

Company Registration No. 04363314 (England and Wales)

ISEKI VACUUM SYSTEMS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2016

PAGES FOR FILING WITH REGISTRAR



3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
PO6 3TH

ISEKI VACUUM SYSTEMS LIMITED

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ISEKI VACUUM SYSTEMS LIMITED

COMPANY INFORMATION

| | | |
|--------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------|
| Directors | Mr D. R. O. How Mr R. D. McDougall Mr D. J. Cartwright Mr N. V. Smith Mr G. M. Butler | (Appointed 1 January 2016) |
| Secretary | Mr G. M. Butler | |
| Company number | 04363314 | |
| Registered office | High March Daventry Northants NN11 4QE | |
| Auditor | tgs taylorcocks 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire PO6 3TH | |

ISEKI VACUUM SYSTEMS LIMITED

BALANCE SHEET

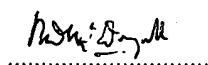
AS AT 31 DECEMBER 2016

| | Notes | 2016 £ | £ | 2015 £ | £ |
|-------------------------------------------------------|-------|------------------|----------------|------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 46,729 | | 39,354 |
| Current assets | | | | | |
| Stocks | 5 | 309,551 | | 240,973 | |
| Debtors | 6 | 189,046 | | 659,531 | |
| Cash at bank and in hand | | 141,777 | | 178,167 | |
| | | <u>640,374</u> | | <u>1,078,671</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(212,912)</u> | | <u>(469,324)</u> | |
| Net current assets | | | 427,462 | | 609,347 |
| Total assets less current liabilities | | | <u>474,191</u> | | <u>648,701</u> |
| Provisions for liabilities | | | (6,279) | | (3,373) |
| Net assets | | | <u>467,912</u> | | <u>645,328</u> |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 1 | | 1 |
| Profit and loss reserves | | | 467,911 | | 645,327 |
| Total equity | | | <u>467,912</u> | | <u>645,328</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 19/04/2017 and are signed on its behalf by:



Mr R. D. McDougall
Director

Company Registration No. 04363314

ISEKI VACUUM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Iseki Vacuum Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is High March, Daventry, Northants, United Kingdom, NN11 4QE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Iseki Vacuum Systems Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 14.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided for in the normal course of business, net of trade discounts and VAT.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

| | |
|----------|-----------------------|
| Goodwill | 5 years straight line |
|----------|-----------------------|

ISEKI VACUUM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Intellectual property

Intellectual property is valued at cost less accumulated amortisation. Amortisation is calculated to write off the costs in equal instalments over their estimated useful lives.

| | |
|-----------------------|-----------------------|
| Intellectual Property | 5 years straight line |
|-----------------------|-----------------------|

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|-----------------------|----------------------|
| Plant and machinery | 10% straight line |
| Fixtures and fittings | 10-33% straight line |
| Motor vehicles | 25% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

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

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ISEKI VACUUM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

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

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ISEKI VACUUM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

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

1.16 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Employees

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

| | 2016 | 2015 |
|-------|-------------------|-------------------|
| | Number | Number |
| Total | 12 | 15 |
| | <u> </u> | <u> </u> |

ISEKI VACUUM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Intangible fixed assets

| | Goodwill | Other | Total |
|----------------------------------------|-----------------|--------------|--------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2016 and 31 December 2016 | 15,000 | 75,000 | 90,000 |
| Amortisation and impairment | | | |
| At 1 January 2016 and 31 December 2016 | 15,000 | 75,000 | 90,000 |
| Carrying amount | | | |
| At 31 December 2016 | - | - | - |
| At 31 December 2015 | - | - | - |

4 Tangible fixed assets

| | Plant and machinery | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|----------------------------|------------------------------|-----------------------|--------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 January 2016 | 68,375 | 66,554 | 56,824 | 191,753 |
| Additions | 3,600 | 3,500 | 12,259 | 19,359 |
| Disposals | - | - | (9,279) | (9,279) |
| At 31 December 2016 | 71,975 | 70,054 | 59,804 | 201,833 |
| Depreciation and impairment | | | | |
| At 1 January 2016 | 33,872 | 61,703 | 56,824 | 152,399 |
| Depreciation charged in the year | 5,032 | 4,398 | 2,554 | 11,984 |
| Eliminated in respect of disposals | - | - | (9,279) | (9,279) |
| At 31 December 2016 | 38,904 | 66,101 | 50,099 | 155,104 |
| Carrying amount | | | | |
| At 31 December 2016 | 33,071 | 3,953 | 9,705 | 46,729 |
| At 31 December 2015 | 34,503 | 4,851 | - | 39,354 |

5 Stocks

| | 2016 | 2015 |
|--------|-------------|-------------|
| | £ | £ |
| Stocks | 309,551 | 240,973 |

ISEKI VACUUM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Debtors

| | 2016 | 2015 |
|---------------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 142,840 | 546,508 |
| Corporation tax recoverable | 8,462 | - |
| Other debtors | 37,744 | 113,023 |
| | <u>189,046</u> | <u>659,531</u> |

7 Creditors: amounts falling due within one year

| | 2016 | 2015 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 71,653 | 206,432 |
| Amounts due to group undertakings | 30,000 | 30,000 |
| Corporation tax | - | 22,096 |
| Other taxation and social security | 11,464 | 12,357 |
| Other creditors | 99,795 | 198,439 |
| | <u>212,912</u> | <u>469,324</u> |

The parent company has guaranteed the bank borrowings of certain group companies as part of an unlimited group composite cross guarantee. The other group companies involved are Rediweid Rubber and Plastics Limited, Redivac Limited and Vistaplan International Limited. At the year-end, the exposure to the group under this agreement is the overdraft balance of £nil (2015 - £nil).

8 Provisions for liabilities

| | 2016 | 2015 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Deferred tax liabilities | 6,279 | 3,373 |
| | <u>6,279</u> | <u>3,373</u> |

9 Called up share capital

| | 2016 | 2015 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 1 Ordinary shares of £1 each | 1 | 1 |
| | <u>1</u> | <u>1</u> |

ISEKI VACUUM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The senior statutory auditor was Mr Mike Williamson ACA.

The auditor was tgs taylorcocks.

Taylorcocks
26/04/2017

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2016 | 2015 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 13,728 | 14,672 |
| Between two and five years | 44,616 | 54,912 |
| In over five years | - | 13,728 |
| | <u>58,344</u> | <u>83,312</u> |

12 Related party transactions

The company has taken advantage of the exemption under section 33.1A of FRS102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, which are publicly available.

13 Parent company

The directors considered the ultimate holding company to be Rediweld Holdings Limited, a company registered in England and Wales. Rediweld Holdings Limited owns 100% of the issued share capital of the company and Mr D.R.O How was the controlling shareholder of Rediweld Holdings Limited.

ISEKI VACUUM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Reconciliations on adoption of FRS 102

Reconciliation of equity

| | 1 January 2015 £ | 31 December 2015 £ |
|-------------------------------------------------------------|---------------------------------|-----------------------------------|
| Equity as reported under previous UK GAAP and under FRS 102 | <u>561,923</u> | <u>645,328</u> |

Reconciliation of profit or loss

| | 2015 £ |
|---------------------------------------------------------------------|-------------------|
| Profit or loss as reported under previous UK GAAP and under FRS 102 | <u>83,405</u> |

Notes to reconciliations on adoption of FRS 102

There were no changes to the accounting policies arising from the adoption of FRS 102, which affected the recognition or measurement of transactions.

No adjustments were made to previously reported equity balances at the date of transition to FRS 102. No adjustments were made to previously reported equity balances at the end of the comparative period.

There were no adjustments to previously reported profit or loss in the comparative period.