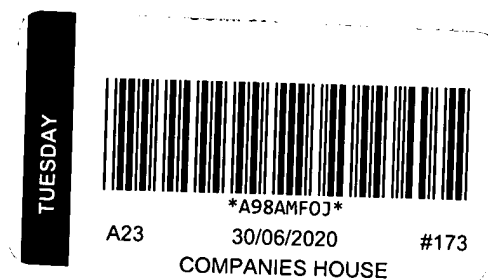


Company Registration No. 07184556 (England and Wales)

SAACKE COMBUSTION SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

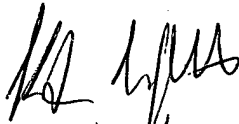


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SAACKE COMBUSTION SERVICES LIMITED

COMPANY INFORMATION

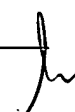
Director	Mr K Sumfleth
Secretary	Mr S W Donald
Company number	07184556
Registered office	Langstone Technology Park Langstone Road Havant Hampshire PO9 1SA
Auditor	Jones Avens Limited 53 Kent Road Southsea Portsmouth Hampshire PO5 3HU
Bankers	Lloyds Bank plc 38 London Road North End Portsmouth Hampshire PO2 0LR
Solicitors	Coffin Mew LLP Bay House Compass Road North Harbour Business Park Portsmouth Hampshire PO6 4RS


22/06/2020

SAACKE COMBUSTION SERVICES LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 22



SAACKE COMBUSTION SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents the strategic report for the year ended 31 December 2019.

Fair review of the business

The director is pleased to report that the company is continuing to consolidate and expand its business operations both in the United Kingdom and Ireland, together with support for SAACKE Group activities overseas, with the main strategy continuing to be the provision of exceptional customer care and service.

Principal risks and uncertainties

There are no anticipated major risks or uncertainties faced by the company for the foreseeable future. As the United Kingdom economy continues to grow the company's management is seeking new sales opportunities and taking positive action to retain and develop the company's existing customer base.

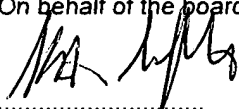
Development and performance

The company's financial position at the year end remains strong with net assets of £2,180,571.

Key performance indicators

The key performance indicator of gross profit margin was maintained for the year under review. This factor, combined with the company's continued focus on its marketing strategy and strict control of costs and overheads, ensured another strong financial performance for the year.

On behalf of the board



Mr K Sumfleth
Director

22/06/2020

SAACKE COMBUSTION SERVICES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activities of the company during the year under review were the supply, installation and servicing of industrial and marine combustion and energy systems together with the sale of spare parts.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr K Sumfleth

Results and dividends

The results for the year are set out on page 6.

The director is pleased to report another excellent and profitable years trading.

The company paid a final ordinary dividend of £890,000 during the year under review.

Future developments

The director is committed to ensuring that the company reacts positively to both the changing economic environment and the requirements of its customers.

Auditor

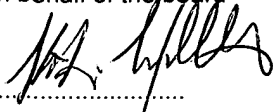
In accordance with the company's articles, a resolution proposing that Jones Avens Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

The director in office at the date of approval of this annual report confirms that:

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

On behalf of the board



Mr K Sumfleth

Director

Date: 22/06/2020

SAACKE COMBUSTION SERVICES LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SAACKE COMBUSTION SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAACKE COMBUSTION SERVICES LIMITED

Opinion

We have audited the financial statements of SAACKE Combustion Services Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

SAACKE COMBUSTION SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SAACKE COMBUSTION SERVICES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



Claire Norwood BSc FCA ATII (Senior Statutory Auditor)
for and on behalf of Jones Avens Limited

24/6/20

Chartered Accountants
Statutory Auditor

53 Kent Road
Southsea
Portsmouth
Hampshire
PO5 3HU

SAACKE COMBUSTION SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	11,713,505	11,072,101
Cost of sales		(4,975,837)	(4,743,120)
Gross profit		6,737,668	6,328,981
Administrative expenses		(4,913,173)	(4,824,990)
Profit before taxation		1,824,495	1,503,991
Tax on profit	7	(347,110)	(285,984)
Profit for the financial year		1,477,385	1,218,007

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SAACKE COMBUSTION SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Profit for the year	1,477,385	1,218,007
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,477,385</u>	<u>1,218,007</u>

SAACKE COMBUSTION SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		196,660		174,565
Current assets					
Stocks	11	539,134		520,032	
Debtors	12	3,002,613		2,499,549	
Cash at bank and in hand		1,373,329		2,190,178	
		<u>4,915,076</u>		<u>5,209,759</u>	
Creditors: amounts falling due within one year	13	<u>(2,931,165)</u>		<u>(3,789,905)</u>	
Net current assets			1,983,911		1,419,854
Total assets less current liabilities			<u>2,180,571</u>		<u>1,594,419</u>
Provisions for liabilities	14		-		(1,233)
Net assets			<u>2,180,571</u>		<u>1,593,186</u>
Capital and reserves					
Called up share capital	17		350,000		350,000
Profit and loss reserves			<u>1,830,571</u>		<u>1,243,186</u>
Total equity			<u>2,180,571</u>		<u>1,593,186</u>

The financial statements were approved and signed by the director and authorised for issue on

Mr K Sumfleth
Director

22/06/2020

Company Registration No. 07184556

SAACKE COMBUSTION SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2018		350,000	925,179	1,275,179
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	1,218,007	1,218,007
Dividends	8	-	(900,000)	(900,000)
Balance at 31 December 2018		350,000	1,243,186	1,593,186
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	1,477,385	1,477,385
Dividends	8	-	(890,000)	(890,000)
Balance at 31 December 2019		350,000	1,830,571	2,180,571

SAACKE COMBUSTION SERVICES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	21	493,967		2,831,359	
Income taxes paid		(302,785)		(206,873)	
Net cash inflow from operating activities		191,182		2,624,486	
Investing activities					
Purchase of tangible fixed assets		(121,459)		(46,428)	
Proceeds on disposal of tangible fixed assets		17,090		11,635	
Net cash used in investing activities		(104,369)		(34,793)	
Financing activities					
Dividends paid		(890,000)		(900,000)	
Net cash used in financing activities		(890,000)		(900,000)	
Net (decrease)/increase in cash and cash equivalents		(803,187)		1,689,693	
Cash and cash equivalents at beginning of year		2,190,178		499,385	
Effect of foreign exchange rates		(13,662)		1,100	
Cash and cash equivalents at end of year		1,373,329		2,190,178	



SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

SAACKE Combustion Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Langstone Technology Park, Langstone Road, Havant, Hampshire, PO9 1SA.

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.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and trade discounts.

Revenue from the sale and installation of equipment and spares is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch 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. Contingency sums held are released on satisfactory operation of the equipment supplied and installed.

Revenue for the provision of engineering services is recognised by reference to the date of completion, when the labour and material costs incurred can be accurately assessed.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of the business assets over the fair value of those assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

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.

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% straight line per annum
Fixtures, fittings & equipment	25% straight line per annum
Computer equipment	33.33% straight line per annum
Motor vehicles	20%-25% straight line per annum

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 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. No such indication existed at the balance sheet date.

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.

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 the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

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 balance sheet 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 trade and other receivables 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.

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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 payments 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.

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

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

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 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.

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.13 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.

1.14 Retirement benefits

The company operates a defined contribution retirement benefit scheme for the benefit of its employees and contributions payable are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the term of the relevant lease.

1.16 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Gains and losses arising on translation are included in the profit and loss account for the period.

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements, apart from those involving estimates, have had the most significant effect on amounts recognised in the financial statements.

Guarantee and service work

Assessment of specific costs related to guarantee and service work is carefully assessed by the managing director liaising with the service manager at the reporting year end to ensure that all necessary costs are accounted for.

Stocks

Stocks are valued at the lower of cost and net realisable value. Where stock items have not moved during the financial year under review it is company policy to write down those items on a sliding scale in accordance with SAACKE Group policy.

3 Turnover and other revenue

Turnover is analysed as set out below:

	2019 £	2018 £
Turnover		
Supply, installation and service of equipment and sale of spare parts.	11,713,505	11,072,101

Turnover analysed by geographical market

	2019 £	2018 £
Federal Republic of Germany	320,343	263,153
Other European Union Countries	10,205,691	9,803,656
Non European Union Countries	1,187,471	1,005,292
	11,713,505	11,072,101

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	13,662	(1,100)
Fees payable to the company's auditor for the audit of the company's financial statements	13,625	12,555
Depreciation of owned tangible fixed assets	97,060	102,176
Profit on disposal of tangible fixed assets	(14,786)	(11,635)
Operating lease charges	254,268	251,345

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £13,662 (2018 - £1,100).

5 Employees

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

	2019	2018
	Number	Number
Salaried employees	78	76

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	3,126,193	3,028,450
Social security costs	314,790	315,856
Pension costs	329,265	339,355
	3,770,248	3,683,661

6 Director's remuneration

	2019	2018
	£	£
Sums paid to SAACKE GmbH for directors' services	136,000	136,000

7 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	348,343	288,816

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Taxation

(Continued)

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	(1,233)	(2,832)
	<u> </u>	<u> </u>
Total tax charge	<u>347,110</u>	<u>285,984</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>1,824,495</u>	<u>1,503,991</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	346,654	285,758
Tax effect of expenses that are not deductible in determining taxable profit	347	331
Permanent capital allowances in excess of depreciation	1,342	2,727
Other non-reversing timing differences	(1,233)	(2,832)
	<u> </u>	<u> </u>
Taxation charge for the year	<u>347,110</u>	<u>285,984</u>

8 Dividends

	2019 £	2018 £
Final paid	<u>890,000</u>	<u>900,000</u>

9 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2019 and 31 December 2019	<u>144,998</u>
Amortisation and impairment	
At 1 January 2019 and 31 December 2019	<u>144,998</u>
Carrying amount	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>-</u>

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2019	142,693	89,643	80,588	308,191	621,115
Additions	29,373	-	14,466	77,620	121,459
Disposals	-	-	(13,920)	(58,106)	(72,026)
At 31 December 2019	172,066	89,643	81,134	327,705	670,548
Depreciation and impairment					
At 1 January 2019	73,421	87,910	52,247	232,972	446,550
Depreciation charged in the year	28,787	1,613	20,937	45,723	97,060
Eliminated in respect of disposals	-	-	(13,920)	(55,802)	(69,722)
At 31 December 2019	102,208	89,523	59,264	222,893	473,888
Carrying amount					
At 31 December 2019	69,858	120	21,870	104,812	196,660
At 31 December 2018	69,272	1,733	28,341	75,219	174,565

11 Stocks

	2019 £	2018 £
Work in progress	16,864	16,247
Finished goods and goods for resale	522,270	503,785
	539,134	520,032

12 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,677,366	2,108,991
Amount due from parent undertaking	34,015	-
Loan to parent undertaking	553,170	-
Amounts due from fellow group undertakings	140	37,779
Other debtors	460	500
Prepayments and accrued income	737,462	352,279
	3,002,613	2,499,549

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	320,428	521,488
Guarantee and service work	163,125	171,872
Amount due to parent undertaking	102,519	210,129
Amounts due to fellow group undertakings	5,119	447
Corporation tax payable	198,384	152,826
Other taxation and social security	314,244	392,121
Other creditors	8,932	5,238
Accruals and deferred income	1,818,414	2,335,784
	<u>2,931,165</u>	<u>3,789,905</u>

14 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	15	-	1,233
		<u>-</u>	<u>1,233</u>

15 Deferred taxation

The following analysis details the company's deferred tax liability and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
ACAs	-	1,233
	<u>-</u>	<u>1,233</u>
Movements in the year:		2019 £
Liability at 1 January 2019		1,233
Credit to profit or loss		(1,233)
Liability at 31 December 2019		<u>-</u>

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

16 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	329,265	339,355

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
350,000 Ordinary shares of £1 each	350,000	350,000

18 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:

	2019	2018
	£	£
Within one year	158,346	206,950
Between two and five years	130,234	159,741
	288,580	366,691

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	136,000	136,000

Transactions with related parties

During the year the company entered into the following transactions with related parties:

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

19 Related party transactions

(Continued)

Amounts owed by the parent undertaking and fellow group undertakings, as disclosed in Note 12 to the financial statements, comprised SAACKE GmbH £587,185, SAACKE Yakma Hizmetleri Ticaret Ltd £140.

Amounts owed to the parent undertaking and fellow group undertakings, as disclosed in Note 13 to the financial statements, comprised SAACKE GmbH £102,519, and SAACKE AG £316, SAACKE South Africa (Pty) Ltd £4,803 respectively.

Ordinary dividends of £890,000 were paid to the parent undertaking, SAACKE GmbH, during the year under review.

20 Ultimate controlling party

The company is a wholly owned subsidiary of SAACKE GmbH, whose registered office is Suedweststrasse 13, 28237 Bremen, Germany.

SAACKE GmbH is wholly owned by H.SAACKE GmbH & Co. KG, Bremen which is controlled by the following ultimate shareholders H.Saacke, A.Saacke-Lumper and B.Saacke personally.

21 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	1,477,385	1,218,007
Adjustments for:		
Taxation charged	347,110	285,984
Gain on disposal of tangible fixed assets	(14,786)	(11,635)
Depreciation and impairment of tangible fixed assets	97,060	102,176
Foreign exchange gains on cash equivalents	13,662	(1,100)
Movements in working capital:		
Increase in stocks	(19,102)	(55,253)
(Increase)/decrease in debtors	(503,064)	530,088
(Decrease)/increase in creditors	(904,298)	763,092
Cash generated from operations	493,967	2,831,359

Included within the cash balance at the year end is an amount of £18,700 relating to funds held on an account which can not be accessed until confirmation from the beneficiary that the Performance Bond has been fulfilled.

22 Analysis of changes in net funds

	1 January 2019 £	Cash flows £	Exchange rate movements £	31 December 2019 £
Cash at bank and in hand	2,190,178	(803,187)	(13,662)	1,373,329