

Company Registration No. 04698687 (England and Wales)

REDIWELD HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018



Abbey House
Hickleys Court
South Street
Farnham
GU9 7QQ

WEDNESDAY



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REDIWELD HOLDINGS LIMITED

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REDIWELD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr D. R. O. How Mr D. J. Cartwright Mr R. D. McDougall Mr R. W. Marsh Mr G. Butler
Secretary	Mr. G. M. Butler
Company number	04698687
Registered office	High March High March Industrial Estate Daventry Northants NN11 4QE
Auditors	Taylorcocks Abbey House Hickleys Court South Street Farnham Surrey GU9 7QQ
Bankers	Handelsbanken Suite 3A 10 Waterside Way Northampton NN4 7XD

REDIWELD HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of the company during the year was that of a holding and investment company. The activities of the subsidiaries are as follows:

Rediweld Rubber and Plastics Limited

Manufacturing and selling traffic calming products, industrial rubber mouldings and plastic injection moulded components.

Vistaplan International Limited

Manufacturing and distributing drawing office equipment and metal fabrications.

Iseki Vacuum Systems Limited

Manufacturing and distributing vacuum sewerage and fluid handling systems.

Redivac Limited

Designing vacuum sewerage and fluid handling systems.

Business Review

During 2018 the Rediweld Holdings group showed an improved performance in profitability particularly in the Rediweld Rubber and Plastics Division in Alton Hampshire. Split into two divisions of Technical Moulding and Traffic related safety products both divisions have performed well. The moulding business has grown through new accounts being won and good future prospects due to involvement in a number of new exciting projects. The traffic products division continues to develop new products particularly for cyclists by providing segregation of cyclists from vehicles resulting in fewer accidents particularly in large cities.

The Group has also seen growth in its Iseki Vacuum Sewerage System division based in Daventry. This Division is currently involved in a number of vacuum sewerage schemes for Anglian Water in the UK and continues to develop schemes around the World with huge potential in India and China. Progress has been slower than initially expected but during 2019 the Company would expect to see substantial growth as more schemes are approved for development.

Overall the Group continues to have substantial cash reserves and does not have any borrowings which allows it to take advantage of investment in new plant and machinery as well as being able to invest in new opportunities as they arrive.

The Company has invested in a substantial increase in stock to ensure that it is able to continue to supply its customers any disruptions which may result from Brexit.

- Turnover has increased from £6.856m to £7.062m
- Gross profit has increased from £2.710m to £2.945m
- Profit before taxation has increased by £160k
- Net assets and net current assets have also both increased.

REDIWELD HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Future Developments

The Group continues to develop new safety related traffic products for the UK and is also expanding its markets in Japan and the US.

Principal risks and uncertainties

Brexit does bring some uncertainty as to the effect of leaving the EU but the directors are confident that this can be minimised by careful planning.

Environmental policies and corporate social responsibilities

Rediweld Holdings is very aware of its responsibilities to its staff, customers and shareholders and have introduced a number policies to secure their wellbeing and to ensure the highest quality standard of their products. These are:-

- ISO 9001:2015 Quality Standard
- UVDB Standard within the water industry to assure quality, environmental and Health & safety standards
- Environmental Policy
- Anti-Bribery and Corruption Policy
- Anti-Slavery Policy
- Equal Opportunities Policy
- Privacy Policy
- Drugs and Alcohol Policy

Key performance indicators (KPIs)

Rediweld Holdings Group offers a diverse range of products and services to its customers. The Directors use the following KPIs to monitor and assess the performance of the group and its individual companies:

- Turnover growth
- Gross profit growth and margin
- Profit before tax
- Net current assets

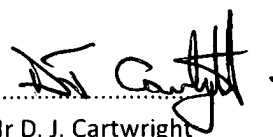
An analysis of these financial KPIs for 2018 has been included above.

In addition the Directors use the following non-financial KPIs when managing the businesses:

- Collection of debts from customers in a timely manner
- Payment of creditors in a timely manner
- Paying staff at least the living wage

The Directors are satisfied with the performance of the Group for the year.

On behalf of the board



Mr D. J. Cartwright

Director

Date: 25/4/19

REDIWELD HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Directors

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

Mr D. R. O. How

Mr D. J. Cartwright

Mr R. D. McDougall

Mr R. W. Marsh

Mr G. Butler

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £230,744. The directors do not recommend payment of a final dividend.

Financial instruments

Details of the group's financial risk management objectives and policies are included within the strategic report.

Statement of directors' responsibilities

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.

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.

Auditor

Taylorcocks are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

REDIWELD HOLDINGS LIMITED

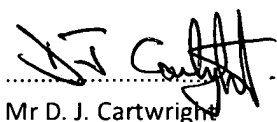
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 company 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 company is aware of that information.

On behalf of the board



Mr D. J. Cartwright

Director

Date: 25/4/19

REDIWELD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF REDIWELD HOLDINGS LIMITED

Opinion

We have audited the financial statements of Rediweld Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, 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 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 FRS 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 group's and the parent company's affairs as at 31 December 2018 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

REDIWELD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF REDIWELD HOLDINGS LIMITED

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.

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 our 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 the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

REDIWELD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF REDIWELD HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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.

Taylorcocks

Helen Kay BA FCA (Senior Statutory Auditor)

for and on behalf of Taylorcocks



Statutory Auditor

Office: Farnham

Date: *25 April 2019*

REDIWELD HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	£
Turnover	3	7,061,992	6,856,284
Cost of sales		(4,117,447)	(4,146,354)
Gross profit		2,944,545	2,709,930
Distribution costs		(180,829)	(143,865)
Administrative expenses		(2,219,468)	(2,188,961)
Other operating income		1,120	14,979
Operating profit	4	545,368	392,083
Interest receivable and similar income		6,350	-
Profit before taxation		551,718	392,083
Taxation	8	(84,345)	(76,213)
Profit for the financial year		467,373	315,870
Other comprehensive income			
Tax relating to other comprehensive income		-	35,291
Total comprehensive income for the year		467,373	351,161

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.

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

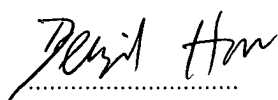
REDIWELD HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	10		82,867		104,067
Tangible assets	11		1,062,037		1,110,742
			<u>1,144,904</u>		<u>1,214,809</u>
Current assets					
Stocks	15	1,253,623		1,147,675	
Debtors	16	1,259,603		1,262,628	
Cash at bank and in hand		1,924,464		1,587,325	
		<u>4,437,690</u>		<u>3,997,628</u>	
Creditors: amounts falling due within one year	17	(1,111,839)		(972,763)	
Net current assets			<u>3,325,851</u>		<u>3,024,865</u>
Total assets less current liabilities			<u>4,470,755</u>		<u>4,239,674</u>
Provisions for liabilities	18		(136,147)		(141,695)
Net assets			<u>4,334,608</u>		<u>4,097,979</u>
Capital and reserves					
Called up share capital	20		192,287		192,287
Share premium account			72,000		72,000
Revaluation reserve			447,141		451,396
Capital redemption reserve			64,942		64,942
Other reserves			2,243,061		2,243,061
Profit and loss reserves			1,315,177		1,074,293
Total equity			<u>4,334,608</u>		<u>4,097,979</u>

The financial statements were approved by the board of directors and authorised for issue on 25/4/19 and are signed on its behalf by:



Mr D. R. O. How
Director

REDIWELD HOLDINGS LIMITED

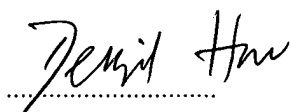
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		829		-
Investments	12		1,339,553		1,339,553
			<u>1,340,382</u>		<u>1,339,553</u>
Current assets					
Debtors	16	606		1,532	
Cash at bank and in hand		610,158		806,787	
		<u>610,764</u>		<u>808,319</u>	
Creditors: amounts falling due within one year	17	(439,208)		(424,224)	
Net current assets			<u>171,556</u>		<u>384,095</u>
Total assets less current liabilities			<u>1,511,938</u>		<u>1,723,648</u>
Capital and reserves					
Called up share capital	20		192,287		192,287
Share premium account			72,000		72,000
Capital redemption reserve			64,942		64,942
Profit and loss reserves			1,182,709		1,394,419
Total equity			<u>1,511,938</u>		<u>1,723,648</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 £19,034 (2017 - £775,236).

The financial statements were approved by the board of directors and authorised for issue on 25/4/19 and are signed on its behalf by:



Mr D. R. O. How
Director

Company Registration No. 04698687

REDIWELD HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£	£
Balance at 1 January 2017	192,287	72,000	420,360	64,942	2,243,061	869,540	3,862,190
Year ended 31 December 2017:							
Profit for the year	-	-	-	-	-	315,870	315,870
Other comprehensive income:							
Tax relating to other comprehensive income	-	-	35,291	-	-	-	35,291
Total comprehensive income for the year	-	-	35,291	-	-	315,870	351,161
Dividends	9	-	-	-	-	(115,372)	(115,372)
Transfers	-	-	(4,255)	-	-	4,255	-
Balance at 31 December 2017	192,287	72,000	451,396	64,942	2,243,061	1,074,293	4,097,979
Year ended 31 December 2018:							
Profit and total comprehensive income for the year	-	-	-	-	-	467,373	467,373
Dividends	9	-	-	-	-	(230,744)	(230,744)
Transfers	-	-	(4,255)	-	-	4,255	-
Balance at 31 December 2018	192,287	72,000	447,141	64,942	2,243,061	1,315,177	4,334,608

REDIWELD HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

		Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 January 2017		192,287	72,000	64,942	734,555	1,063,784
Year ended 31 December 2017:						
Profit and total comprehensive income for the year		-	-	-	775,236	775,236
Dividends	9	-	-	-	(115,372)	(115,372)
Balance at 31 December 2017		192,287	72,000	64,942	1,394,419	1,723,648
Year ended 31 December 2018:						
Profit and total comprehensive income for the year		-	-	-	19,034	19,034
Dividends	9	-	-	-	(230,744)	(230,744)
Balance at 31 December 2018		192,287	72,000	64,942	1,182,709	1,511,938

REDIWELD HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	24	696,492		531,157	
Income taxes (paid)/refunded		(39,621)		46	
Net cash inflow from operating activities		656,871		531,203	
Investing activities					
Purchase of tangible fixed assets		(96,338)		(120,828)	
Proceeds on disposal of tangible fixed assets		1,000		20,863	
Interest received		6,350		-	
Net cash used in investing activities		(88,988)		(99,965)	
Financing activities					
Dividends paid to equity shareholders		(230,744)		(115,372)	
Net cash used in financing activities		(230,744)		(115,372)	
Net increase in cash and cash equivalents		337,139		315,866	
Cash and cash equivalents at beginning of year		1,587,325		1,271,459	
Cash and cash equivalents at end of year		1,924,464		1,587,325	

1 Accounting policies

Company information

Rediweld Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office and business address is High March, Daventry, Northants, United Kingdom, NN11 4QE.

The group consists of Rediweld Holdings Limited and all of its subsidiaries.

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 company. 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 to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The parent company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The parent company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Rediweld Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2018. 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.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the 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

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value for the consideration received, net of VAT. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

Retentions are recognised to the extent that the company has the right to the consideration and the directors believe it will be recoverable. Associated retention costs are accrued at the same time and included within creditors.

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

In the opinion of the directors, the useful economic life of the goodwill when it originally arose was 20 years. On transition to FRS102 the directors have reviewed the outstanding useful economic life, which was 10 years from the date of transition. This remaining period is considered to be an appropriate representation of the outstanding useful economic life.

Amortisation 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:

Goodwill	20 years straight line
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1.6 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.

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 buildings	2% straight line
Land	not subject to depreciation
Plant and equipment	10% straight line
Fixtures and fittings	10-33% straight line
Motor vehicles	25% straight line

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 profit and loss account.

1.7 Fixed asset investments

Investments in shares in group companies are stated at cost.

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

1.10 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 balance sheet 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 and cash and bank balances, 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.

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies that are classified as debt, 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 receipts 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.

1.11 Equity instruments

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

1.12 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 profit and loss account 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.

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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is 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.

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.14 Retirement benefits

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

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 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.

Stock provision

During the year the directors assess the stock held for any impairment. Any excess of the carrying amount of stock over its estimated selling price is recognised immediately as an impairment loss in profit or loss.

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018	2017
	£	£
United Kingdom	5,470,396	5,384,805
Overseas	1,591,596	1,471,479
	<u>7,061,992</u>	<u>6,856,284</u>

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(5,174)	32,204
Research and development costs	16,066	14,617
Depreciation of owned tangible fixed assets	145,043	139,897
Profit on disposal of fixed assets	(1,000)	(14,793)
Amortisation of intangible assets	21,200	21,200
Operating lease charges	220,226	202,752
	<u>220,226</u>	<u>202,752</u>

5 Employees

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

	Group		Company	
	2018	2017	2018	2017
	Number	Number	Number	Number
Number of production staff	48	48	-	-
Number of administrative staff	30	30	4	4
	<u>78</u>	<u>78</u>	<u>4</u>	<u>4</u>

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Employees

(Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Wages and salaries	2,483,353	2,407,651	315,951	307,149
Social security costs	248,979	244,983	35,982	35,645
Pension costs	100,430	97,238	11,040	9,734
	<u>2,832,762</u>	<u>2,749,872</u>	<u>362,973</u>	<u>352,528</u>

6 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	8,400	8,400
Audit of the company's subsidiaries	16,500	16,500
	<u>24,900</u>	<u>24,900</u>

7 Directors' remuneration

	2018	2017
	£	£
Group remuneration for qualifying services	493,625	459,879
Group pension contributions to defined contribution schemes	22,202	19,630
	<u>515,827</u>	<u>479,509</u>

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

	2018	2017
	£	£
Remuneration for qualifying services	<u>112,000</u>	<u>113,160</u>

The number of directors for whom retirements benefits are accruing under defined contribution schemes amounted to 3 (2017 - 3).

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	111,333	84,687
Adjustments in respect of prior periods	(20,720)	-
	<u>90,613</u>	<u>84,687</u>
Deferred tax		
Origination and reversal of timing differences	(6,268)	(8,474)
	<u>(6,268)</u>	<u>(8,474)</u>
Total tax charge	<u>84,345</u>	<u>76,213</u>

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

	2018	2017
	£	£
Profit before taxation	551,718	392,083
	<u>551,718</u>	<u>392,083</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	104,826	75,476
Tax effect of expenses that are not deductible in determining taxable profit	(4,301)	2,495
Effect of change in corporation tax rate	-	(3,722)
Effect of overseas tax rates	(2,500)	-
Under/(over) provided in prior years	(20,720)	-
Movement in provision for unrealised profit	3,012	(2,117)
Amortisation of goodwill	4,028	4,081
	<u>84,345</u>	<u>76,213</u>
Taxation charge for the year	<u>84,345</u>	<u>76,213</u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2018	2017
	£	£
Deferred tax arising on:		
Revaluation of property	-	(35,291)
	<u>-</u>	<u>(35,291)</u>

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Dividends

	2018	2017
	£	£
Dividends paid on ordinary shares	230,744	115,372
	<u>230,744</u>	<u>115,372</u>
	<u><u>230,744</u></u>	<u><u>115,372</u></u>

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2018 and 31 December 2018	439,396
	<u> </u>
Amortisation and impairment	
At 1 January 2018	335,329
Amortisation charged for the year	21,200
	<u> </u>
At 31 December 2018	356,529
	<u> </u>
Carrying amount	
At 31 December 2018	82,867
	<u><u> </u></u>
At 31 December 2017	104,067
	<u><u> </u></u>

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Tangible fixed assets

Group	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2018	570,000	1,854,406	608,004	160,799	3,193,209
Additions	-	59,278	19,374	17,686	96,338
Disposals	-	-	(6,404)	(11,301)	(17,705)
At 31 December 2018	570,000	1,913,684	620,974	167,184	3,271,842
Depreciation and impairment					
At 1 January 2018	6,000	1,423,540	568,616	84,311	2,082,467
Depreciation charged in the year	6,000	96,719	13,805	28,519	145,043
Eliminated in respect of disposals	-	-	(6,404)	(11,301)	(17,705)
At 31 December 2018	12,000	1,520,259	576,017	101,529	2,209,805
Carrying amount					
At 31 December 2018	558,000	393,425	44,957	65,655	1,062,037
At 31 December 2017	564,000	430,866	39,388	76,488	1,110,742

Company	Fixtures and fittings £
Cost or valuation	
At 1 January 2018	20,201
Additions	1,105
At 31 December 2018	21,306
Depreciation and impairment	
At 1 January 2018	20,201
Depreciation charged in the year	276
At 31 December 2018	20,477
Carrying amount	
At 31 December 2018	829

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Tangible fixed assets

(Continued)

Freehold land and buildings have not been revalued this year as the directors believe that the current value still shows a true and fair market value.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Cost	159,420	159,420	-	-
Accumulated depreciation	118,360	116,615	-	-
Carrying value	41,060	42,805	-	-

12 Fixed asset investments

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Investments in subsidiaries	13	-	-	1,339,553	1,339,553

Movements in fixed asset investments

Company

Shares in group undertakings

Cost or valuation

At 1 January 2018 and 31 December 2018

1,339,553

Carrying amount

At 31 December 2018

1,339,553

At 31 December 2017

1,339,553

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct
Iseki Vacuum Systems Limited	United Kingdom	Vacuum sewerage	Ordinary
			100.00
Redivac Limited	United Kingdom	Vacuum sewerage	Ordinary
			100.00
Rediweld Limited	United Kingdom	Non-trading	Ordinary
			100.00
Rediweld Rubber and Plastics Limited	United Kingdom	Traffic calming products	Ordinary
			100.00
Vistaplan International Limited	United Kingdom	Drawing office equipment	Ordinary
			100.00

14 Financial instruments

Included within the amounts shown as Debtors and Creditors below are financial assets and financial liabilities, the classification of which are further analysed below:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,090,429	1,044,665	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	772,701	642,975	401,006	390,726

15 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	528,635	575,581	-	-
Finished goods and goods for resale	724,988	572,094	-	-
	1,253,623	1,147,675	-	-

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,090,429	1,044,665	-	-
Corporation tax recoverable	120	24,466	120	1,303
Other debtors	13,228	22,616	-	-
Prepayments and accrued income	155,106	170,881	486	229
	<u>1,258,883</u>	<u>1,262,628</u>	<u>606</u>	<u>1,532</u>
Deferred tax asset (note 18)	720	-	-	-
	<u>1,259,603</u>	<u>1,262,628</u>	<u>606</u>	<u>1,532</u>

17 Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Corporation tax payable	124,618	97,972	4,597	-
Other taxation and social security	214,520	231,816	33,605	33,498
Trade creditors	462,336	402,544	-	-
Amount due to group undertaking	-	-	348,293	348,293
Accruals	310,365	240,431	52,713	42,433
	<u>1,111,839</u>	<u>972,763</u>	<u>439,208</u>	<u>424,224</u>

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Group				
Fixed asset timing differences	66,135	71,683	720	-
Revaluations	70,012	70,012	-	-
	<u>136,147</u>	<u>141,695</u>	<u>720</u>	<u>-</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 January 2018	141,695	-
Credit to profit or loss	(6,268)	-
Liability at 31 December 2018	<u>135,427</u>	<u>-</u>

19 Retirement benefit schemes

	2018 £	2017 £
Group defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	<u>100,430</u>	<u>97,238</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.

20 Share capital

	Group and company	
	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
192,287 Ordinary shares of £1 each	<u>192,287</u>	<u>192,287</u>

REDIWELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

21 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		Company	
	2018	2017	2018	2017
	£	£	£	£
Within one year	34,500	186,477	-	-
Between two and five years	36,300	70,800	-	-
	<u>70,800</u>	<u>257,277</u>	<u>-</u>	<u>-</u>

22 Directors' transactions

Dividends totalling £230,744 (2017 - £115,372) were paid in the year in respect of shares held by the company's directors and close family.

23 Controlling party

The company was under the control of Mr D.R.O. How by virtue of his majority shareholding.

REDIWELD HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018****24 Cash generated from group operations**

	2018	2017
	£	£
Profit for the year after tax	467,373	315,870
Adjustments for:		
Taxation charged	84,345	76,213
Investment income	(6,350)	-
Gain on disposal of tangible fixed assets	(1,000)	(14,793)
Amortisation and impairment of intangible assets	21,200	21,200
Depreciation and impairment of tangible fixed assets	145,043	139,894
Movements in working capital:		
(Increase)/decrease in stocks	(105,948)	122,769
(Increase) in debtors	(20,601)	(165,967)
Increase in creditors	112,430	35,971
Cash generated from operations	696,492	531,157

25 Related party transactions

During the year one company within the group paid rent at a commercial rate totalling £24,000 (2017: £24,000) for leasing and occupying a commercial property owned by a close family member of one of the directors.