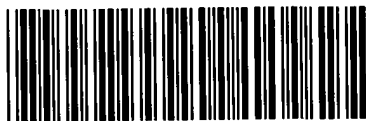


Company Registration No. 07184556 (England and Wales)

SAACKE COMBUSTION SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

THURSDAY



A7BXVQ2G

A08

09/08/2018

#232

COMPANIES HOUSE

SAACKE COMBUSTION SERVICES LIMITED

COMPANY INFORMATION

Director	Mr K Sumfleth	(Appointed 24 April 2017)
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	

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 - 24

SAACKE COMBUSTION SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents the strategic report for the year ended 31 December 2017.

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 £1,275,179

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

 18/2018

Mr K Sumfleth
Director

SAACKE COMBUSTION SERVICES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents his annual report and financial statements for the year ended 31 December 2017.

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 M J Cook	(Resigned 1 May 2017)
Mr K Sumfleth	(Appointed 24 April 2017)

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 £1,000,000 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

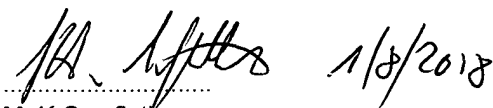
In accordance with the company's articles, a resolution proposing that Jones Avens Limited be reappointed as auditor of the company will be put at a General Meeting.

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:

SAACKE COMBUSTION SERVICES LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017 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 2017 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 intend to liquidate the company or to cease operations, or have 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 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.



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

8/8/18

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 2017

	Notes	2017 £	2016 £
Turnover	3	10,321,551	10,219,916
Cost of sales		(4,105,348)	(4,156,980)
Gross profit		6,216,203	6,062,936
Administrative expenses		(5,176,825)	(4,913,212)
Operating profit	4	1,039,378	1,149,724
Interest receivable and similar income	7	68	-
Profit before taxation		1,039,446	1,149,724
Tax on profit	8	(199,734)	(230,793)
Profit for the financial year		839,712	918,931

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 2017

	2017 £	2016 £
Profit for the year	839,712	918,931
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	839,712	918,931
	<hr/>	<hr/>

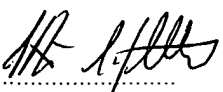
SAACKE COMBUSTION SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		230,313		218,810
Current assets					
Stocks	13	464,779		521,549	
Debtors	14	3,029,637		2,353,948	
Cash at bank and in hand		499,385		803,846	
		<u>3,993,801</u>		<u>3,679,343</u>	
Creditors: amounts falling due within one year	15	<u>(2,944,870)</u>		<u>(2,462,686)</u>	
Net current assets			1,048,931		1,216,657
Total assets less current liabilities			<u>1,279,244</u>		<u>1,435,467</u>
Provisions for liabilities	16		<u>(4,065)</u>		<u>-</u>
Net assets			<u><u>1,275,179</u></u>		<u><u>1,435,467</u></u>
Capital and reserves					
Called up share capital	19	350,000		350,000	
Profit and loss reserves		<u>925,179</u>		<u>1,085,467</u>	
Total equity			<u><u>1,275,179</u></u>		<u><u>1,435,467</u></u>

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

 1/8/2018
.....
Mr K Sumfleth
Director

Company Registration No. 07184556

SAACKE COMBUSTION SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016		350,000	1,166,536	1,516,536
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	918,931	918,931
Dividends	9	-	(1,000,000)	(1,000,000)
Balance at 31 December 2016		350,000	1,085,467	1,435,467
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	839,712	839,712
Dividends	9	-	(1,000,000)	(1,000,000)
Balance at 31 December 2017		350,000	925,179	1,275,179

SAACKE COMBUSTION SERVICES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	23	1,079,012		1,419,254	
Income taxes paid		(241,908)		(206,839)	
Net cash inflow from operating activities		<u>837,104</u>		<u>1,212,415</u>	
Investing activities					
Purchase of tangible fixed assets		(156,755)		(107,717)	
Proceeds on disposal of tangible fixed assets		15,122		15,120	
Interest received		68		-	
Net cash used in investing activities		<u>(141,565)</u>		<u>(92,597)</u>	
Financing activities					
Dividends paid		(1,000,000)		(1,000,000)	
Net cash used in financing activities		<u>(1,000,000)</u>		<u>(1,000,000)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(304,461)</u>		<u>119,818</u>	
Cash and cash equivalents at beginning of year		803,846		684,028	
Cash and cash equivalents at end of year		<u><u>499,385</u></u>		<u><u>803,846</u></u>	

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he 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 2017

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 and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour and proportion of related overheads. Net realisable value is the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

1.8 Cash at bank and in hand

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 2017

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 2017

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 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 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 2017

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 2017

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:

	2017 £	2016 £
Turnover analysed by class of business		
Supply, installation and service of equipment and sale of spare parts.	10,321,551	10,219,916
	<u>10,321,551</u>	<u>10,219,916</u>
	2017 £	2016 £
Other significant revenue		
Interest income	68	-
	<u>68</u>	<u>-</u>
	2017 £	2016 £
Turnover analysed by geographical market		
Federal Republic of Germany	599,950	447,353
Other European Union Countries	8,932,669	8,970,231
Non European Union Countries	788,932	802,332
	<u>10,321,551</u>	<u>10,219,916</u>

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue

(Continued)

An analysis of the company's turnover , by geographical area, is detailed above.

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	698	(53,507)
Fees payable to the company's auditor for the audit of the company's financial statements	11,695	13,000
Depreciation of owned tangible fixed assets	120,273	120,023
Loss on disposal of tangible fixed assets	9,857	937
Cost of stocks recognised as an expense	4,080,029	4,142,363
Operating lease charges	255,469	252,737

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 £698 (2016 - £53,507).

5 Employees

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

	2017 Number	2016 Number
Directors	1	1
Salaried employees	82	78
	83	79

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	3,299,442	3,130,201
Social security costs	342,868	335,981
Pension costs	390,469	381,552
	4,032,779	3,847,734

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Director's remuneration

	2017 £	2016 £
Remuneration for qualifying services	57,524	146,269
Company pension contributions to defined contribution schemes	8,904	17,455
Sums paid to SAACKE GmbH for directors' services	124,464	-
	<u>190,892</u>	<u>163,724</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Other interest income	68	-
	<u>68</u>	<u>-</u>

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	195,669	241,124
	<u>195,669</u>	<u>241,124</u>
Deferred tax		
Origination and reversal of timing differences	4,065	(10,331)
	<u>4,065</u>	<u>(10,331)</u>
Total tax charge	<u>199,734</u>	<u>230,793</u>

The rate of corporation tax payable reduced from 20% to 19% during the accounting period under review.

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8 Taxation

(Continued)

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:

	2017 £	2016 £
Profit before taxation	1,039,446	1,149,724
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	197,495	229,945
Tax effect of expenses that are not deductible in determining taxable profit	8	447
Effect of change in corporation tax rate	2,506	-
Permanent capital allowances in excess of depreciation	(4,340)	10,732
Other non-reversing timing differences	4,065	(10,331)
Taxation charge for the year	199,734	230,793

9 Dividends

	2017 £	2016 £
Final paid	1,000,000	1,000,000

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2017 and 31 December 2017	144,998
Amortisation and impairment	
At 1 January 2017 and 31 December 2017	144,998
Carrying amount	
At 31 December 2017	-
At 31 December 2016	-

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2017	93,982	89,643	107,726	356,355	647,706
Additions	42,296	-	39,148	75,311	156,755
Disposals	(32,385)	-	(37,190)	(79,356)	(148,931)
At 31 December 2017	103,893	89,643	109,684	352,310	655,530
Depreciation and impairment					
At 1 January 2017	57,197	66,755	74,026	230,918	428,896
Depreciation charged in the year	25,319	12,700	26,449	55,805	120,273
Eliminated in respect of disposals	(32,385)	-	(35,675)	(55,892)	(123,952)
At 31 December 2017	50,131	79,455	64,800	230,831	425,217
Carrying amount					
At 31 December 2017	53,762	10,188	44,884	121,479	230,313
At 31 December 2016	36,785	22,888	33,700	125,437	218,810

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,889,302	2,266,284
Carrying amount of financial liabilities		
Measured at amortised cost	2,562,827	2,045,236

13 Stocks

	2017 £	2016 £
Work in progress	20,301	48,551
Finished goods and goods for resale	444,478	472,998
	464,779	521,549

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

14 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	2,388,951	2,065,359
Amount due from parent undertaking	74,274	115,007
Loan to parent undertaking	411,759	33,769
Amounts due from fellow group undertakings	13,818	51,649
Other debtors	500	500
Prepayments and accrued income	140,335	87,664
	<u>3,029,637</u>	<u>2,353,948</u>

15 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	315,125	368,172
Guarantee and service work	146,276	168,576
Amount due to parent undertaking	368,212	162,965
Amounts due to fellow group undertakings	4,093	-
Corporation tax payable	70,883	117,122
Other taxation and social security	311,160	300,328
Other creditors	7,490	4,032
Accruals and deferred income	1,721,631	1,341,491
	<u>2,944,870</u>	<u>2,462,686</u>

16 Provisions for liabilities

	Notes	2017	2016
		£	£
Deferred tax liabilities	17	<u>4,065</u>	<u>-</u>

17 Deferred taxation

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

	Liabilities	Liabilities
	2017	2016
	£	£
Balances:		
ACAs	<u>4,065</u>	<u>-</u>

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

17 Deferred taxation (Continued)

Movements in the year:	2017
	£
Liability at 1 January 2017	-
Charge to profit or loss	4,065
Liability at 31 December 2017	<u>4,065</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

18 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>390,469</u>	<u>381,552</u>

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.

19 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
350,000 Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>
	<u>350,000</u>	<u>350,000</u>

20 Operating lease commitments

Lessee

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

	2017	2016
	£	£
Within one year	204,864	199,163
Between two and five years	119,692	107,505
	<u>324,556</u>	<u>306,668</u>

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	190,892	163,724

Transactions with related parties

The loan to the parent undertaking SAACKE GmbH, as disclosed in Note 14 to the financial statements, amounting to £411,759 is unsecured, interest free and repayable on demand.

Amounts owed by the parent undertaking and fellow group undertakings, as disclosed in Note 14 to the financial statements, comprised SAACKE GmbH £74,274 (Euros 84,248), South Africa PTY Limited £9,280 and SAACKE Yakma Hizmetleri Ticaret Limited £4,538 respectively.

Amounts owed to the parent undertaking and fellow group undertakings, as disclosed in Note 15 to the financial statements, comprised SAACKE GmbH £368,212 (Euros 417,566), SAACKE Yakma Hizmetleri Ticaret Limited £4,032 and SAACKE AG £61 respectively.

Ordinary dividends of £1,000,000 were paid to the parent undertaking, SAACKE GmbH, during the year under review.

22 Controlling party

The company is a wholly owned subsidiary of SAACKE GmbH, a company registered in Germany.

SAACKE GmbH is itself jointly owned by H.SAACKE GmbH & Co. KG, Bremen (55%) and HASA Verwaltungs GmbH, Bremen (45%) which are both controlled by the following ultimate shareholders H.Saacke, A.Saacke-Lumper and B.Saacke personally.

SAACKE COMBUSTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

23 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	839,712	918,931
Adjustments for:		
Taxation charged	199,734	230,793
Investment income	(68)	-
Loss on disposal of tangible fixed assets	9,857	937
Depreciation and impairment of tangible fixed assets	120,273	120,023
Movements in working capital:		
Decrease/(increase) in stocks	56,770	(109,678)
(Increase) in debtors	(675,689)	(410,876)
Increase in creditors	528,423	669,124
Cash generated from operations	<u>1,079,012</u>	<u>1,419,254</u>