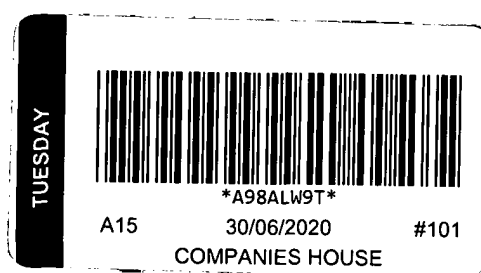


REGISTERED NUMBER: 02809288 (England and Wales)

WALDON LTD
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

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WALDON LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTOR: Mr S Söhner

REGISTERED OFFICE: Unit A Parc Eirin
Tonyrefail
Porth
CF39 8WA

REGISTERED NUMBER: 02809288 (England and Wales)

AUDITORS: Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The director presents his strategic report for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND REVIEW OF THE COMPANY'S BUSINESS

The company's principal activity during the year continued to be the manufacture of plastic injection moulded components for supply to the automotive sector.

The company performed strongly in response to an increase in demand from its global customers.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates within the global automotive sector and hence the principal risks and uncertainties facing the company are those associated with customer order volumes and pricing requirements.

KEY PERFORMANCE INDICATORS

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators (KPI's). The KPI's for the year ended 31 December 2019 with comparatives for 2018 are summarised as follows:

	2019	2018
	£	£
Moulded Sales	5,678,838	5,321,632
Payroll cost as a percentage of value added	42.7%	44.3%

FUTURE DEVELOPMENTS

The company plans to strategically develop its operations in 2020 with the implementation of an ERP system and transfer of product lines from an associated company based in Germany.

The company has performed in line with budget during Q1 2020. Whilst the Covid-19 pandemic has not yet had a material impact on the level of business the Director and his Management team continue to monitor the situation closely.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses financial instruments, other than derivatives, comprising loans, cash at bank, other liquid resources and timing differences that arise directly from the normal trading cycle. The main purpose of these financial instruments is to raise finance for the company's operations and the risks associated with their use are set out below. The directors review and agree policies for managing each of these risks and the policies on a regular basis.

Interest rate risk

The company mainly finances its operations through generated working capital. The balance sheet includes trade debtors and creditors, which do not attract interest and are therefore subject to fair value interest rate risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Exchange rate risk

The company is subject to foreign exchange rate transactions and translation risk as a result of trading with key customers and suppliers in Euros. This currency risk is contained through the effective management of working capital within the Euro trading cycle.

Covid-19 risk

It is likely that the coronavirus pandemic will at some stage have an impact on the company's ability to operate at forecast utilisation. A contingency plan has been drawn up to manage the potential risks associated with a slow-down in operational performance and the Director is confident that with the ongoing support of key global customers and suppliers the company will be able to be able to limit the financial impact that Covid-19 may have on the business.

ON BEHALF OF THE BOARD:


.....
Mr S Söhner - Director

Date: 27.04.2020

WALDON LTD

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2019 will be £1,208,953 (2018: £806,260).

DIRECTOR

Mr S Söhner held office during the whole of the period from 1 January 2019 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

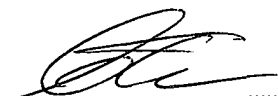
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Mr S Söhner - Director

Date: 27.04.2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WALDON LTD

Opinion

We have audited the financial statements of Waldon Ltd (the 'company') for the year ended 31 December 2019 which comprise the Profit and loss account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WALDON LTD

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 30 June 2020

WALDON LTD**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
TURNOVER	3	5,987,065	5,665,796
Cost of sales		<u>(4,753,550)</u>	<u>(4,735,355)</u>
GROSS PROFIT		1,233,515	930,441
Administrative expenses		<u>(589,327)</u>	<u>(565,660)</u>
		644,188	364,781
Other operating income		<u>5,100</u>	<u>5,100</u>
OPERATING PROFIT	5	649,288	369,881
Exceptional items	7	<u>-</u>	<u>(269,566)</u>
		649,288	100,315
Interest receivable and similar income	8	<u>101,746</u>	<u>144,881</u>
PROFIT BEFORE TAXATION		751,034	245,196
Tax on profit	9	<u>(146,705)</u>	<u>(104,552)</u>
PROFIT FOR THE FINANCIAL YEAR		604,329	140,644
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>604,329</u>	<u>140,644</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	11	335,637	455,201
Tangible assets	12	2,063,010	2,243,375
		<u>2,398,647</u>	<u>2,698,576</u>
CURRENT ASSETS			
Stocks	13	657,222	700,908
Debtors: amounts falling due within one year	14	1,659,575	2,407,814
Debtors: amounts falling due after more than one year	14	956,899	786,177
Cash at bank and in hand		715,134	699,457
		<u>3,988,830</u>	<u>4,594,356</u>
CREDITORS			
Amounts falling due within one year	15	(641,750)	(954,090)
NET CURRENT ASSETS		<u>3,347,080</u>	<u>3,640,266</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,745,727</u>	<u>6,338,842</u>
PROVISIONS FOR LIABILITIES	17	-	(5,391)
ACCRUALS AND DEFERRED INCOME	18	(168,100)	(173,200)
NET ASSETS		<u>5,577,627</u>	<u>6,160,251</u>
CAPITAL AND RESERVES			
Called up share capital	19	300,000	300,000
Capital redemption reserve		350,000	350,000
Fair value reserve		278,200	256,200
Retained earnings		4,649,427	5,254,051
SHAREHOLDERS' FUNDS		<u>5,577,627</u>	<u>6,160,251</u>

The financial statements were approved and authorised for issue by the director on 27.04.2022 and were signed by:


Mr S Söhner - Director

WALDON LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Total equity £
Balance at 1 January 2018	300,000	5,919,667	350,000	86,800	6,656,467
Changes in equity					
Transfer to/from non-distributable reserves	-	-	-	169,400	169,400
Dividends	-	(806,260)	-	-	(806,260)
Total comprehensive income	-	140,644	-	-	140,644
Balance at 31 December 2018	<u>300,000</u>	<u>5,254,051</u>	<u>350,000</u>	<u>256,200</u>	<u>6,160,251</u>
Changes in equity					
Transfer to/from non-distributable reserves	-	-	-	22,000	22,000
Dividends	-	(1,208,953)	-	-	(1,208,953)
Total comprehensive income	-	604,329	-	-	604,329
Balance at 31 December 2019	<u>300,000</u>	<u>4,649,427</u>	<u>350,000</u>	<u>278,200</u>	<u>5,577,627</u>

The notes form part of these financial statements

WALDON LTD**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	662,677	362,730
Tax paid		<u>(110,496)</u>	<u>(119,799)</u>
Net cash from operating activities		<u>552,181</u>	<u>242,931</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(104,846)	(75,255)
Sale of tangible fixed assets		5,000	-
Interest received		<u>101,746</u>	<u>144,881</u>
Net cash from investing activities		<u>1,900</u>	<u>69,626</u>
Cash flows from financing activities			
Loan repayments in year		670,549	601,595
Equity dividends paid		<u>(1,208,953)</u>	<u>(806,260)</u>
Net cash from financing activities		<u>(538,404)</u>	<u>(204,665)</u>
Increase in cash and cash equivalents		<u>15,677</u>	<u>107,892</u>
Cash and cash equivalents at beginning of year	2	<u>699,457</u>	<u>591,565</u>
Cash and cash equivalents at end of year	2	<u><u>715,134</u></u>	<u><u>699,457</u></u>

The notes form part of these financial statements

WALDON LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before taxation	751,034	245,196
Depreciation charges	426,775	418,116
Profit on disposal of fixed assets	(5,000)	-
Government grants	(5,100)	(5,100)
Finance income	(101,746)	(144,881)
	1,065,963	513,331
Decrease/(increase) in stocks	43,686	(60,211)
Increase in trade and other debtors	(88,447)	(204,958)
(Decrease)/increase in trade and other creditors	(358,525)	114,568
Cash generated from operations	<u>662,677</u>	<u>362,730</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	<u>715,134</u>	<u>699,457</u>

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	<u>699,457</u>	<u>591,565</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
Net cash			
Cash at bank and in hand	<u>699,457</u>	<u>15,677</u>	<u>715,134</u>
	<u>699,457</u>	<u>15,677</u>	<u>715,134</u>
Total	<u>699,457</u>	<u>15,677</u>	<u>715,134</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. STATUTORY INFORMATION

Waldon Limited is a private company, limited by shares, incorporated in Wales, in the United Kingdom. The address of the registered office is Unit A Parc Eirin, Tonyrefail, Porth, Mid Glamorgan, CF39 8WA. The nature of the company's operations and principal activities are that of manufacturing plastic injection moulded components for supply to the automotive sector.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

There have been no material departures from Financial Reporting Standard 102.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Revenue from the sale of goods is recognised when significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

Revenue from services provided by the company is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Purchased projects are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Freehold buildings	Straight line over 50 years
Plant and machinery	Straight line over 4-10 years
Fixtures, fittings and equipment	Straight line over 3-10 years

Freehold land is not depreciated.

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

Cost of raw materials is determined on a first in first out basis. In the case of work in progress and finished goods, cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which the stock can be realised in the normal course of business. Full provision is made for obsolete and slow moving items.

Government grants

Government grants are recognised on an accruals basis. Capital grants received and receivable are treated as deferred income and amortised to the profit and loss account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the profit and loss account when received.

Current tax

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an un-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in currencies other than the functional currency of the company are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the profit and loss account. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents and trade and other creditors.

Unless otherwise stated, the carrying value of the company's financial assets and liabilities are a reasonable approximation of their fair values.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transactions price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash and demand deposits, and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Such investments are normally those with original maturities of three months or less.

Loans receivable

Interest-bearing loans receivable are recognised initially at fair value plus any attributable transaction costs. Subsequent to initial recognition, interest-bearing loans receivable are stated at amortised cost with any difference between the amount initially recognised and the redemption value being recognised in the profit and loss account over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Moulded Sales	5,678,838	5,321,632
Tooling Sales	<u>308,227</u>	<u>344,164</u>
	<u>5,987,065</u>	<u>5,665,796</u>

An analysis of turnover by geographical market is given below:

	2019 £	2018 £
United Kingdom	2,627,877	2,384,516
Europe	2,337,977	2,122,751
Rest of the World	<u>1,021,211</u>	<u>1,158,529</u>
	<u>5,987,065</u>	<u>5,665,796</u>

WALDON LTD**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019****4. EMPLOYEES AND DIRECTORS**

	2019 £	2018 £
Wages and salaries	1,246,349	1,217,807
Social security costs	101,447	92,480
Other pension costs	48,431	35,110
	<u>1,396,227</u>	<u>1,345,397</u>

The average number of employees during the year was as follows:

	2019	2018
Administration	6	6
Production	46	47
Management	2	2
Directors	<u>1</u>	<u>2</u>
	<u>55</u>	<u>57</u>

	2019 £	2018 £
Directors' remuneration	<u>-</u>	<u>-</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019 £	2018 £
Leasing of plant and machinery	13,789	12,848
Other operating leases	3,646	3,894
Depreciation - owned assets	307,211	243,699
Profit on disposal of fixed assets	(5,000)	-
Purchased projects amortisation	<u>119,564</u>	<u>119,564</u>

6. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>6,000</u>	<u>6,000</u>

7. EXCEPTIONAL ITEM

A related party loan of £269,566 was been provided against in full in the prior year as the related party company is in administration and as such the loan is unlikely to be recovered.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Loan interest	101,248	144,881
Corporation tax interest	<u>498</u>	<u>-</u>
	101,746	144,881

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

9. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	156,682	113,575
Over provision in prior year	-	(542)
Total current tax	156,682	113,033
Deferred tax	(9,977)	(8,481)
Tax on profit	<u>146,705</u>	<u>104,552</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>751,034</u>	<u>245,196</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	142,696	46,587
Effects of:		
Expenses not deductible for tax purposes	5,115	55,713
(Under)/over provision of deferred tax	(1,106)	2,794
Over provision of corporation tax	-	(542)
Total tax charge	<u>146,705</u>	<u>104,552</u>

10. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	<u>1,208,953</u>	<u>806,260</u>

WALDON LTD
**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**
11. INTANGIBLE FIXED ASSETS

	Purchased projects £
COST	
At 1 January 2019	
and 31 December 2019	<u>597,820</u>
AMORTISATION	
At 1 January 2019	142,619
Amortisation for year	<u>119,564</u>
At 31 December 2019	<u>262,183</u>
NET BOOK VALUE	
At 31 December 2019	<u>335,637</u>
At 31 December 2018	<u>455,201</u>

12. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Totals £
COST OR VALUATION				
At 1 January 2019	1,300,000	5,435,712	524,986	7,260,698
Additions	-	83,630	21,216	104,846
Disposals	-	(18,820)	-	(18,820)
At 31 December 2019	<u>1,300,000</u>	<u>5,500,522</u>	<u>546,202</u>	<u>7,346,724</u>
DEPRECIATION				
At 1 January 2019	-	4,501,460	515,863	5,017,323
Charge for year	22,000	277,888	7,323	307,211
Eliminated on disposal	-	(18,820)	-	(18,820)
Revaluation adjustments	(22,000)	-	-	(22,000)
At 31 December 2019	-	<u>4,760,528</u>	<u>523,186</u>	<u>5,283,714</u>
NET BOOK VALUE				
At 31 December 2019	<u>1,300,000</u>	<u>739,994</u>	<u>23,016</u>	<u>2,063,010</u>
At 31 December 2018	<u>1,300,000</u>	<u>934,252</u>	<u>9,123</u>	<u>2,243,375</u>

Freehold land and buildings are held at valuation of £1,300,000. All such assets were revalued on 29 October 2019 by Messers Hiron Morgan & Yapp, Chartered Surveyors, on the basis of fair value which is in accordance with UK VS1, "UK basis of value FRS 102". Included in freehold land and buildings is land stated at a valuation of £300,000 (2018: £200,000) on which no depreciation is provided. The historical cost of this land is £110,000.

Freehold land and buildings are the only category of tangible asset assets included at valuation. Freehold land and buildings would have been included on a historical cost basis as follows:

	2019 £	2018 £
Aggregate cost	1,378,748	1,378,748
Aggregate accumulated depreciation	<u>452,390</u>	<u>427,015</u>
Aggregate carrying amount	<u>926,358</u>	<u>951,733</u>

WALDON LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. STOCKS

	2019 £	2018 £
Raw materials	522,817	542,913
Work-in-progress	23,939	71,455
Finished goods	<u>110,466</u>	<u>86,540</u>
	<u>657,222</u>	<u>700,908</u>

14. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,236,558	876,522
Other debtors	1,013	1,416
Amounts owed by related companies	320,932	1,184,653
Prepayments and accrued income	<u>101,072</u>	<u>345,223</u>
	<u>1,659,575</u>	<u>2,407,814</u>

Amounts falling due after more than one year:		
Amounts owed by related companies	946,418	779,702
Deferred tax asset	4,586	-
Other debtors	<u>5,895</u>	<u>6,475</u>
	<u>956,899</u>	<u>786,177</u>

Aggregate amounts	<u>2,616,474</u>	<u>3,193,991</u>
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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	106,078	335,067
Corporation tax	94,760	48,575
Social security and other taxes	25,888	24,889
VAT	43,786	20,442
Amounts owed to related companies	176,306	294,944
Accruals and deferred income	189,832	225,073
Deferred government grants	<u>5,100</u>	<u>5,100</u>
	<u>641,750</u>	<u>954,090</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	17,374	20,836
Between one and five years	<u>30,988</u>	<u>31,912</u>
	<u>48,362</u>	<u>52,748</u>

WALDON LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax	<u>-</u>	<u>5,391</u>
		Deferred tax £
Balance at 1 January 2019		5,391
Credit to Profit and loss account during the year		<u>(9,977)</u>
Balance at 31 December 2019		<u>(4,586)</u>

The deferred tax balance comprises the following:

	2019 £	2018 £
Excess of capital allowances over depreciation	30,611	40,401
Short term timing differences	<u>(35,197)</u>	<u>(35,010)</u>
	<u>(4,586)</u>	<u>5,391</u>

18. ACCRUALS AND DEFERRED INCOME

	2019 £	2018 £
Deferred government grants	<u>168,100</u>	<u>173,200</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019 £	2018 £
300,000	Ordinary	£1	<u>300,000</u>	<u>300,000</u>

20. PENSION COMMITMENTS

During the year the company contributed £48,431 (2018 - £35,110) into defined pension schemes. At the year end there was £12,044 (2018 - £5,965) outstanding.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

21. RELATED PARTY DISCLOSURES

During the year the group entered into transactions, in the ordinary course of business, with its related parties. Transactions entered into, and balances outstanding at 31 December are as follows:

Name	Nature of transaction	2019 £	2018 £
Entities that have control, joint control or significant influence over the group	Purchases	446,755	852,642
Key management personnel	Remuneration	86,669	63,837
	Dividend	1,208,953	806,260

The following balances existed with the group's related parties as at 31 December 2019:

Name	Nature of balance	2019 £	2018 £
Entities that have control, joint control or significant influence over the group	Creditor	176,306	290,029
	Debtor	1,267,350	1,964,355