GLYNWED PIPE SYSTEMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2019

CONTENTS

COMPANY DETAILS

Company registration number	01698059
Registered office	Dickley Lane Lenham Kent ME17 2DE
Auditor	KPMG LLP Botanic House 100 Hills Road Cambridge CB2 1AR

STRATEGIC REPORT

Principal Activities, Review of Activities and Future Developments

The principal activity of Glynwed Pipe Systems Limited ("the company") is the manufacture and sale of thermoplastic pipework systems.

We have developed several medium-term financial targets which measure the effectiveness of our strategy to deliver shareholder value. The company is focused on delivering these financial objectives through organic growth both in home markets and export markets.

Revenue from continuing operations decreased in 2019 to £91.9 million (2018: £92.4 million). Operating profits from continuing operations of £9.4 million was higher than the £7.8 million profit achieved in 2018. Profit after taxation from continuing operations was also higher at £7.4 million (2018: £6.4 million).

Return on capital employed – in 2019 the company achieved a return on capital employed of 16% (2018: 14%).

Return on sales at current operating level – this rose to 10% in 2019 from 8% in 2018.

The company currently produces strategic plans annually covering three years future trading expectations.

2020 stated well achieving target in Q1. The effect of the coronavirus lock down at end of March caused a sharp reduction in UK Building & Infrastructure construction, with around one third of the employees were furloughed. Once lockdown was lifted, recovery was swift with the 2nd half of the year achieving sales at forecast levels.

With the uncertainties of coronavirus and Brexit, the board have carefully considered possible scenarios to ensure that the going concern assumption is valid and have concluded that the company is in good health to be able to cope with the downsides of the uncertainties, maximise the opportunities and that the going concern assumption is appropriate. More detail is included within Note 2(b).

The company continues to derive the majority of its turnover from the UK market and this represents 87.3% (2018: 85.3%) of the total. Other business within Europe represents a further 4.4% (2018: 5.6%) and Asia 4.8% (2018: 6.4%).

Cash flow

The cash flow generated from operations in the year was higher than the previous year at £6.5 million inflow compared to an inflow of £1.8 million in 2018. Cash and cash equivalents were £0.0 million (2018: £0.0 million) at the year end.

The UK companies run a cash pool, with operating companies' cash being swept into the UK parent company, Aliaxis Holdings UK Limited. While the companies are part of a larger multi-national company, the funding is under the control of the UK companies and is available for all the UK companies. The UK Group also has overdraft and money market facilities of £16.5 million which have not been utilised.

Capital expenditure in the year was £1.2 million (2018: £0.5 million). This compares to depreciation and impairment of £1.5 million (2018: £1.1 million). Tax payments in the year were £1.3 million (2018: £2.0 million). No interim dividend was paid during the year (2018: £10 million interim dividend).

Pensions

We continue to monitor closely the financial health of our pension schemes. The company participates in defined benefit, defined contribution and group personal pension schemes, with the largest scheme being the defined benefit scheme. A formal actuarial valuation of the defined benefit scheme was prepared by the scheme actuary Willis Towers Watson as at 31 March, 2019. The assumptions used to calculate the liabilities and surplus reported in the financial statements are consistent with this valuation. On an IAS19 basis, the actuarial surplus was £18.6 million at 31 December 2019 (2018: £13.7 million surplus). At the end of 2019, the scheme liabilities of £67.3 million (2018: £66.5 million) were exceeded by scheme assets of £85.8 million (2018: £80.3 million). The cash contribution for current employees was £nil (2018: £nil).

In 2011, the UK defined benefit pension scheme was closed to future benefit accrual.

Section 172 statement

In discharging our section 172 duties, directors are required to have regard, among other matters, to the likely consequences of any decisions in the long-term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly between members of the Company.

In addition to the above, we also have regarded other factors, which we consider relevant to the decision being made. Those factors include the interests and views of stakeholders and our relationship with regulators. The Directors acknowledge that every decision it makes will not necessarily result in a positive outcome for all of the Company's stakeholders. By considering the Company's purpose and values, together with its strategic priorities including the risk management and having a process in place for decision-making, the Directors do however aim to make sure that its decisions are consistent and predictable.

Our employees are fundamental to the success of the business. We aim to be a responsible employer in the approach that we take towards the pay and benefits that our employees receive and like to develop an environment where our employees feel valued and engaged in the business. The health, safety and well-being of our employees is a primary consideration in the way we do business The Company is committed to a policy of equal opportunities for all employees. The employee involvement in meeting the Company's aims is encouraged at all levels through communication, consultation and the employee suggestion scheme.

The Company seeks to build long term relationships with its customers and suppliers through regular communication, good customer service, support and quality control. We aim for the high ethical values the company apply to be held by our customers and suppliers.

As a fully owned subsidiary in the Aliaxis Group, we work with the parent companies and other subsidiaries for the benefit of the Group. through regular communication reporting and planning.

Every year the Company reviews its policies to ensure that these are consistent with the long term business aims including its environmental policy. The company looks for and implements ways of reducing its impact on the environment.

Risks and uncertainties

This section highlights some of the particular risks which affect the company but it is not intended to be an extensive analysis of all risks which may arise in the ordinary course of business or otherwise. Some risks may be unknown to the company and other risks, currently regarded as immaterial, could turn out to be material.

There are a number of potential risks and uncertainties which could have a material impact on the company's long-term performance and achievement of its strategy. These risks and uncertainties arise as a result of operational, regulator, financial and market driven factors, among other things. The company takes a proactive approach to managing risk through risk management processes. These processes also help to identify business, product and performance opportunities. Although the company has been successful in managing and mitigating these risks in the past, there is no guarantee that it can continue to do so.

External risks

External risks include, but are not limited to the following:

Global, political and economic conditions

All the company's principal operations are located in the UK, with sales being made around the world. Whilst it benefits from the opportunities and growth in other countries, the company is exposed to political and economic risks associated with such international trade. Political risks can include sudden change in regulation, imposition of trade barriers, limits on the export of currency and the volatility of currencies, prices and taxes.

The diverse nature of our products and services and our international spread help to mitigate the impact of any individual exposure to economic conditions. However, some 87% (2018: 85%) of our revenues are from customers in the United Kingdom and we are thus particularly affected by economic conditions there. The effect of Brexit is unknown, but is being monitored by the company to enable appropriate action to maximise opportunities available and to minimise any potential downside. The company regularly deals outside the EEC, so systems are in place to cope with a hard Brexit. FX hedging was introduced in 2016 prior to the Brexit vote to minimise the FX risk. Inventory levels have been raised to cope with short-term delivery problems.

Legislation and regulation

The company is subject to varying laws and regulations around the world and operates in sectors that can be impacted by changes in the regulatory environment leading to product specification changes. Whilst failure to comply with laws and regulations, including health and safety and environmental regulations, could impact performance and could damage the reputation of the company, changes in legislation and regulations can also provide opportunities for the development of new products and can open up new markets for existing products.

Regulations have been changing due to the coronavirus and the company has adapted and complied with the changes in working practices and the markets, with health and safety and customer satisfaction as priorities.

Raw material and utility prices

The company uses large amounts of electricity, gas, raw material plastic compounds and related commodities. Volatility and changes in the pricing and availability of these could have a significant impact on the company's results. In particular, the prices of utilities and raw material plastics compounds have increased significantly in recent years and only very recently have they fallen from historically high levels.

Our raw materials are sourced on the world market and in general we have access to multiple sources of supply. However, should there be a significant change in global balance of supply and demand, or should there be a cessation of supply of a key commodity, the performance of the company could be adversely affected.

Changes in trends and spending

The company derives a significant proportion of its revenue from the building sector in the UK and mainland Europe. The company's financial and operating performance will depend, in part, on factors which affect the level and patterns of utility and building spend (including changes in customer preferences and trends and general economic conditions).

The company's future success and revenues will be dependent, in part, on the strength of its principal trading brands. The company monitors changing consumer preferences, brand perception, price points and other trends such as environmental awareness, to better understand and anticipate its customers and their preferences. The company has focussed on internationalising its principal trading brands to further help mitigate these risks.

The company relies primarily on trade secret, copyright, design, trademark and patent law and contractual protections to protect the company's propriety technology and other proprietary rights. Notwithstanding the precautions taken, the company will continue to take action to protect its intellectual property rights. It is possible that third parties may copy or otherwise obtain and use the company's proprietary technology without authorisation or may otherwise infringe on the company's rights. In some cases, including a number of the company's most important products, there may be no effective legal recourse against duplication by competitors. The company relies on registered and unregistered rights and uses these rights wherever possible to protect its proprietary rights, brand and reputation.

Innovation and actions of competitors

The company operates in highly competitive markets characterised by changing technology and evolving industry standards. Innovative new products and technical advances by competitors could adversely affect the company. However, the diversity of our products mitigates the potential impact from an individual competitor or innovation.

The markets in which the company competes are fragmented but many of the company's competitors are large and may enjoy substantially greater financial, marketing, technological and personnel resources. The company is subject to their competitive actions and although the company believes that the performance and price characteristics of its products provide competitive solutions for the customers' needs, there can be no assurance that the existing customers will continue to choose our products over products offered by competitors. The company has a good understanding of the markets in which it operates, and its key competitors and their strategies, and monitors and develops its strategy to mitigate these risks.

Pension funding

The company's defined benefit pension scheme forms a section within the wider Group's UK pension scheme and is financially relatively significant, as detailed in note 18 to the financial statements. The funding position of the scheme is likely to fluctuate year on year on account of changes in economic conditions, demographic experience and the investment performance of the scheme's assets. The potential risks and uncertainties are mitigated by careful management and continual monitoring of the schemes and by appropriate and timely action to ensure as far as possible that the company's defined benefit pension liabilities o not increase disproportionately. The scheme was closed to future benefit accrual on 31 May 2011.

Scheme assets are defensively invested with the year end asset portfolio analysis being described in note 18. The company works closely with the scheme trustees and believes that a strong Corporate covenant is the best way to allow a systematic and measured approach to managing the inherent risk of such a scheme.

Customer market dynamics

The company's key customers include major and independent building product distribution chains both in the UK and abroad. If key customers change their capital expenditure programmes, suffer a significant loss of market share or in the event of an economic down turn / seasonality this could have a material adverse effect on the company's financial condition and results of operations.

These risks are mitigated by monitoring industry and competitive developments to help prevent the company from becoming unduly dependent on any one customer.

Internal risks

Internal risks include but are not limited to:

New product and technological developments

The company continually seeks to refine and improve upon the performance, utilities and physical attributes of its existing products and to develop new products. As a result, the company's business is subject to risks associated with new product and technological development, including unanticipated technical, marketing or other problems. The occurrence of any of these risks could cause a substantial change in the design, delay in the development or abandonment of new technologies and product. Such risks could have a material adverse effect on the company's financial condition and operating results.

Succession planning

The future success of the company is dependent on the continued services and continuing contributions of the company's directors and other key personnel. The loss of the services of these individuals could adversely affect our ability to maintain the loyalty of certain key customers, to continue to develop important markets or to implement our future strategy.

The company has reviewed its succession plans and the board is kept informed of the succession planning in place for directors and senior management. Appropriate internal development is in place to ensure individuals can, where possible, be promoted from within to middle and senior management positions.

Controls failure

The company is ISO 9001 accredited and operates internal controls as such. Control processes are reviewed on a regular and controlled basis, by means of internal audits. The company is also subject to internal audit from the Aliaxis Internal Audit function.

Treasury risk and policy

The company operates a central treasury which operates in accordance with a Treasury policy and procedures manual setting out guidelines for managing foreign exchange risk, interest rate risk, credit risk and the financial instruments to be used in managing these risks.

The objective of the treasury policy is to manage the company's financial risk. The treasury policy applied by the company and the specific guidelines to manage the main financial risks are outlined under the accounting policies.

Liquidity risk

The company's funding objective is to have sufficient long-term committed facilities, in addition to uncommitted facilities and finance agreements to meet its funding needs.

The company maintains relationships with several large financial institutions. Group treasury management spends significant amounts of time with its lenders keeping them informed of the company's development plan when appropriate to do so.

The wider Aliaxis group has significant committed facilities available to it and the company benefits from being able to call on group funds as required.

Foreign exchange risk

The company operates predominantly in the UK and Europe and as such the exposure to movements in exchange rates is mainly against the Euro. As activity has grown internationally there has been an increased level of foreign currency transactions. The Group's treasury function hedges currency on the company's behalf where appropriate to reduce the potential risk of currency exposure.

Legal and other matters

The company is committed to operating within the law in all applicable jurisdictions, and seeks to benefit from the rights and protections afforded by relevant laws. The company aims to anticipate and meet the changing requirements of the markets it serves, as legal and regulatory reforms impact those markets. There were no material legal, regulatory or compliance matters to be disclosed during the period under review and no significant post balance sheets events to be disclosed.

Resources

The company has significant resources to support its core business operations. Key strengths and resources which assist the company in the pursuit of its key objectives include:

Our people

We have consistently sought to recruit and retain the best employees in our sector and this has contributed to our success in developing, manufacturing and selling our products in our traditional markets and in entering and developing our presence in new markets. The company has its own approach to identifying and attracting the appropriate skills and expertise it needs, in line with both its own and the company's strategy and requirements.

Vacancies and development opportunities are advertised internally and where suitable candidates cannot be identified conventional recruitment channels are used. The company regularly reviews its training and development needs to ensure we have people with the appropriate levels of skills, qualifications and experience to assist it in achieving our strategy.

The company's policy is to keep employees as fully informed as possible about its activities and to encourage meetings of employees at various levels. All employees participate in, and benefit from, remuneration schemes linked to the company's performance.
Further, it is our policy to offer equal opportunities to disabled persons, whether registered or not, applying for vacancies having regard to their aptitude and abilities in relation to the job for which they apply. The company's employment policies incorporate the training, career development and promotion of disabled people. The company also actively promotes the continued employment and training of persons who become disabled while in the company's employment.

The company is an equal opportunities employer.

Our market position

We have a strong corporate reputation for quality products and award winning service which is based on our longevity in supplying customers and on our development of new products using advanced technology and innovative design. The company is amongst the larger players within the sector and now has growing international reach and is well-placed in product terms.

Our manufacturing facilities

A key differentiator for our product is our manufacturing facilities which not only maximises the efficiency in our production processes but also means that we have a reputation for high quality products. This efficiency has been replicated following the relocation of certain manufacturing operations to the Aliaxis Lenham site.

Intellectual property rights

The company has registered a number of patents to support its business and to protect its competitive advantage. Some of the intellectual property and product innovation developed by our research and development teams results in new patents being secured.

In addition, we have a large number of registered trademarks and designs to protect our world renowned brands and trading styles. We monitor market developments closely to identify any potential violations of our proprietary rights and take appropriate legal action where considered necessary.

Procurement

The central procurement team works with the company to enable us to negotiate contracts to ensure we benefit from the synergies available from the wider Group's buying power, whilst ensuring the quality of components and products is to our high standards and that delivery is scheduled to support our lean manufacturing processes. We are increasingly taking advantage of procurement opportunities by emerging economies where it is ethical and appropriate to do so.

Cautionary statement

The intention of the business review is to provide information to shareholders and should not be relied upon by any other part or for any other purpose. The business review and other sections of this annual report contain certain forward-looking statements with respect to the operations, performance and financial condition of the company. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements which are made by the directors in good faith are based on the information available to them up to the date of their approval of the financial statements and the company undertakes no obligation to update these forward-looking statements. The forward-looking statement should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information. Nothing in this annual report should be construed as a profit

The business review has been prepared for the company as a whole and therefore gives greater emphasis to those matters which are of significance to Glynwed Pipe Systems Limited.

I C McNair
Company Secretary

30 March 2021

DIRECTORS' REPORT

The directors present the financial statements for the year ended 31 December 2019. They are reported in accordance with International Financial Reporting Standards (IFRS).

Directors

The directors who held office throughout the year are as follows:

M G Andrews	Appointed 26 June 2020
F A Bejarano Castillo	Resigned 24 March 2020
K D Decuypere	
P J Duggan	Appointed 18 July 2019
M J Gisbourne	Resigned 9 February 2019
S C James	Resigned 26 June 2020
K J Sticker	Appointed 27 March 2020

The Aliaxis SA group operates a stock option plan for certain employees and the directors of the company have options to acquire shares in the ultimate parent undertaking, Aliaxis SA. Details are provided in note 18 to the financial statements.

Dividends

The directors do not recommend the payment of a final dividend. No interim dividend was made.

Donations

No political or charitable donations were made during the year (2018: Nil).

Financial Instruments

Financial instruments are used to reduce the risk of FX movements, and a stop-loss policy is applied to projected future Euro expenditure within the next 12 months, and are disclosed in note 22.

Other information

An indication of likely future developments in the business and particulars of signifcant events which have occurred since the end of the financial year have been included in the stategic report on page 2.

Disclosure of information to the auditor

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

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

I C McNair
Company Secretary

30 March 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLYNWED PIPE SYSTEMS LIMITED

Opinion
We have audited the financial statements of Glynwed Pipe Systems Limited ("the company") for the year ended 31 December 2019 which comprise the statements of comprehensive income, financial position, cash flow and changes in equity, and related notes, including the accounting policies in note 3.

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 International Financial Reporting Standards as adopted by the European Union;
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material ncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report
The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.
Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:
- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006, we are required to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities
As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Michael Scrivener (Senior Statutory Auditor) 30 March 2021
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House, 100 Hills Road
Cambridge
CB2 1AR

Glynwed Pipe Systems Limited
2019 Financial Statements

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

(£ '000s)

Continuing operations	Notes	2019	2018
Revenue	4	91,884	92,431
Cost of sales		70,704	72,716
Gross profit		**21,180**	**19,715**
Commercial expenses		4,723	4,932
Administrative expenses		3,279	3,123
R&D expenses		231	609
Other operating expenses	6	3,525	3,237
Operating profit	5	**9,422**	**7,814**
Interest expense, net	8	(39)	(3)
Other finance expenses	9	(270)	(51)
Profit before income taxes		**9,113**	**7,760**
Income taxes	10	(1,722)	(1,343)
Profit of the year		**7,391**	**6,417**

STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2019

Profit of the year		7,391	6,417
Items that will not be transferred to profit or loss			
Acturarial changes in employee benefits			
- Employee benefit	18	4,465	2,678
- Deferred tax on employee benefit	19	(759)	(455)
Items that are or may be reclassified to profit and loss:			
Net change in fair value of cash flow hedges transferred to profit or loss		(730)	64
Total comprehensive income		**10,367**	**8,704**

The notes on pages 16 to 37 form a part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(£'000s)

As at 31 December	Notes	2019	2018
Non-current assets		**65,185**	**55,004**
Property, plant & equipment	11	14,795	13,833
Investments in subsidiary undertakings	12	12,967	12,967
Amounts receivable	14	18,860	14,459
Employee benefits	18	18,556	13,724
Deferred tax assets	19	7	21
Current assets		**27,881**	**26,752**
Inventories	13	13,915	12,409
Amounts receivable	14	12,136	12,722
Cash & cash equivalents	15	80	47
Assets held for sale	11	1,750	1,574
TOTAL ASSETS		**93,066**	**81,756**
Equity attributable to equity holders of the company		**65,495**	**55,128**
Share capital	16	11,189	11,189
Share premium		1,690	1,690
Retained earnings		53,385	42,288
Hedging Reserve		(769)	(39)
Total equity		**65,495**	**55,128**
Non-current liabilities		**4,832**	**2,474**
Financial debt	17	1,605	-
Employee benefits	18	-	41
Deferred tax liabilities	19	3,227	2,433
Current liabilities		**22,739**	**24,164**
Financial debt	17	7,538	7,179
Employee benefits	18	10	48
Provisions	20	709	643
Other amounts payable	21	14,482	16,284
Total liabilities		**27,571**	**26,628**
TOTAL EQUITY & LIABILITIES		**93,066**	**81,756**

The notes on pages 16 to 37 form a part of these financial statements.

These financial statements were approved by the board of directors on 30 March 2021 and signed on its behalf by:

P J Duggan
Director
Glynwed Pipe Systems Limited
Company Number: 01698059

STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

(£ '000s)	Notes	2019	2018
OPERATING ACTIVITIES			
Profit before income tax		9,113	7,760
Depreciation	11	1,498	1,129
Derivative instruments - fair value adjustment through income statement		134	(91)
Interest expense	8	39	3
Cash flow from operating activities before changes in working capital and provisions		**10,784**	**8,801**
(Increase) in inventories		(1,506)	(983)
Decrease / (increase) in amounts receivable		394	(1,739)
(Decrease) in amounts payable		(2,822)	(3,161)
Movement in provisions and employee benefits		(395)	(1,132)
Cash flow generated from operations		**6,455**	**1,786**
Income tax paid		(1,310)	(2,004)
Cash flow from operating activities		**5,145**	**(218)**
INVESTING ACTIVITIES			
Acquisition of owned property, plant and equipment	11	(317)	(507)
Intercompany loan movement		(4,401)	10,586
Cash flow from investing activities		**(4,718)**	**10,079**
FINANCING ACTIVITIES			
Lease capital payments		(355)	-
Dividends paid	16	-	(10,000)
Interest paid		(39)	(3)
Cash flow absorbed by financing activities		**(394)**	**(10,003)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**33**	**(142)**
Cash and cash equivalents at the beginning of the year	15	47	189
Cash and cash equivalents at the end of the year	15	**80**	**47**

The notes on pages 16 to 37 form a part of these financial statements.

Glynwed Pipe Systems Limited
2019 Financial Statements

STATEMENT OF CHANGES IN EQUITY

(£ '000s)	Notes	ATTRIBUTABLE TO EQUITY HOLDERS OF GLYNWED PIPE SYSTEMS LIMITED				
		Share capital	Share premium	Retained earnings	Hedging reserve	Total
As at 31 December 2017		**11,189**	**1,690**	**44,082**	**(103)**	**56,858**
Result of the year		-	-	6,417	-	**6,417**
Other comprehensive income		-	-	2,223	64	**2,287**
Total comprehesive income		-	-	8,640	64	**8,704**
Dividends to shareholders	16	-	-	(10,000)	-	**(10,000)**
Deemed distribution		-	-	(434)	-	**(434)**
As at 31 December 2018		**11,189**	**1,690**	**42,288**	**(39)**	**55,128**
Result of the year		-	-	7,391	-	**7,391**
Other comprehensive income		-	-	3,706	(730)	**2,976**
Total comprehesive income		-	-	11,097	(730)	**10,367**
As at 31 December 2019		**11,189**	**1,690**	**53,385**	**(769)**	**65,495**

The notes on pages 16 to 37 form a part of these financial statements.

Notes to the financial statements

Notes to the financial statements

1 Company information

Glynwed Pipe Systems Limited ("the company") is a company incorporated in the UK. The address of the company's registered office is Dickley Lane, Lenham, Kent ME17 2DE. The financial statements of the company as at and for the year ended 31 December 2019 comprise solely those of the company.

The financial statements were approved by the Board of Directors on 30 March 2021.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in conformity with the reuirements of the Comapnies Act 2006.

(b) Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period to 30 June 2022 which indicate that, taking account of reasonably plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Group and Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Group has continued to trade during the COVID-19 pandemic. Revenues fell to 50% of 2019 in the second quarter of 2020 but recovered to 90% of 2019 for the third quarter.

The Company participates in a a cash pool, with its UK Sister Companies with cash being swept into the UK parent company, Aliaxis Holdings UK Limited. While the UK companies are part of a larger multi-national company, the cash pooling arrangement is under the control of the UK companies. In the period from 1 March 2020 to 31 December 2020, Glynwed Pipe Systems contributed £7.1 million into the pool and the UK Group bank balances rose by £2.4 million to £5.6 million at 31 December 2020, after a payment to the Belgium Head Office in December depositing £15 million of surplus funds. The UK Parent Company also has overdraft and money market facilities of £16.5 million which have not been utilised.

The intercompany loans are long term, with an expiry date of 31 December 2022, though there is no expectation of repayment.

Given the uncertain trading environment that results from the impact of COVID-19, management has prepared a plausible budget scenario to 30 June 2022, modelling a contraction of the market in line with industry predictions and in line with Group guidance.

The downside scenario assumes that:

- There is a 6 month reduction of sales by 50%
- There is reduction in overheads costs based on our experience in Q2 2020, in such areas as travel, marketing events, repair & maintenance; and
- There is no applicable furlough scheme or further government support initiatives, beyond 30 April 2021

In this downside scenario, the Compnay has sufficient liquidity for the period forecast to 30 June 2022.

Consequently, the directors are confident that the Company will have resources to continue to meet its obligations as they fall due and continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore have been prepared on a going concern basis.

(c) Basis of measurement

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: certain financial assets and financial liabilities (including derivatives) measured at fair value.

(d) Functional and presentation currency

These financial statements are presented in pounds sterling, which is the company's functional currency. All financial information in pounds has been rounded to the nearest thousand, unless otherwise stated.

(e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 18 - measurement of defined benefit obligations.

Measurement of fair values

Certain company accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair values of an asset and liability, the company uses market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in the note 22.

3 Significant accounting policies

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

The company has adopted the following IFRSs in these financial statements:

Where the company is a lessee, the accounting used to be to split leases by finance and operating. From 1 January 2019, the split is between a service contract and a lease based on whether the contract conveys the right to control the use of an identified asset and introduces a single, on-balance sheet accounting model for lessees. In accordance with IFRS 16, short term and low value leases are excluded.

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

The effect of adoption as at 1 January 2019 is, as follows

£000	1 January 2019
Land & buildings	1,202
Plant, machinery & equipment	280
Other	4
Total Assets	1,486
Leases	1,486
Total Liabilities	1,486

Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
Operating lease commitments amounted to €1,521 thousand as per 31 December 2018 (under IAS 17). On adoption, of IFRS 16 on 1 January 2019 the Group recognised ROU assets and lease liabilities amounting to €1,486 thousand in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases, primarily due to the application of discounted cash flows.

The financial statements are prepared as of and for the year ended 31 December 2019.

(a) Foreign currencies

Foreign currency transactions
Transactions in foreign currencies are translated to pounds sterling at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non monetary assets and liabilities denominated in foreign currencies that are carried at historical cost are translated at the reporting date at exchange rates at the dates of the transactions. Non monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the reporting date at the exchange rate at the date the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

(b) Intangible assets

Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of comprehensive income as an expense when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses (see note 3(e)).

(c) Property, plant and equipment

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see note 3(e)). The company elected to measure certain items of property, plant and equipment at 1 January 2005, the date of transition to IFRS, at fair value and used those fair values as deemed cost at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset; e.g. costs incurred to bring the asset to its working condition and location for its intended use, costs where relevant of dismantling and removing the asset and restoring the site on which that asset is located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Where an asset meets the definition of a qualifying asset, the borrowing costs are capitalised, otherwise these are expensed.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation
Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless there is certainty that the company will take ownership at the end of the lease term. Land is not depreciated.

The estimated useful lives are as follows:

• Buildings:	
- Structure	40-50 years
- Roof and cladding	15-40 years
- Installations	15-20 years
• Plant, machinery and equipment:	
- Silos	20 years
- Machinery and surrounding equipment	10 years
- Moulds	3-5 years
• Furniture	10 years
• Vehicles	5 years
• IT & IS	3-5 years

Depreciation methods and useful lives, together with residual values if not insignificant, are reassessed at each reporting date.

(d) Leased assets (policy applicable from 1 January 2019)

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is measured at amortised cost using the effective interest method

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.
When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

(e) Impairment

Financial assets
A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. A forward-looking expected credit loss (ECL) approach is also used to evaluate any impairment.

Individually significant financial assets are tested for impairment on an individual basis; the remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income. Any cumulative loss of an available-for-sale financial asset recognised previously in equity is transferred to the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised and such reversal is recognised in the statement of comprehensive income. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets
The carrying amounts of the company's non-financial assets, other than deferred tax assets (see note 3(m)), are reviewed at each reporting date to determine whether there is any external or internal indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at least annually. Those assets were also tested for impairment at 1 January 2005, the date of transition to IFRS.

(f) Investments in subsidiary undertakings

Recognition and measurement
Investments in subsidiaries are measured at cost less impairment losses (see note 3(e)).

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle for raw materials, packaging materials, consumables, purchased components and goods purchased for resale, and on the first-in first-out principle for finished goods, work in progress and produced components.

The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost also includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Amounts receivable

Amounts receivable which comprise trade and other receivables are carried at amortised cost less impairment losses

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits and are shown net of bank overdrafts where the company has right of set-off. Bank overdrafts are repayable on demand and form an integral part of the company's cash management.

(j) Dividends

Dividends are recognised as liabilities in the period in which they are declared.

(k) Employee benefits

Post employment benefits
The company participates in a UK-wide defined benefit plan, the Aliaxis UK Defined Benefit Pension Scheme, the assets of which are held in separate trustee-administered funds. The company also participates in a UK-wide defined contribution plan, the Aliaxis Group Pension Plan. The pension plans are funded by payments from employees and the company.

• Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income when they are due.

• Defined benefit plan
The company's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the company's obligations.

The calculation is performed annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the statement of comprehensive income.

The actuarial gains and losses, arising from differences between estimates and actual experience, are recognised through the statement of other comprehensive income.
The defined benefit pension scheme was closed to future benefit accrual on 31 May 2011.

Short-term benefits and long term incentive plans
Short-term employee benefit obligations such as bonuses and long tern incentive plan benefits are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term and long-term incentive plan benefits if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(l) Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation as a result of past events that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation, and is reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are determined by discounting the expected future cash flows at an appropriate pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. In addition, incremental costs (e.g. lawyer and expert fees) are included in the measurement of the provisions.

(m) Amounts payable

Amounts payable which comprise trade and other amounts payable are carried at amortised cost.

(n) Derivative financial instruments

At times, the company holds derivative financial instruments to hedge its exposure to foreign currency risks arising from investing activities. As a policy, the company does not engage in speculative transactions, and does therefore not hold or issue derivative financial instruments for trading purposes. However, derivatives are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of comprehensive income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges
When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative hedging instrument designated as a cash flow hedge is recognized directly in equity (hedging reserve). Any ineffective portion of changes in fair value is recognised in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively.

The cumulative gain or loss previously recognized in equity (hedging reserve) remains there until the forecast transaction occurs. The amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.
Following the implementation of IFRS 9 in 2018, a "cost of hedging" reserve has been identified within the hedging reserve; it represents the cumulative gain or loss of the portion of the derivatives that was excluded from the designated hedging instrument, related to the forward elements (swap points) or to the liquidity conditions (basis spreads) of the forward contracts.

Due to the transition method selected, changes to hedge accounting policies have been applied prospectively except for the cost of hedging approach for forward points and basis spreads, which has been applied retrospectively.

(o) Revenue

Goods sold
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the performance obligation of the contract is satisfied at the determined transaction price, including the reliable estimates of associated costs and possible return of goods, and there is no further performance obligation to that contract, in compliance with IFRS 15.

(p) Finance income

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in the statement of comprehensive income. Interest income is recognised as it accrues, using the effective interest method.

(q) Finance expenses

Finance expenses
Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except losses on receivables) and losses on hedging instruments that are recognised in the statement of comprehensive income. All borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

(r) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is also recognised in equity.
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Contingencies

Contingent liabilities are not recognised in the financial statements, except if they arise from a business combination. They are disclosed, when material, unless the possibility of a loss is remote. Contingent assets are not recognised in the financial statements but are disclosed, when material, if the inflow of economic benefits is probable.

(t) Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

(u) Non current assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification non current assets held for sale are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Property, plant and equipment, once classified as held for sale or distribution, is not amortised or depreciated.

(v) Events after the reporting date

Events after the reporting date which provide additional information about the company's position as at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date which are non adjusting events are disclosed in the notes to the financial statements, when material.

(w) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2019, and have not been applied in preparing these consolidated financial statements, being:
Amendment to IFRS 3 Business combinations
Amendments to IAS 1 and IAS 8: Definition of Material
Amendments to References to the Conceptual Framework
Amendments to IFRS 9, IAS 39 and IFRS 7 (interest rate benchmark reform)

None of the other new standards are expected to have a material impact on the accounts.

4 Revenue

(£ '000s)
All revenue is for piping systems

By Geographical area	2019	2018
UK	80,216	78,815
Rest of Europe	4,018	5,159
Asia	4,378	5,874
Other	3,272	2,583
Total Revenue	**91,884**	**92,431**

5 Operating profit

(£ '000s) This is stated after charging:	2019	2018
Depreciation - owned tangible and intangible fixed assets	1,498	1,129
Statutory auditor's remuneration - for audit of these financial statements	89	71

All costs relating to the statutory auditor are included within administrative expenses.

6 Other operating expenses

(£ '000s)	2019	2018
Restructuring costs	382	615
Other rental income	(7)	(12)
Management fees	3,146	2,816
Other	4	(182)
Other operating expenses	**3,526**	**3,237**

7 Additional information on operating expenses

(£ '000s)	2019	2018
Wages & salaries	8,583	8,126
Social security contributions	787	780
Expenses for defined benefit plans	(42)	566
Contributions to defined contribution plans	742	563
Other personnel expenses	258	357
Personnel expenses	**10,328**	**10,392**

The total average number of personnel was as follows:

(in units)	2019	2018
Production	124	123
Sales and marketing	69	72
R&D and administration	20	11
Total workforce	**213**	**206**

Personnel expenses, depreciation, amortisation and impairment charges are included in the following line items of the statement of comprehensive income:

(£ '000s)	Personnel expenses	Depreciation and impairment of property and plant & equipment
Cost of sales	5,330	1,505
Commercial charges	4,020	-
Administrative charges	804	-
R&D expenses	174	5
Total	**10,328**	**1,510**

Remuneration of directors

(£ '000s)	2019	2018
Directors' emoluments	247	-
Company contributions to defined contribution pension schemes	5	-
Amounts receivable under long term incentive schemes	74	-
Directors' remuneration	**326**	**-**

From 2014 to 2018, the directors were paid by the holding companies.

(£ '000s)	2019	2018
Emoluments paid by Group Companies re duties to the company	**22**	**271**

8 Interest expense, net

(£ '000s)	2019	2018
Interest income from cash and cash equivalents	1	1
Interest expenses on financial borrowings	(40)	(4)
Interest expense, net	**(39)**	**(3)**

9 Other finance expenses

(£ '000s)	2019	2018
Revaluation of (losses) on financial instruments	(108)	(6)
Foreign exchange (losses), net	(119)	(10)
Bank Fees	(43)	(35)
Other finance (expenses)	**(270)**	**(51)**

10 Income taxes

Income taxes recognised in the statement of comprehensive income can be detailed as follows:

(£ '000s)	2019	2018
Current taxes for the year	(1,706)	(1,636)
Adjustments to current taxes in respect of prior periods	33	353
Total current tax expense	**(1,673)**	**(1,283)**
Origination and reversal of temporary differences	(48)	(40)
Adjustment to deferred taxes in respect of prior periods	(1)	(20)
Total deferred tax expense	**(49)**	**(60)**
Income tax expense in the income statement	**(1,722)**	**(1,343)**

The reconciliation of the effective tax rate with the standard tax rate can be summarised as follows:

(£ '000s)	2019	%	2018	%
Profit before taxes	9,113		7,760	
Tax at UK corporation tax rate	(1,729)	19.0%	(1,474)	19.0%
Tax effect of:				
Non-deductible expenses	(249)	2.7%	(200)	2.6%
Current tax adjustments in respect of prior periods	33	(0.4)%	353	(4.5)%
Deferred tax adjustments in respect of prior periods	(1)	0.0%	(20)	0.3%
Other	224	(2.5)%	(2)	0.0%
Income tax expense	**(1,722)**	**18.9%**	**(1,343)**	**17.3%**

11 Property, plant and equipment

(£ '000s)	2019					2018
	Land & buildings	Plant, machinery & equipment	Other	Under construction	Total	Total
Cost or deemed cost						
As at 1 January	9,512	21,850	258	512	32,132	33,683
Changes in accounting policy	1,202	280	4	-	1,486	-
Acquisitions	-	967	-	183	1,150	507
Disposals & retirements	-	(81)	-	-	(81)	-
Transfers	(58)	385	-	(327)	-	(2,058)
Transfer to assets for sale	-	(547)	-	-	(547)	-
As at 31 December	**10,656**	**22,854**	**262**	**368**	**34,140**	**32,132**
Depreciation and impairment losses						
As at 1 January	(606)	(17,528)	(165)	-	(18,299)	(17,654)
Movements during the year:						
Charge for the year	(410)	(1,049)	(39)	-	(1,498)	(1,129)
Disposals & retirements	-	81	-	-	81	484
Transfer to assets held for sale	-	371	-	-	371	-
As at 31 December	**(1,016)**	**(18,125)**	**(204)**	**-**	**(19,345)**	**(18,299)**
Carrying amount at 31 December	**9,640**	**4,729**	**58**	**368**	**14,795**	**13,833**
Of which:						
Leased assets at 31 December	1,000	934	1	-	1,935	-

Management considers that residual values of depreciable plant, vehicles and equipment are insignificant.

in 2018, two properties became empty and are being marketed for sale. The expected market value exceeds the book value.

Assets for Sale

	2019	2018
As at 31 December	**1,750**	**1,574**

In 2018, two empty properties started being marketed for sale. The expected market value exceeds the book value.

12 Investments in subsidiary undertakings

(£ '000s)	Cost	Shares Provision	Net
As at 1 January and at 31 December 2019	13,003	(36)	12,967

Investments in shares relate to the company's holding in the ordinary share capital in each of its direct subsidiary undertakings. The country of incorporation shown is also the country of operation.

	Holding	Country of incorporation
Glynwed Properties Limited*	100%	UK
Wask - RMF Limited*	100%	UK
Glynwed Foundry Products Limited	100%	UK
Glynwed V Limited	100%	UK

Registered Office for all subsidiaries: Dickley Lane, Lenham, Kent, ME17 2DE
* indicates subsidiary is held directly.

Investments are stated at the lower of cost and net realisable value. All subsidiaries are dormant.

13 Inventories

(£ '000s)

As at 31 December	2019	2018
Raw materials, packaging materials and consumables	1,418	1,423
Components	384	149
Work in progress	7	1
Finished goods	11,585	10,113
Goods purchased for resale	521	723
Inventories	**13,915**	**12,409**

The total write-down of inventories amounts to £752,000 at 31 December 2019 (2018: £830,000).

The cost of inventories (valued at full cost) recognised as an expense amounted to £39,306,000 (2018: £45,562,000).

14 Amounts receivable

(£ '000s)

Non current

As at 31 December	2019	2018
Loan to parent company	18,860	14,459

The loan to the parent company is non-interest bearing with a repayment date of 31 October 2021.

Current

As at 31 December	2019	2018
Trade receivables	12,032	12,591
Allowance for doubtful debts	(486)	(501)
Trade receivables	11,546	12,090
Derivative financial instruments with positive fair values	74	281
Other	516	351
Amounts receivable	12,136	12,722

15 Cash and cash equivalents

(£ '000s) As at 31 December	2019	2018
Bank current accounts	80	47
Cash & cash equivalents in the statement of cash flows	**80**	**47**

16 Equity

Share capital

		2019	2018
Authorised share capital - shares of 25p each	Number	62,200,000	62,200,000
	Value £	15,550,000	15,550,000
The issued and fully paid ordinary shares	Number	44,757,845	44,757,845
- shares of 25p each	Value £	11,189,461	11,189,461

The holders of ordinary shares are entitled to receive dividends as declared and to one vote per share at shareholders' meetings of the company.

Dividends
An interim dividend of £nil was declared and paid in the year (2018: £10,000,000).

No final dividend is proposed for the current year by the directors (2018: no dividend).

17 Financial debt

(£ '000s) As at 31 December	2019	2018
Non-current		
IFRS16 leases	1,605	-
Non-current financial debt	**1,605**	**-**
Current		
IFRS16 leases	359	-
Loans from other group undertakings (note 27)	7,179	7,179
Current non-interest financial debt	**7,538**	**7,179**

The company has unsecured loans from fellow group undertakings that are non-interest bearing and which are payable on demand

18 Employee benefits

The company participates in group retirement and other long-term benefit plans.

In addition, certain directors participate in the Group share-based payment plans.

Defined contribution plan
The company made contributions of £742,000 (2018: £563,000) to the defined contribution scheme in the year to 31 December 2019. Once the contributions have been paid, the company has no further payment obligation. The cash contributions constitute an expense for the year in which they are due.

Defined benefit plan

The company acts as a participating employer in the Aliaxis UK Defined Benefit Pension Scheme, a defined benefit contributory pension scheme, the constitution and governance of which are in conformity with the requirements of the Pensions Act 1985. The Scheme provides benefits based on final pensionable pay, with all assets being held in an independent and separately administered trustee fund. The funding of the Scheme is assessed in accordance with the advice of an independent and professionally qualified actuary. The Scheme is closed to new members. New and existing employees were eligible to join an enhanced Defined Contribution scheme, the Aliaxis UK Defined Contribution Pension Scheme, until 31 July 2012 and the Aliaxis Group Personal Pension Plan from 1 August 2012.

The company's net asset for the post-employment benefit plan comprises the following at 31 December:

(£ '000s)	2019	2018
Present value of funded obligations	(67,267)	(66,537)
Fair value of plan assets	85,823	80,261
Present value of net funded obligations	18,556	13,724
Long term incentive plan	(10)	(89)
Total employee benefit assets	18,546	13,635
Liabilities	(10)	(89)
Assets	18,556	13,724
Net asset at 31 December	**18,546**	**13,635**
Liabilities analysed		
Non-current balance at the end of the period	-	(41)
Current balance at the end of the period	(10)	(48)

The movements in the net asset for defined benefit obligations recognised in the statement of financial position at 31 December are as follows:

(£ '000s)	2019	2018
Net asset at 1 January	13,724	10,996
Employer contributions	325	616
Pension (expense) / credit recognised in the statement of comprehensive income	42	(566)
Actuarial gains / (losses)	4,465	2,678
Net asset at 31 December	**18,556**	**13,724**

The changes in the present value of the defined benefit obligations are as follows:

(£ '000s)	2019	2018
Defined benefit obligation at 1 January	(66,537)	(78,328)
Interest cost	(1,782)	(1,869)
Actuarial (losses) / gains	(3,642)	7,159
Past Service cost	-	(594)
Benefits paid	4,694	7,095
Defined benefit obligation at 31 December	**(67,267)**	**(66,537)**

The changes in the fair value of plan assets are as follows:

(£ '000s)	2019	2018
Fair value of plan assets at 1 January	80,261	89,324
Expected return	2,157	2,140
Actuarial gains / (losses)	8,107	(4,482)
Administration costs incurred	(333)	(242)
Contributions by employer	325	616
Benefits paid	(4,694)	(7,095)
Fair value of plan assets at 31 December	**85,823**	**80,261**

	2019	2018
The actual return gain on plan assets	10,264	(2,342)

During 2019, the defined benefit obligation has increased due to changes in the assumptions on the obligations.However, the fair value of plan assets has also increased. The funded position, i.e. the ratio of assets to the defined benefit obligation, has increased at 128% (2018: 121%).

The net defined benefit asset has increased during the year from £13,724,000 to £18,555,000

The total employer contributions are £366,000 (2018: £50,000) comprising normal cash contributions of £325,000 (2018: £616,000) plus the pension credit of £41,000 (2018: charge £566,000) retained in the scheme.

With the agreement of the trustees,the company expects to pay no normal contributions to its defined benefit plan in 2020.

The historical evolution of the present value of the defined benefit obligation, the fair value of plan assets, the actuarial gains and losses, the past service costs and the recognised assets is as follows:

(£ '000s) At 31 December	2019	2018
Present value of defined benefit obligations	(67,267)	(66,537)
Fair value of plan assets	85,823	80,261
Actuarial gains / (losses)	4,465	2,678
Change in the actuarial gains /(losses) during the year of which:		
* due to experience adjustments on obligations	(461)	9
* due to assumption adjustments on obligations	(3,180)	7,151

The expense / (credit) recognised in the statement of comprehensive income with regard to defined benefit plans can be detailed as follows:

(£ '000s)	2019	2018
Interest cost	1,782	1,869
Expected return on plan assets	(2,157)	(2,140)
Administration Cost	333	242
Past Service cost	-	594
Total	**(42)**	**565**

The employee benefit expense / (credit) is included in the following lines in the statement of comprehensive income.

(£ '000s)	2019	2018
Cost of sales	(23)	303
Commercial charges	(12)	156
Administrative charges	(5)	75
R&D expenses	(2)	31
Total	**(42)**	**565**

The principal actuarial assumptions can be summarised as follows:

	2019	2018
Discount rate at 31 December	2.0%	2.7%
Expected return on assets at 31 December	2.7%	2.7%
Rate of salary increases	n/a	n/a
Pension increase rate	2.8%	3.1%

A sensitivity analysis of the impact on the defined benefit obligation from changes to the main actuarial assumptions is shown below:

Impact on DBO	2019	2018
Increase life expectancy by 1 year	+3.0%	+3.0%
Increase discount rate by 0.1%	-2.0%	-2.0%
Increase price inflation by 0.1%	+1.0%	+1.0%

Demographic assumptions are shown below:	Years	
	2019	2018
Average life expectancy from age 65 years:		
- for a male, currently aged 65 years old	21.1	23.0
- for a female, currently aged 65 years old	23.8	24.0
- for a male, reaching age 65 in 20 years time	22.4	24.7
- for a female, reaching age 65 in 20 years time	25.2	25.8

The average remaining duration of the plan's liabilities is about 23 years.

At 31 December the plan assets are broken down into the following categories according to the asset portfolios weighted by the amount of assets:

	2019	2018
Insurance contract	30%	31%
Diversified Growth Fund	22%	20%
Government bonds	48%	49%
	100%	100%

The plan assets do not include investments in the Company's own shares or in property occupied by the Company.

19 Deferred tax assets and liabilities

The change in deferred tax assets and liabilities is as follows:

(£'000s)	Assets		Liabilities		Net	
	2019	2018	2019	2018	2019	2018
As at 1 January	21	24	(2,433)	(1,921)	(2,412)	(1,897)
Recognised in the income statement	(14)	(3)	(35)	(57)	(49)	(60)
Recognised directly in equity	-	-	(759)	(455)	(759)	(455)
As at 31 December	7	21	(3,227)	(2,433)	(3,220)	(2,412)

Deferred tax assets and liabilities are attributable to the following items:

(£'000s)	Assets 2019	2018	Liabilities 2019	2018	Net 2019	2018
Property, plant and equipment	-	1	(72)	(100)	(72)	(99)
Post employment benefit	-	-	(3,155)	(2,333)	(3,155)	(2,333)
Provisions	5	18	-	-	5	18
Other assets and liabilities	2	2	-	-	2	2
Tax assets / liabilities	7	21	(3,227)	(2,433)	(3,220)	(2,412)

A reduction in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015 and a reduction to 17% (effective from 1 April 2020) was substantively enacted on 9 September 2016. Changes to the UK corporation tax rates were enacted on 22 July 2020 as part of the Finance Act 2020, which reversed the decision to reduce the main rate from 19% to 17% from 1 April 2020. The main rate will remain at 19% until 1 April 2022.The deferred tax net liability at 31 December 2019 has been calculated based on the rate of 17%.

20 Provisions

Current provisions (£ '000s)	Product liability	Legal liability	TOTAL
As at 1 January 2019	66	577	643
Movements during the year:			
Provisions created		66	66
Provisions used		-	-
As at 31 December 2019	66	643	709

The product liability is an estimate of the costs for the uninsured part of any claims on products already delivered. The legal liability is an investigation by the tax authorities which is nearing completion and the payment is not expected to be materially different from the estimate.

21 Other amounts payable

(£'000s) As at 31 December	2019	2018
Trade payables	9,958	12,915
Payroll and social security payable	402	315
Income taxes payable	1,789	1,426
Other taxes payable	575	982
Derivative financial instruments with negative fair values	976	319
Accruals	530	-
Other payables	252	327
Amounts payable	14,482	16,284

22 Financial instruments

Risks relating to credit worthiness, interest rates, exchange rates and liquidity arise in the company's normal course of business. However the most significant financial exposure for the company relates to the fluctuation in currency exchange rates.

The company addresses these risks and defines strategies to limit their economic impact on its performance in accordance with its financial risk management policy.

The fair value of the financial instruments is materially the same as the amortised cost at which the financial instruments are carried in the financial statements.

Credit risk

The company provides credit to customers in the normal course of business and the amount that appears on the balance sheet is net of an allowance of £486,000 (2018: £501,000) for doubtful receivables due to age.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives in the balance sheet.

The trade receivables as at 31 December are aged as follows:

(£'000s)	Gross 2019	Impairment 2019	Gross 2018	Impairment 2018
Not past due	7,560	(124)	7,760	(64)
Past due 0 - 30 days	2,970	-	3,126	-
Past due 31 - 90 days	771	(30)	1,490	(224)
Past due 91 - 365 days	694	(300)	215	(213)
More than one year	37	(32)	-	-
As at 31 December	**12,032**	**(486)**	**12,591**	**(501)**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2019	2018
As at 1 January	(501)	(582)
Provision created	(8)	(29)
Provision used	10	110
Provision reversed	13	-
As at 31 December	**(486)**	**(501)**

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

2019	Carrying value	Contractual cash flow	Under 1 year	1 to 5 years	Over 5 years
Employee benefits	10	10	10	-	-
Unsecured intercompany loan	7,179	7,179	7,179	-	-
Provisions	709	709	709	-	-
Trade and other payables	14,482	14,482	14,482	-	-
	22,380	**22,380**	**22,380**	**-**	**-**

2018	Carrying value	Contractual cash flow	Under 1 year	1 to 5 years	Over 5 years
Employee benefits	89	89	48	41	-
Unsecured intercompany loan	7,179	7,179	7,179	-	-
Provisions	643	643	643	-	-
Trade and other payables	16,284	16,284	16,284	-	-
	24,195	**24,195**	**24,154**	**41**	**-**

Foreign currency risk

Transaction exposure

The company is exposed to foreign currency risk on transactions and balances with group companies denominated in non-sterling currencies. Currencies giving rise to such risk are primarily the Euro and the US dollar.

Where there is no natural hedge, the foreign currency risk is primarily managed by the use of forward exchange contracts. All contracts have maturities of less than one year.

Foreign currency risk on firm commitments and forecast transactions is subject to hedging (in whole or in part) when the underlying operating transactions are reasonably expected to occur within a determined time frame.

The table below presents the positive and negative fair values of derivative held as cash flow hedges as reported in the statement of financial position under current amounts receivable and current amounts payable respectively. Also included are the notional amounts of the derivative financial instruments per maturity as presented in the statement of financial position.

(£'000s)	Fair Value Positive Current	Negative Current	Notional Amount <6m months	6 to 12 months	Total
Derivatives	74	(976)	18,227	7,072	25,299

Fair values of derivatives are determined by using the discounted cash-flows valuation method, and are a level 2

The fair value adjustment for the effective portion of those derivatives is recognised directly in Other Comprehensive Income under hedging reserve. The evolution in the hedging reserve is as follows:

	2019	2018
As at 1 January	(39)	(103)
Created in year	(730)	64
Utilised in year	39	-
As at 31 December	(730)	(39)

The derivative financial instruments which cease to meet the criteria to be eligible for hedge accounting are accounted for as derivatives held-for-trading and the changes in fair value of those instruments are accounted for in profit or loss. In 2019, the net fair value adjustment through Financial Income or Expense was a loss of £108,000 (2018: gain £1,000).

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in the profit and loss as part of foreign currency gains and losses.

Statement of financial position exposure
(£'000s)

	2019 TOTAL	GBP	EUR	USD	Other
Amounts receivable	11,546	10,477	522	547	-
Cash & cash equivalents	80	80	-	-	-
IFRS16 leases	(1,964)	(1,964)	-	-	-
Accounts Payable	(9,958)	(4,883)	(4,921)	(108)	(46)
Statement of financial position exposure	(296)	3,710	(4,399)	439	(46)

	2018 TOTAL	GBP	EUR	USD	Other
Amounts receivable	12,090	10,700	1,076	365	(51)
Cash & cash equivalents	47	46	1	-	-
Accounts Payable	(13,502)	(7,141)	(6,103)	(44)	(214)
Statement of financial position exposure	(1,365)	3,605	(5,026)	321	(265)

A 10% weakening of the following currencies against the pound sterling at 31 December would have increased equity and profit by the amounts shown below.

	EUR 2019	USD 2019	Other 2019	EUR 2018	USD 2018	Other 2018
Equity and profit or loss	440	(44)	5	503	(32)	27

Interest rate risk

As a member of a UK cash pooling arrangement, the company benefits from centrally managed interest rates.

Fair Value Hierarchy

(£'000s)	2019 Carrying amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	2018 Carrying amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Inter-company loans	18,860				14,459			
Cash & cash equivalents	80	-	80	-	47	-	47	-
Inter-company borrowings	(7,179)	-	(7,179)	-	(7,179)	-	(7,179)	-
Leases	(1,964)	-	(1,964)	-	-	-	-	-
Trade & other payables	(9,958)	-	(9,958)	-	(12,915)	-	(12,915)	-
Forward Exchange derivatives								
-Positive value	74	-	74	-	281	-	281	-
-Negative value	(976)	-	(976)	-	(319)	-	(319)	-
	(1,063)	-	(19,923)	-	(5,626)	-	(20,085)	-

All derivatives are carried at fair value and as per the valuation method being used to determine such fair value, the inputs are based on data observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).
As such, the level in the hierarchy into which the fair value measurements are categorised, is level 2.
Non-derivatives assets and liabilities are recognised at amortised cost.
The fair value is assessed using common discounted cash-flow method based on market conditions existing at the balance sheet date. Therefore, the fair value of the fixed interest-bearing liabilities is within level 2 of the fair value hierarchy. Floating rate interest-bearing financial liabilities and all trade and other receivables and payables have been excluded from the analysis as their carrying amounts are a reasonable approximation of their fair values.
Interest Free Loans are carried at their amortised value as the value is considered to be the full value of the financial instrument.

24 Leases

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

(£'000s)	2019	2018
Land & buildings	1,000	-
Plant, machinery & equipment	934	-
Other	1	-
Total right-of-use assets	**1,935**	**-**
Current	359	-
Non-current	1,605	-
Total lease liabilities	**1,964**	**-**

In 2018, only the lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 Leases were recognised. On adoption of IFRS 16 on 1 January 2019 the Company recognised ROU assets and lease liabilities amounting to £1,486,000 in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases.

Finance lease liabilities

(£ '000s)	1 January 2019	Change in accounting	Payments in year	New Leases	31 December 2019
Lease Movement in year	-	1,486	(355)	833	1,964

The leases maturity analysis is noted below:

(£ '000s)	2019 Minimum lease payments	2019 Interest	2019 Principal	2018 Minimum lease payments	2018 Interest	2018 Principal
Less than 1 year	399	40	359	-	-	-
Between 1 and 5 years	1,380	81	1,299	-	-	-
More than 5 years	314	8	306	-	-	-
Total at 31 December	**2,093**	**129**	**1,964**	**-**	**-**	**-**

Amount recognised in the income statement

The income statement shows the following amounts relating to leases:

	2019	2018
Depreciation charge of right-of-use assets		
Land & buildings	-	-
Plant, machinery & equipment	833	-
Other	-	-
Interest expense on leases	37	-
Total expense related to leases	**870**	**-**

25 *Capital Commitments*

The company had £nil of capital commitments at the end of the year (2018: nil).

26 Contingencies

Provision has been made for the Directors' best estimate of known legal claims, investigations and legal actions in progress. The Company takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed, or that the Company cannot make a sufficiently reliable estimate of the potential obligation.

Contingencies relating to the cross guarantees given in respect of fellow UK group subsidiaries' bank accounts are detailed in note 27.

27 Related Parties

(£'000s)

Transactions with subsidiaries:

Sales to fellow subsidiaries are shown below:		2019	2018
Philmac Pty Ltd	Australia	120	38
Akatherm - FIP GmbH	Germany	483	381
Aliaixis Utilities & Industy SAS	France	257	248
FIP Srl	Italy	26	31
Ipex USA LLC	USA	662	557
Akatherm International BV	The Netherlands	336	295
Glynwed Pipe Systems (Asia) Pte Ltd	Singapore	77	34
Vinidex Pty Ltd	Australia	-	106
Other fellow subsidiaries		66	285
Total Inter-group sales		**2,027**	**1,975**

Management fees incurred from fellow Group companies:		2019	2018
Aliaxis Services SA	France	3,146	2,816

Transactions with Aliaxis Holdings UK Ltd, parent company:	2019	2018
Non-current inter-company loan receivable at 1 January	14,459	25,479
Deemed distribution - fair value adjustment	-	(434)
Cash pooling	4,406	(594)
Invoice settlement	(5)	8
Dividend paid	-	(10,000)
Non-current inter-company receivable at 31 December	18,860	14,459

Transactions with other fellow group companies:

Wask-RMF Limited	2019	2018
Inter-company loan payable at 1 January and 31 December	(7,179)	(7,179)

Recharge of expenses from fellow group company:	2019	2018
DHM Plastics Limited	2,524	2,996

Contingent Liabilities
(£'000s)
The company has guaranteed the following borrowings of fellow group undertakings:

	2019	2018
Aliaxis Holdings UK Limited	-	-
Total guarantees	-	-

The guarantees relate to current account cross guarantees with HSBC, UK branch.

28 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's ultimate parent undertaking is Aliaxis SA, a company incorporated in Belgium. There are no ultimate controlling parties. The company's immediate parent undertaking is Aliaxis Holdings UK Limited, a company incorporated in

The largest and smallest group in which the results of the company are consolidated is headed by Aliaxis SA, a company incorporated in Belgium. The accounts of Aliaxis SA are available to the public and may be obtained from Avenue Arnaud Fraiteur 15-23, 1050 Ixelles, Belgium.