the group headed by AVK Holding A/S.

INVICTA VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

19. Controlling party

The company is controlled by AVK Holding A/S, its immediate parent whose registered office is Soendergade 33, 8464 Galten, Denmark.

The parent undertaking of the smallest group for which consolidated financial statements are prepared is AVK Holding A/S, a company incorporated in Denmark. Consolidated financial statements are available from Erhvervsstyrelsen, Langelinie Allé 17, 2100 København Ø, Denmark.

The parent undertaking of the largest group for which consolidated financial statements are prepared is Anpartsselskabet ASX af 28. August 2014, company incorporated in Denmark. Consolidated financial statements are available from the above address. In the opinion of the directors this is the company's ultimate parent company. Anpartsselskabet ASX af 28. August 2014 is ultimately controlled by N A Kjaer.

20. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2018 was unqualified.

The audit report was signed on 30 November 2018 by Michael Redfern FCA (Senior statutory auditor) on behalf of Grant Thornton UK LLP.