

Registered number: SC220455

GLENFIELD VALVES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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GLENFIELD VALVES LIMITED

COMPANY INFORMATION

Directors	Paul Henry Boyden Gayle Broadhurst John Paul Hubbard Lars Kudsk
Company secretary	Gayle Broadhurst
Registered number	SC220455
Registered office	Glenfield Valves Limited Lifeways House Shaw Road Prestwick Ayrshire KA9 2LP
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street Sheffield South Yorkshire S1 2GT

GLENFIELD VALVES LIMITED

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GLENFIELD VALVES LIMITED
REGISTERED NUMBER: SC220455

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	7	-	950
Tangible assets	8	23,559	28,408
		<u>23,559</u>	<u>29,358</u>
Current assets			
Stocks	9	24,360	20,765
Debtors: amounts falling due within one year	10	2,027,220	1,838,260
Cash at bank and in hand		22,447	5,397
		<u>2,074,027</u>	<u>1,864,422</u>
Creditors: amounts falling due within one year	11	(1,653,824)	(1,499,946)
Net current assets		<u>420,203</u>	<u>364,476</u>
Total assets less current liabilities		<u>443,762</u>	<u>393,834</u>
Provisions for liabilities			
Other provisions	12	(1,183)	(20,000)
		<u>(1,183)</u>	<u>(20,000)</u>
Net assets		<u><u>442,579</u></u>	<u><u>373,834</u></u>
Capital and reserves			
Called up share capital	13	200,000	200,000
Profit and loss account	14	242,579	173,834
		<u><u>442,579</u></u>	<u><u>373,834</u></u>

GLENFIELD VALVES LIMITED
REGISTERED NUMBER: SC220455

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019

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

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 May 2020.

Gayle Broadhurst

Gayle Broadhurst
Director

The notes on pages 3 to 14 form part of these financial statements.

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. General information

Glenfield Valves Limited is a private company limited by shares and incorporated in the United Kingdom. Registered number SC220455. Its registered office is located at Lifeways House, Shaw Road, Prestwick, Ayrshire, Scotland, KA9 2LP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, (FRS 102) 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' issued by the Financial Reporting Council.

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

The following principal accounting policies have been applied:

2.2 Going concern

During the COVID-19 outbreak in 2020, the directors implemented procedures to comply with the government guidelines including employees working from home where possible and reducing the number of staff in the office to meet social distancing rules. Glenfield meet the criteria of essential public services therefore a downturn in essential work is not expected however a number of smaller customers have reduced their activity for non-essential work. The directors believe this work is postponed rather than cancelled. The directors have prepared forecasts which consider the potential impacts and consequences of COVID-19 which showed that the company would continue to operate as a going concern even after a prolonged period of government enforced closure. Management do however recognise that current events in relation to COVID-19 are unprecedented and the long term impact on business, society and the economy represents a material uncertainty which could cast significant doubt on the entity's ability to continue as a going concern. The directors are confident that no adjustments will be required to the balances included on a going concern basis in these financial statements.

The directors have prepared budgets, profit forecasts, cash flow forecasts and business plans for the group covering the period to 30 June 2021. The forecasts show that Glenfield has sufficient headroom to operate within its facility for the foreseeable future with its continued support from the group.

Based on the above the directors have formed a judgment at the time of approving the financial statements that there is a reasonable expectation that the group has more than sufficient resources and available facilities to continue in existence for the foreseeable future.

For this reason the directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate.

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

Rendering of services

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

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

2.4 Intangible assets

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

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

Amortisation is provided on the following bases:

Computer Software	- 3 years
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GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Motor vehicles	- 4 years
Fixtures and fittings	- 3 years

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 Income Statement.

2.6 Stocks

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

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

2.7 Debtors

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

2.8 Cash and cash equivalents

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

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.9 Financial instruments

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

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

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

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

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

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

2.10 Creditors

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

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.12 Finance costs

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

2.13 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 Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.14 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

GLENFIELD VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.15 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 Income statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.16 Taxation

Tax is recognised in the Income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.17 Research and development

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

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

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. There are no critical accounting judgements.

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

4. Turnover

Turnover arises from the company's principal activity i.e. sale of goods and services in the UK and overseas.

5. Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £5,000 (2018 - 6,000).

6. Employees

The average monthly number of employees, including directors, during the year was 5 (2018: 5).

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. Intangible assets

	Software £
Cost	
At 1 October 2018	4,882
At 30 September 2019	<u>4,882</u>
Amortisation	
At 1 October 2018	3,932
Charge for the year	950
At 30 September 2019	<u>4,882</u>
Net book value	
At 30 September 2019	<u><u>-</u></u>
At 30 September 2018	<u><u>950</u></u>

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Total £
Cost			
At 1 October 2018	34,964	4,155	39,119
Additions	-	4,125	4,125
At 30 September 2019	<u>34,964</u>	<u>8,280</u>	<u>43,244</u>
Depreciation			
At 1 October 2018	6,556	4,155	10,711
Charge for the year on owned assets	8,741	233	8,974
At 30 September 2019	<u>15,297</u>	<u>4,388</u>	<u>19,685</u>
Net book value			
At 30 September 2019	<u>19,667</u>	<u>3,892</u>	<u>23,559</u>
At 30 September 2018	<u>28,408</u>	<u>-</u>	<u>28,408</u>

9. Stocks

	2019 £	2018 £
Raw materials and consumables	3,019	2,883
Stocks	21,341	17,882
	<u>24,360</u>	<u>20,765</u>

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Debtors

	2019 £	2018 £
Trade debtors	1,080,224	888,192
Amounts owed by group undertakings	908,022	945,370
Other debtors	38,974	4,698
	<u>2,027,220</u>	<u>1,838,260</u>

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	253,224	469,605
Trade creditors	163,593	40,263
Amounts owed to group undertakings	998,902	859,208
Other taxation and social security	101,692	58,133
Other creditors	136,413	72,737
	<u>1,653,824</u>	<u>1,499,946</u>

Bank overdrafts are secured by way of a guarantee from the company's holding company, AVK Holding A/S.

A bond and floating charge on all property and assets of the company was created 29 August 2001.

12. Provisions for liabilities

	Warranty provisions £
At 1 October 2018	20,000
Charge / (credit) to the profit & loss	(18,817)
At 30 September 2019	<u><u>1,183</u></u>

GLENFIELD VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
200,000 (2018: 200,000) Ordinary shares of £1.00 each	200,000	200,000

The company has one class of ordinary shares which carry no right to fixed income.

14. Reserves

Profit and loss account

Includes all current and prior periods retained profits and losses including unrealised profit on the remeasurement of investment properties, net of dividends paid or other adjustments.

15. Financial commitments

At 30 September 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	20,000	20,000
Between 1 and 5 years	5,000	25,000
	25,000	45,000

16. Guarantees

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

AVK Holding A/S, also provide a guarantee and indemnity to cover Glenfield Valves Limited facilities.

17. Related party transactions

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

GLENFIELD VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

18. Controlling party

The company is controlled by AVK Holding A/S. The company's immediate parent is Aage V Kjaers Maskinfabrik A/S.

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

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

19. Events after the reporting date

During the COVID-19 outbreak in 2020, the directors implemented procedures to comply with the government guidelines including employees working from home where possible and reducing the number of staff in the office to meet social distancing rules. Glenfield meet the criteria of essential public services therefore a downturn in essential work is not expected however a number of smaller customers have reduced their activity for non-essential work. The directors believe this work is postponed rather than cancelled. The directors have prepared forecasts which consider the potential impacts and consequences of COVID-19 which showed that the company would continue to operate as a going concern even after a prolonged period of government enforced closure. Management do however recognise that current events in relation to COVID-19 are unprecedented and the long term impact on business, society and the economy represents a material uncertainty which could cast significant doubt on the entity's ability to continue as a going concern.

20. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed on 26 May 2020 by Michael Redfern (Senior statutory auditor) on behalf of Grant Thornton UK LLP.