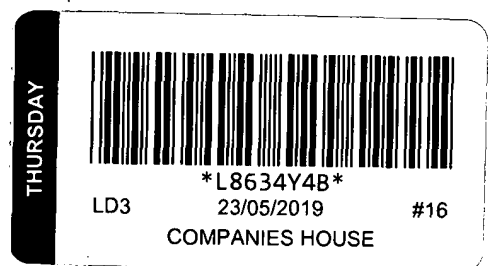


**Lindal Holdings Limited**

**Annual report and consolidated  
financial statements**

**Registered number 03284403**

**31 December 2018**



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## Strategic report

### Principal activity

The company is principally a holding company for Lindal Valve Company Limited which is engaged in the manufacture, assembly and distribution of aerosol valves and actuators.

### Business review

Whilst turnover for 2018 is slightly less than 2017, sales to third parties have shown a healthy increase, and the reduction has been purely in sales to group companies. Product mix, and increased costs in certain areas, such as energy, temporary labour, machinery maintenance and travelling costs have resulted in lower profitability, but this is closely monitored.

In 2018 we have been heavily involved, along with our group colleagues in spending both time and money ensuring the new ERP system, which will be rolled out in the UK in 2019 fits our business model. This involved many staff travelling to our Head Office in Hamburg to participate in workshops and has contributed heavily to increased travelling expenses. The new ERP system will enable us to have a group wide system, which will help with standardisation of our products and processes and enable us to be more effective.

Key concerns for the business still revolve primarily around the UK exit of the EU, as the detail of this is still not known. The personal care market is still a difficult one and the uncertainty regarding Brexit is not helping with consumer spending.

However, the company continues to build on its success and the two new projects, started in 2017 are now complete and will be fully operational in 2019, giving us important new business with our largest customer, and new business with a significant new customer.

Key performance measures are used and reviewed monthly by the management team to ensure the business remains in control. In addition to financial ratios, KPI's regarding Quality, Production, Performance and Supply Chain are also in place.

The next 12 months will be challenging and again we are waiting to see if Brexit will happen and if so what form it will take. In the meantime we are proactively taking steps to ensure our Supply Chain is not affected.

By order of the board

J Marion  
Director



Cherrycourt Way  
Leighton Buzzard  
LU7 4UH

Date: 20 May 2019

## **Directors' report**

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

### **Financial instruments**

#### **Credit risk**

The company has some concentration of credit risk with large customers. The credit limits for these customers are monitored regularly in line with company policies which are in place to ensure that sales of products and services are made to customers who have an appropriate credit history with the company. We also have a credit insurance in place.

#### **Liquidity risk**

The parent company of the group maintains the facility available to the company.

#### **Cash flow and fair value interest rate risk**

The company's cash flow interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. All the group's borrowings are at variable rates but the group does not consider the risk to be significant.

#### **Foreign exchange risk**

The company transacts in both Euros and US dollars. Foreign exchange risk is managed by matching income and expenditure in currencies wherever possible.

### **Proposed dividend**

Directors declared a dividend of £2,000,000 (2017 – £1,000,000).

### **Directors**

The directors who held office during the year were as follows:

J Marion  
F Gilbert

### **Political contributions**

Neither the Company nor any of its subsidiaries made any political donations or incurred any disclosable political expenditure during the year (2017: £nil)

### **Disclosure of information to 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 they ought to have taken as a director to make themselves 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, KPMG LLP will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

J Marion  
Director



Cherrycourt Way  
Leighton Buzzard  
LU7 4UH

Date: 20 / 05 / 2019

**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 group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINDAL HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Lindal Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group 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.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and 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 their 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 uncertainty 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 group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINDAL HOLDINGS LIMITED** *(continued)*

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, 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 group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINDAL HOLDINGS LIMITED**  
**(continued)**

**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](http://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.

*B. J. Stapleton 22 May 2019*

**Benjamin Stapleton (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
Altius House  
One North Fourth Street  
Milton Keynes  
MK9 1NE



**Consolidated Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2018*

	<i>Note</i>	2018 £000	2017 £000
<b>Turnover</b>	2	43,626	44,387
Raw materials and consumables		(30,735)	(30,325)
Other external charges		(4,334)	(3,973)
Staff costs		(4,521)	(4,604)
Depreciation and amortisation		(1,303)	(1,322)
<b>Operating profit</b>	3	2,733	4,163
Other Income		45	
Interest receivable and similar income	6	-	3
Interest payable and similar charges	7	(5)	(26)
<b>Profit on ordinary activities before taxation</b>		2,773	4,140
Tax on profit on ordinary activities	8	(567)	(755)
<b>Profit for the financial year</b>		2,206	3,385
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		2,206	3,385

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the Profit and loss account.

The notes on pages 15 to 28 form part of these financial statements.

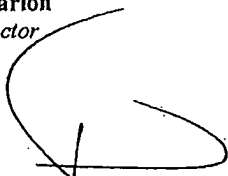
**Consolidated Balance Sheet**  
*at 31 December 2018*

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Tangible assets	9	7,164	6,319
		<u>7,164</u>	<u>6,319</u>
<b>Current assets</b>			
Stocks	11	2,815	3,221
Debtors	12	11,924	11,364
Cash at bank and in hand		1,424	895
		<u>16,163</u>	<u>15,480</u>
<b>Creditors: amounts falling due within one year</b>	13	(9,095)	(7,698)
<b>Net current assets</b>		<u>7,068</u>	<u>7,782</u>
<b>Total assets less current liabilities</b>		<u>14,232</u>	<u>14,101</u>
<b>Deferred tax provision</b>	14	(126)	(201)
<b>Net assets</b>		<u>14,106</u>	<u>13,900</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,050	1,050
Other reserves	16	1,100	1,100
Profit and loss account	16	11,956	11,750
<b>Shareholders' funds</b>		<u>14,106</u>	<u>13,900</u>

These financial statements were approved by the board of directors on 20 May 19 and were signed on its behalf by:

The notes on Pages 15 to 28 form part of these financial statements.

**J Marion**  
Director



**Company Balance Sheet**  
*at 31 December 2018*

	<i>Note</i>	<b>2018</b> <b>£000</b>	<b>£000</b>	<b>2017</b> <b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments	<i>10</i>		50		50
			<hr/>		<hr/>
<b>Current assets</b>					
Debtors	<i>12</i>	5,150		3,850	
Cash at bank and in hand		1		39	
		<hr/>		<hr/>	
		5,151		3,889	
<b>Creditors: amounts falling due within one year</b>	<i>13</i>			(36)	
		<hr/>		<hr/>	
<b>Net current assets</b>			5,151		3,853
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			5,201		3,903
			<hr/>		<hr/>
<b>Net assets</b>			5,201		3,903
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	<i>15</i>		1,050		1,050
Profit and loss account	<i>16</i>		4,151		2,853
			<hr/>		<hr/>
<b>Shareholders' funds</b>			5,201		3,903
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 20/05/2019 and were signed on its behalf by:

  
**J Marion**  
*Director*

Company registered number: 3284403

The notes on pages 15 to 28 form part of these financial statements

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2018

	Called up Share Capital	Other reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance at 1 January 2017	1,050	1,100	9,365	11,515
Total comprehensive income for the period				
Profit	-	-	3,385	3,385
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	3,385	3,385
Transactions with owners recorded directly in equity				
Dividends			(1,000)	(1,000)
Balance at 31 December 2017	1,050	1,100	11,750	13,900

	Called up Share Capital	Other reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance at 1 January 2018	1,050	1,100	11,750	13,900
Total comprehensive income for the period				
Profit	-	-	2,206	2,206
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	2,206	2,206
Transactions with owners recorded directly in equity				
Dividends	-	-	(2,000)	(2,000)
Balance at 31 December 2018	1,050	1,100	11,956	14,106

The notes on pages 15 to 28 form part of these financial statements.

**Company Statement of Changes in Equity**  
*for the year ended 31 December 2018*

	<b>Called up Share Capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 January 2017	1,050	1,827	2,877
<b>Total comprehensive income for the period</b>			
Profit	-	2,026	2,026
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	2,026	2,026
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	(1,000)	(1,000)
<b>Balance at 31 December 2017</b>	<b>1,050</b>	<b>2,853</b>	<b>3,903</b>
	<b>Called up Share Capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 January 2018	1,050	2,853	3,903
<b>Total comprehensive income for the period</b>			
Profit	-	3,298	3,298
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	3,298	3,298
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	(2,000)	(2,000)
<b>Balance at 31 December 2018</b>	<b>1,050</b>	<b>4,151</b>	<b>5,201</b>

The notes on pages 15 to 28 form part of these financial statements.

**Consolidated Cash Flow Statement**  
*for year ended 31 December 2018*

	<i>Note</i>	<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>			
Profit for the year		2,206	3,385
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		1,303	1,322
Foreign exchange losses/gains		53	(41)
Interest receivable and similar income		-	(3)
Interest payable and similar charges		5	26
Taxation		567	755
		<u>4,134</u>	<u>5,444</u>
(Increase) in trade and other debtors		(560)	(1,330)
Decrease/(Increase) in Stocks		406	(724)
Increase in trade and other creditors		957	547
		<u>4,937</u>	<u>3,937</u>
Tax paid		(1,320)	(349)
<b>Net cash from operating activities</b>		<u>3,617</u>	<u>3,588</u>
<b>Cash flows from investing activities</b>			
Interest received		-	3
Proceeds from sale of tangible Fixed Assets		65	-
Acquisition of tangible fixed assets		(2,221)	(504)
<b>Net cash (outflow) from investing activities</b>	9	<u>(2,156)</u>	<u>(501)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(5)	(26)
Dividend Paid		(2,000)	(1,000)
New borrowings/(Repayment)		1,073	(3,654)
<b>Net cash inflow (outflow) from financing activities</b>		<u>(932)</u>	<u>(4,680)</u>
<b>Net decrease in cash and cash equivalents</b>		529	(1,593)
Cash and cash equivalents at 1 January		<u>895</u>	<u>2,488</u>
<b>Cash and cash equivalent at 31 December</b>	18	<u>1,424</u>	<u>895</u>

The notes on pages 15 to 28 form part of these financial statements

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

Lindal Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

#### ***Basis of preparation***

These group financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

#### ***Measurement convention***

The financial statements are prepared on the historical cost basis.

#### ***Going concern***

The directors have prepared cash flow forecasts for the next 12 months which show the company will be profitable and have sufficient resources available. The Directors have not identified any material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for at least another 12 months from the date when the financial statement are authorized for issue.

#### ***Basis of consolidation***

##### ***Subsidiaries***

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2018. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Investments are considered as associates where the group has a participating interest and has significant influence over the entity.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Foreign currencies***

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### ***Classification of financial instruments issued by the Company***

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### ***Basic financial instruments***

##### ***Trade and other debtors / creditors***

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### ***Interest-bearing borrowings classified as basic financial instruments***

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### ***Investments in subsidiaries and associates***

Investments in subsidiaries and associates are carried at cost less impairment.

##### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.



**Notes (continued)**

**1 Accounting policies (continued)**

***Tangible fixed assets***

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings - straight line over 5 to 50 years
- Plant and machinery - straight line over 5 to 10 years
- Motor vehicles - straight line over 5 years
- fixtures and fittings - straight line over 3 to 10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

***Intangible fixed assets and amortisation***

***Other intangible assets***

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

***Research and development***

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Stocks***

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### ***Employee benefits***

##### ***Defined contribution plans and other long term employee benefits***

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### ***Turnover***

Turnover comprises revenue recognised by the Group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts at the point of despatch.

#### ***Expenses***

##### ***Operating lease***

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### ***Interest receivable and Interest payable***

Interest payable and similar charges include interest payable, and net foreign exchange losses that are recognised in the profit and loss account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

#### ***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes (continued)

### 2 Analysis of turnover

	2018 Turnover £000	2017 Turnover £000
<i>By geography</i>		
United Kingdom	26,890	26,322
Rest of Europe	9,242	10,153
Other	7,494	7,912
	<u>43,626</u>	<u>44,387</u>

### 3 Expenses and auditor's remuneration

	2018 £000	2017 £000
<i>Included in profit /loss are the following:</i>		
Depreciation and other amounts written off tangible fixed assets:		
Owned	1,303	1,322
Hire of plant and machinery - operating leases	103	49
Hire of other assets - operating leases	120	120
Research and development expenditure	246	280
Gain on foreign exchange	(92)	(159)

#### *Auditor's remuneration:*

	2018 £000	2017 £000
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of the subsidiary	24	25
Audit of the holding entity	10	4
Taxation compliance services	10	6

### 4 Remuneration of directors

The two directors are the only key management personnel for the company. None of the directors were paid by the company for their services to the Group and none of their parent group salaries should be apportioned. (2017: nil).

**Notes (continued)**

**5 Staff numbers and costs**

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2018	2017
Production	107	103
Administration	38	35
	<hr/>	<hr/>
	145	138
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£000	£000
Wages and salaries	3,995	4,128
Social security costs	396	369
Other pension costs	130	107
	<hr/>	<hr/>
	4,521	4,604
	<hr/>	<hr/>

## Notes (continued)

### 6 Interest receivable and similar income

	2018 £000	2017 £000
Receivable from group undertakings	-	3
	<u>-</u>	<u>3</u>
	<u>-</u>	<u>3</u>

### 7 Interest payable and similar charges

	2018 £000	2017 £000
On bank loans and overdrafts	-	26
Payable to group undertakings	1	-
On Corporation tax	4	-
	<u>5</u>	<u>26</u>

### 8 Taxation

#### *Total tax expense recognised in the profit and loss account*

	2018 £000	2017 £000
<i>UK corporation tax</i>		
Current tax on income for the period	635	878
Adjustments in respect of prior periods	7	(19)
Total current tax	<u>642</u>	<u>859</u>
<i>Deferred tax (see note 14)</i>		
Origination/reversal of timing differences	(49)	(73)
Adjustment in respect of previous years	(26)	(31)
Total deferred tax	<u>(75)</u>	<u>(104)</u>
Tax on profit on ordinary activities	<u>567</u>	<u>755</u>

## Notes (continued)

### 8 Taxation (continued)

#### Factors affecting the tax charge for the current period

The tax assessed on the profit for the year is higher (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £000	2017 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	2,773	4,140
Current tax at 19% (2017: 19.25%)	527	796
<i>Effects of:</i>		
Expenses not deductible for tax purposes	9	16
Impact on rate change	-	(15)
Adjustments to tax charge in respect of previous periods	21	(49)
Impact of the rate change and timing differences	10	7
Total tax charge (see above)	567	755

### 9 Fixed assets- Group

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures & fittings £000	Assets in construction £000	Total £000
<i>Cost</i>						
At beginning of year	2,744	11,547	25	1,742	233	16,291
Adjustment	-	763	-	-	-	763
Additions	-	-	-	-	2,221	2,221
Disposals	-	(261)	-	-	-	(261)
Movements	11	1,782	10	42	(1,845)	-
At end of year	2,755	13,831	35	1,784	609	19,014
<i>Depreciation</i>						
At beginning of year	1,083	7,599	14	1,276	-	9,972
Adjustment	-	763	-	-	-	763
Charge for year	76	1,110	6	111	-	1,303
Disposal	-	(188)	-	-	-	(188)
At end of year	1,159	9,284	20	1,387	-	11,850
<i>Net book value</i>						
At 31 December 2018	1,596	4,547	15	397	609	7,164
At 31 December 2017	1,661	3,948	11	466	233	6,319

**Notes (continued)**

**10 Fixed asset investments**

<b>Company Cost</b>	<b>Investment in Subsidiaries £000</b>
At beginning of year	50
At end of year	50
<b>Net book value</b>	
At 31 December 2018	50
At 31 December 2017	50

At the year end the company held the following investments:

	<b>Country of incorporation</b>	<b>Proportion held</b>	<b>Share capital and reserves '000's</b>	<b>Profit/(loss) for the year '000's</b>
Lindal Valve Company Limited	United Kingdom	100%	9,050	2,208

Registered Office:  
Unit 7 Cherrycourt Way,  
Stanbridge Road  
Leighton Buzzard  
Beds  
LU7 4UH

**Notes (continued)**

**11 Stocks-Group**

	2018 £000	2017 £000
Raw materials and consumables	1,976	2,157
Finished goods and goods for resale	839	1,064
	<u>2,815</u>	<u>3,221</u>

**12 Debtors**

	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Trade debtors	10,267	10,240	-	-
Amounts owed by group undertakings	1,482	977	5,150	3,850
Other debtors	3	33	-	-
Prepayments and accrued income	172	114	-	-
	<u>11,924</u>	<u>11,364</u>	<u>5,150</u>	<u>3,850</u>

**13 Creditors: amounts falling due within one year**

	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Trade creditors	2,963	2,242	-	-
Amounts owed to group undertakings	4,559	2,915	-	-
Other Creditors	136	47	-	-
Taxation and social security	858	1,740	-	36
Accruals and deferred income	579	754	-	-
	<u>9,095</u>	<u>7,698</u>	<u>-</u>	<u>36</u>



## Notes (continued)

### 14 Deferred tax assets and liabilities-Group

Deferred tax assets and liabilities are attributable to the following:

	Assets 2018 £000	2017 £000	Liabilities 2018 £000	2017 £000	Net 2018 £000	2017 £000
Accelerated capital allowances	-	-	167	216	167	216
Other	(41)	(15)	-	-	(41)	(15)
<b>Net tax (assets)/ liabilities</b>	<b>(41)</b>	<b>(15)</b>	<b>167</b>	<b>216</b>	<b>126</b>	<b>201</b>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015 and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on these rates.

### 15 Called up share capital

	2018 £000	2017 £000
<b>Authorised</b>		
2,000,000 Ordinary shares of £1 each	2,000	2,000
<b>Allotted, called up and fully paid</b>		
1,050,000 Ordinary shares of £1 each	1,050	1,050

## Notes (continued)

### 16 Reserves

GROUP	Other reserves £000	Profit and loss account £000
At beginning of year	1,100	11,750
Profit for the year	-	2,206
Dividend payable	-	(2,000)
At end of year	<u>1,100</u>	<u>11,956</u>

COMPANY	Profit and loss account £000
At beginning of year	2,853
Profit for the year	3,298
Dividend payable	(2,000)
At end of year	<u>4,151</u>

### 17 Operating lease commitments

Non-cancellable operating lease rental are payable as follows:

	2018 Land and buildings £000	Other £000	2017 Land and Buildings £000	Other £000
Operating leases which expire:				
Less than one year	120	151	120	131
Between one and five years	90	175	210	198
More than five years	-	-	-	-

### 18 Cash and cash equivalents

	2018 £000	2017 £000
Cash and cash equivalents per cash flow statement	<u>1,424</u>	<u>895</u>

There were no significant non cash transactions during the year (2017 – none).

## Notes (continued)

### 19 Related party disclosures

The parent undertaking and controlling company is Familie H.P. Lilienthal GmbH, based in Hamburg, Germany. The results of the company are consolidated in the ultimate parent company.

The table below is the related party sales, purchases, management charges and recharges for the period

	Sales to related party		Purchases/expenses/recharges from related party	
	2018 GBP £000	2017 GBP £000	2018 GBP £000	2017 GBP £000
Altachem	-	-	20	25
VARI S.P.A	717	815	852	844
Litec Moulding Ltd	-	1	5,009	5,444
Ecopac France	-	10	449	643
Lindal Turkey	49	276	27	9
Lindal North America	668	498	35	57
Leonhard Fischer & Co GmbH	28	-	186	314
Lindal Dispenser GmbH	1,593	1,709	2,243	2,541
Lindal Ventil Polska Sp.zoo	-	-	-	-
Lindal Brasil	156	191	10	-
Lindal De Mexico	1,317	2,478	19	18
Lindal Schweiz	26	100	-	-
Lindal France SAS	580	784	8,015	8,120
Lindal Argentina	539	574	6	20
Lindal Spain	655	791	79	1
Lindal Group Holding	-	-	-	-
R & D recharges from Lindal France	-	-	246	280
Management recharge from LGH	-	-	1,284	1,175
Leasing Charge from Lindal Dispenser	-	-	-	25
<b>Income from recharges</b>				
Lindal France SAS	21	-	-	(18)
Lindal group Holding GmbH	926	-	-	(360)
<b>Total</b>	<b>7,275</b>	<b>8,227</b>	<b>18,480</b>	<b>19,138</b>

**Notes (continued)**

**19 Related party disclosures (continued)**

	Receivable outstanding from related party		Creditors outstanding to related party	
	2018 GBP £000	2017 GBP £000	2018 GBP £000	2017 GBP £000
Altachem	-	-	6	160
VARI S.P.A	75	-	112	-
Litec Moulding Ltd	-	-	778	727
Ecopac France	-	-	45	119
Lindal Turkey	16	-	1	3
Lindal North America	204	138	-	1
Leonhard Fischer Co GmbH	5	-	575	33
Lindal Dispenser GmbH	141	289	323	353
Lindal Brasil	4	40	-	-
Lindal De Mexico	552	153	-	-
Lindal Schweiz	-	34	-	-
Lindal France SAS	97	77	1,210	1,253
Lindal Argentina	181	106	6	-
Lindal Spain	82	97	2	10
Lindal Group Holding GmbH	125	43	427	256
LGH GmbH – Interest	-	-	1	-
LGH GmbH – dividend payable	-	-	-	-
Lindal Group Holding GmbH Loan	-	-	1,073	-
<b>Total</b>	<b>1,482</b>	<b>977</b>	<b>4,559</b>	<b>2,915</b>