

Company registration number: 03538743

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

**SAXLUND
INTERNATIONAL LIMITED**



MENZIES
BRIGHTER THINKING

SAXLUND INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	M J Drew S S O Wallerman
Company secretary	K A Moore
Registered number	03538743
Registered office	3 Lake Court Hursley Winchester Hampshire SO21 2LD
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 3000a Parkway Whiteley Hampshire PO15 7FX

SAXLUND INTERNATIONAL LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8 - 9
Notes to the Financial Statements	10 - 23

SAXLUND INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Principal activity

The principal activity of the company during the year was the design, manufacture and construction of bulk solids handling equipment.

Directors

The directors who served during the year were:

M J Drew
S S O Wallerman

Directors' responsibilities statement

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

SAXLUND INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M J Drew
Director

Date: 11/3/2019

3 Lake Court
Hursley
Winchester
Hampshire
SO21 2LD

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SAXLUND INTERNATIONAL LIMITED**

Opinion

We have audited the financial statements of Saxlund International Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SAXLUND INTERNATIONAL LIMITED (CONTINUED)**

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SAXLUND INTERNATIONAL LIMITED (CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



James Hadfield FCA (Senior Statutory Auditor)
for and on behalf of

Menzies LLP
Chartered Accountants
Statutory Auditor
3000a Parkway
Whiteley
Hampshire
PO15 7FX

Date: 12/3/19

SAXLUND INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	2,357,472	6,357,398
Cost of sales		(1,708,349)	(5,408,509)
Gross profit		649,123	948,889
Administrative expenses		(977,674)	(1,082,728)
Operating loss	5	(328,551)	(133,839)
Interest receivable and similar income	9	695	574
Interest payable and expenses	10	(11,137)	(1,295)
Loss before tax		(338,993)	(134,560)
Tax on loss	11	28,854	-
Loss for the financial year		(310,139)	(134,560)
Other comprehensive income for the year			
Total comprehensive income for the year		(310,139)	(134,560)

The notes on pages 10 to 23 form part of these financial statements.

SAXLUND INTERNATIONAL LIMITED

REGISTERED NUMBER:03538743

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	4,944	20,880
Investments	13	112,249	185,168
		<u>117,193</u>	<u>206,048</u>
Current assets			
Debtors: amounts falling due within one year	14	2,198,602	2,293,873
Cash at bank and in hand		78,536	82,812
		<u>2,277,138</u>	<u>2,376,685</u>
Creditors: amounts falling due within one year	16	(1,751,631)	(1,907,944)
Net current assets		<u>525,507</u>	<u>468,741</u>
Total assets less current liabilities		<u>642,700</u>	<u>674,789</u>
Creditors: amounts falling due after more than one year	18	(190,358)	-
Provisions for liabilities			
Other provisions	21	(184,018)	(208,810)
		<u>(184,018)</u>	<u>(208,810)</u>
Net assets		<u><u>268,324</u></u>	<u><u>465,979</u></u>
Capital and reserves			
Called up share capital	22	10,000	10,000
Share premium account	23	163,484	51,000
Profit and loss account	23	94,840	404,979
		<u><u>268,324</u></u>	<u><u>465,979</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M J Drew
Director

Date: 11/3/2019

The notes on pages 10 to 23 form part of these financial statements.

SAXLUND INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	10,000	51,000	404,979	465,979
Comprehensive income for the year				
Loss for the year	-	-	(310,139)	(310,139)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(310,139)	(310,139)
Shares issued during the year	-	112,484	-	112,484
Total transactions with owners	-	112,484	-	112,484
At 31 December 2018	10,000	163,484	94,840	268,324

SAXLUND INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	10,000	51,000	539,539	600,539
Comprehensive income for the year				
Loss for the year	-	-	(134,560)	(134,560)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(134,560)	(134,560)
Total transactions with owners	-	-	-	-
At 31 December 2017	10,000	51,000	404,979	465,979

The notes on pages 10 to 23 form part of these financial statements.

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Company information

Saxlund International Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office is disclosed on the company information page. The registered address is the same as the trading address.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Saxlund Group AB as at 31 December 2018 and these financial statements may be obtained from Saxlund Sweden AB, Fannys Vag 3, 131 54 Nacka.

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Revenue

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

The Directors have adopted the Urgent Issues Task Force (UITF) abstract 40 "Revenue recognition and service contracts" issued by the Accounting Standards Board (ASB) in accordance with Generally Accepted Accounting Practice (GAAP) in the United Kingdom. is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Directors have adopted the Urgent Issues Task Force (UITF) abstract 40 "Revenue recognition and service contracts" issued by the Accounting Standards Board (ASB) in accordance with Generally Accepted Accounting Practice (GAAP) in the United Kingdom. is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

The Directors have adopted the Urgent Issues Task Force (UITF) abstract 40 "Revenue recognition and service contracts" issued by the Accounting Standards Board (ASB) in accordance with Generally Accepted Accounting Practice (GAAP) in the United Kingdom. from the sale of goods is recognised when all of the following conditions are satisfied:

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

Contracts in progress

The Directors have adopted the Urgent Issues Task Force (UITF) abstract 40 "Revenue recognition and service contracts" issued by the Accounting Standards Board (ASB) in accordance with Generally Accepted Accounting Practice (GAAP) in the United Kingdom.

Where the Company enters into a contractual obligation to be performed over a period of time the revenue is recognised in the income statement as the contract activity progresses to reflect the proportion of the contract undertaken. A provision is made for the full amount of foreseeable losses on contracts.

Contracts in progress balances represent sales or cost of sales in excess of, or the shortfall of the amounts transferred to sales or cost of sales, as appropriate, in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover.

2.4 Tangible fixed assets

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

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold property	-	Over the term of the lease
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	20% Straight line
Equipment	-	33% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Financial instruments

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.7 Finance costs

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

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 Current and deferred taxation

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

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

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

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

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

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

Completion stage of contracts

The majority of contracts are either longer than a year or span the period end. Each month the project director reviews the stage of completion and appropriate levels of revenue and costs are recorded according to this stage of completion, for each contract.

Warranty provision

The provision is calculated as 2% of the revenue held multiplied by the completion percentage. This is the default position, however each contract is looked at individually by the project director and assessed as to whether 2% is appropriate. If necessary this adjusted.

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Construction contracts	1,726,338	5,833,557
Sale of goods	631,134	523,841
	<u>2,357,472</u>	<u>6,357,398</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Exchange differences	847	14,871
Other operating lease rentals	3,208	2,834
	<u>4,055</u>	<u>17,705</u>

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,300	10,000
	<u>10,300</u>	<u>10,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	597,807	697,381
Social security costs	30,755	39,831
Cost of defined contribution scheme	5,878	4,903
	<u>634,440</u>	<u>742,115</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Administrative staff	3	5
Management staff	3	3
Number of production staff	6	6
	<u>12</u>	<u>14</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	100,000	193,833
	<u>100,000</u>	<u>193,833</u>

9. Interest receivable

	2018 £	2017 £
Other interest receivable	695	574
	<u>695</u>	<u>574</u>

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. Interest payable and similar expenses

	2018 £	2017 £
Other loan interest payable	10,579	108
Finance leases and hire purchase contracts	558	1,187
	<u>11,137</u>	<u>1,295</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Adjustments in respect of previous periods	(28,854)	-
	<u>(28,854)</u>	<u>-</u>
Total current tax	<u>(28,854)</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(28,854)</u>	<u>-</u>

Reconciliation of tax income

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 20%) as set out below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>(338,993)</u>	<u>(134,560)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(68,081)	(26,912)
Effects of:		
Effect of expenses not deductible for tax purpose	435	402
Capital allowances for year in excess of depreciation	529	852
Unused tax losses	65,740	25,658
R&D	(28,854)	-
Book profit on chargeable assets	1,377	-
Total tax charge for the year	<u>(28,854)</u>	<u>-</u>

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

12. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Equipment £	Total £
Cost or valuation				
At 1 January 2018	29,568	20,374	89,514	139,456
Disposals	(29,568)	(6,839)	(12,562)	(48,969)
At 31 December 2018	-	13,535	76,952	90,487
Depreciation				
At 1 January 2018	20,608	18,569	79,399	118,576
Charge for the year on owned assets	-	536	6,157	6,693
Disposals	(20,608)	(6,582)	(12,536)	(39,726)
At 31 December 2018	-	12,523	73,020	85,543
Net book value				
At 31 December 2018	-	1,012	3,932	4,944
At 31 December 2017	8,960	1,805	10,115	20,880

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	-	8,960
	-	8,960

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. Investments

	Deposits with Bankers £
At 1 January 2018	185,168
Disposals	(72,919)
At 31 December 2018	<u>112,249</u>
At 31 December 2017	<u>185,168</u>

14. Debtors

	2018 £	2017 £
Trade debtors	797,380	855,006
Other debtors	1,079,283	1,285,721
Prepayments and accrued income	320,001	151,208
Deferred taxation	1,938	1,938
	<u>2,198,602</u>	<u>2,293,873</u>

15. Other Debtors

	2018 £	2017 £
Amounts recoverable on completed contracts	473,635	616,748
Amounts recoverable on on-going contracts	195,835	284,229
Contract costs in advance of revenue recognition	409,814	384,744
	<u>1,079,284</u>	<u>1,285,721</u>

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	356,350	-
Bank loans	89,311	-
Trade creditors	646,113	994,050
Amounts owed to group undertakings	-	129,997
Corporation tax	-	211
Other taxation and social security	54,649	134,170
Obligations under finance lease and hire purchase contracts	-	837
Other creditors	551,924	570,831
Accruals and deferred income	53,284	77,848
	<u>1,751,631</u>	<u>1,907,944</u>

Secured creditors

The amounts included within bank loans and hire purchase are secured by the company by way of a charge on the financed assets.

17. Other creditors

	2018 £	2017 £
Additional costs on completed contracts where revenue has been recognised	247,149	261,616
Additional costs on on-going contracts where revenue has been recognised	94,098	1,575
Contract sales in advance of revenue recognition	210,678	307,640
	<u>551,925</u>	<u>570,831</u>

18. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	190,358	-
	<u>190,358</u>	<u>-</u>

19. Security & Guarantees

The bank has provided guarantees on certain commercial contracts totalling £280,623 (2017 - £462,620), in the form of the bank loan and the £112,249 (2017 - £185,168) bond held in investments. In providing this guarantee the bank has secured its borrowing with a fixed and floating charge over the company's assets.

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

20. Deferred taxation

	2018 £
At beginning of year	1,938
Utilised in year	-
At end of year	1,938

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	1,938	1,938
	1,938	1,938

21. Provisions

	Warranties £
At 1 January 2018	208,810
Charged to profit or loss	(24,792)
At 31 December 2018	184,018

There is no obligation for the above warranty provision. Saxlund International Limited accrue a percentage of each job and hold it as a provision should any remedial works be required. Should this work not be required this amount will be released at the end of the contract term.

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

22. Called up share capital

	2018 £	2017 £
Issued, called up and fully paid		
1,000 (2017 - 1,000) Ordinary shares of £10.00 each	10,000	10,000

Each ordinary share has equal voting and dividend rights.

23. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records retained earnings and accumulated losses.

24. Pension commitments

At 31 December 2018 the Company had liabilities totalling £1,264 (2017 - £13,221) relating to pension commitments.

25. Operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Other operating leases		
Not later than 1 year	22,831	24,460
Later than 1 year and not later than 5 years	13,618	37,787
	36,449	62,247
	2018 £	2017 £
Land and buildings		
Not later than 1 year	41,385	41,385
Later than 1 year and not later than 5 years	124,155	165,540
	165,540	206,925

Lease payments recognised as an expense in the year amounted to £65,058 (2017 - £39,126).

SAXLUND INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26. Ultimate parent company

The ultimate parent undertaking of the company is Saxlund Group AB, a company incorporated in Sweden.

The largest and smallest company which prepares group accounts in the Group is Saxlund Group AB.

The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Saxlund Group AB, a company incorporated in Sweden, and is included in the consolidated accounts of that company.

Consolidated group accounts are available by application from;
Saxlund Sweden AB
Fannys Vag 3
131 54 Nacka
Sweden

27. Controlling party

The ultimate controlling party is Saxlund Group AB, by right of its shares in the company.