

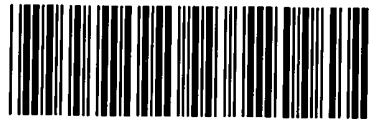
SALAMANDER (ENGINEERING) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Registered Number : 01533831

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SALAMANDER (ENGINEERING) LIMITED

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SALAMANDER (ENGINEERING) LIMITED

Company information for the year ended 31 March 2018

DIRECTORS	<p>The Directors of the Company who served during the year and to the date of signing this report are:</p> <p>S Goodwin A K Lumley G J Roebuck</p>
SECRETARY	<p>A K Lumley</p>
REGISTERED OFFICE	<p>7650 Daresbury Park Daresbury Cheshire WA4 4BS</p>
REGISTERED NUMBER	<p>01533831 (England and Wales)</p>
AUDITOR	<p>BDO LLP 3 Hardman Street Manchester M3 3AT United Kingdom</p>

SALAMANDER (ENGINEERING) LIMITED

Directors' report for the year ended 31 March 2018

The directors present their annual report on the affairs of the Company, together with the financial statements of the Company for the year ended 31 March 2018.

As approved by the shareholders and in accordance with the Companies Act 2006, the Company has prepared the financial statements in accordance with UK Accounting Standards, specifically FRS 100 Application of Financial Reporting Requirements and FRS 101 Reduced Disclosure Framework.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. As such, the company is exempt from preparing a strategic report.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review, consistent with prior years, was that of sales and marketing of water treatment equipment.

BUSINESS REVIEW

The Sentinel Performance Solutions Group (of which the Company is a 100% subsidiary) experienced another positive year, with sales and profitability growing vs the prior year. The Company contributed satisfactorily to the overall Group performance.

PRINCIPAL RISKS AND UNCERTAINTIES

Alongside many other manufacturers, the Company's results are affected by changes in raw material prices. The Company is working with its suppliers to offset these increases through productivity; and where possible, to pass on increased costs to customers through price rises.

The current economic conditions create uncertainty over the level of demand for the Company's products. To manage this risk the Company will continue to maintain strong relationships with its customers.

GOING CONCERN

Sentinel Performance Solutions Group Limited and its subsidiaries (together "the Group") are guarantors to the banking facility of Zebramarsh Limited, a 100% subsidiary of Sentinel Performance Solutions Group Limited.

The Directors have reviewed the current budgets and forecasts for the Group against the required covenants of the facility for the period up to 30 June 2019. Even when subjected to sales sensitivities, this review indicates that the Group will be able to meet its required covenants for the period under review. As a result, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2017: £nil).

DIRECTORS


The directors of the Company who served during the year and to the date of signing of this report are set out on page 3.

AUDITOR

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors were aware of that information. The directors are not aware of any relevant information of which the auditors are unaware.

BDO LLP were the auditors during the year and have expressed their willingness to continue in office. Appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:


S Goodwin - Director 27.6.2018

SALAMANDER (ENGINEERING) LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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. They are 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.

SALAMANDER (ENGINEERING) LIMITED

Independent auditor's report to the members of Salamander (Engineering) Limited

Opinion

We have audited the financial statements of Salamander (Engineering) Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity 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 Financial Reporting Standard 101 Reduced Disclosure Framework (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 March 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 the audit:

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

SALAMANDER (ENGINEERING) LIMITED

Independent auditor's report to the members of Salamander (Engineering) Limited (continued)

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors are 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 directors 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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.

BDO LLP

Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester,
United Kingdom

27/6/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SALAMANDER (ENGINEERING) LIMITED

Statement of Comprehensive Income for the year ended 31 March 2018

	<u>Notes</u>	2018 £	2017 £
TURNOVER	2	1,622,311	1,290,893
Cost of sales		<u>(513,597)</u>	<u>(433,089)</u>
GROSS PROFIT		1,108,714	857,804
Distribution costs		(48,181)	(33,146)
Administrative expenses		(186,395)	(143,534)
Release of Intercompany Receivable Provisions	3	<u>-</u>	<u>3,836,302</u>
OPERATING PROFIT	3	874,138	4,517,426
Interest receivable on cash balances		-	28
Interest receivable from Group companies		<u>215,271</u>	<u>167,608</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,089,409	4,685,062
Tax on profit on ordinary activities	4	<u>(5,725)</u>	<u>2,374</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME		<u><u>1,083,684</u></u>	<u><u>4,687,436</u></u>

All results are derived from continuing activities.

Notes 1 to 13 form an integral part of these financial statements.

SALAMANDER (ENGINEERING) LIMITED

Statement of Financial Position as at 31 March 2018

	<u>Notes</u>	31 March 2018 £	31 March 2017 £
FIXED ASSETS			
Tangible fixed assets	5	23,832	39,039
CURRENT ASSETS			
Inventories	6	163,149	161,229
Debtors	7	7,672,092	6,612,799
Cash at bank and in hand		<u>183,496</u>	<u>69,700</u>
		8,018,737	6,843,728
CREDITORS			
Amounts falling due within one year	8	<u>(166,554)</u>	<u>(96,161)</u>
NET CURRENT ASSETS		<u>7,852,183</u>	<u>6,747,567</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,876,015	6,786,606
PROVISIONS FOR LIABILITIES AND CHARGES	9	<u>(7,357)</u>	<u>(1,632)</u>
NET ASSETS		<u><u>7,868,658</u></u>	<u><u>6,784,974</u></u>
CAPITAL AND RESERVES			
Called-up share capital	10	1,000	1,000
Retained earnings		<u>7,867,658</u>	<u>6,783,974</u>
SHAREHOLDERS FUNDS		<u><u>7,868,658</u></u>	<u><u>6,784,974</u></u>

Notes 1 to 13 form an integral part of these financial statements.

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with UK Accounting Standards, including FRS 101.

The financial statements of Salamander (Engineering) Limited (registered number 01533831) were approved by the Board of Directors on 27.6.2018 and were signed on its behalf by:


S Goodwin - Director

SALAMANDER (ENGINEERING) LIMITED**Statement of Changes in Equity as at 31 March 2018 and 31 March 2017**

	Share Capital	Retained Earnings	Total
	£	£	£
At 1 April 2016	1,000	2,096,538	2,097,538
Retained Profit for the year	-	4,687,436	4,687,436
Other Comprehensive Income	-	-	-
At 31 March 2017	1,000	6,783,974	6,784,974
Retained Profit for the year	-	1,083,684	1,083,684
Other Comprehensive Income	-	-	-
At 31 March 2018	1,000	7,867,658	7,868,658

Notes 1 to 13 form an integral part of these financial statements.

SALAMANDER (ENGINEERING) LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

1a. GENERAL INFORMATION

Salamander (Engineering) Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 3 of this document.

1b. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from that involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Going concern

Sentinel Performance Solutions Group Limited and its subsidiaries (together "the Group") are guarantors to the banking facility of Zebramarsh Limited, a 100% subsidiary of Sentinel Performance Solutions Group Limited.

The Directors have reviewed the current budgets and forecasts for the Group against the required covenants of the facility for the period up to 30 June 2019. Even when subjected to sales sensitivities, this review indicates that the Group will be able to meet its required covenants for the period under review. As a result, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Revenue recognition

In the normal course of business, the Company incentivises customers to make purchases through the use of rebate arrangements. At each financial period end, the Directors must make estimates of the amounts payable under these arrangements, taking into account the cumulative sales by customer at the balance sheet date and the estimated sales to the end of the rebate period.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions applicable to companies subject to the small companies regime and Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore the financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly-owned members of the group headed by Sentinel Performance Solutions Group Ltd.

SALAMANDER (ENGINEERING) LIMITED

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

2. ACCOUNTING POLICIES (continued)

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Sentinel Performance Solutions Group Limited. These financial statements do not include certain disclosures in respect of:

- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and

The financial statements of Sentinel Performance Solutions Group Ltd can be obtained as described in note 11.

Turnover

Turnover represents the invoiced value of sales of goods, excluding value added tax and discounts. Revenue is recognised at the date of delivery, which is the date on which the risks and rewards of ownership transfer to the buyer. The company is managed as one entity and operates in one field in one geographic location, Europe. Accordingly segmental analysis is not provided.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates, on a straight-line basis, in order to write off each asset over its estimated useful life.

Tooling	10%
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Assets in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation on these assets commences when the assets are ready for their intended use.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the FIFO method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) 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 balance sheet 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 income statement, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

SALAMANDER (ENGINEERING) LIMITED

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

2. ACCOUNTING POLICIES (continued)

Foreign exchange

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates, which is pounds sterling.

In preparing the financial statements, transactions in currencies other than pounds sterling (foreign currencies) are recorded at the average rate of exchange for the period. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial Instruments

Financial Assets

Other financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Derivative Financial Instruments

The Group does not generally enter into derivative financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting date. The resulting gain or loss on such instruments is recognised in profit or loss immediately. Hedge accounting is not applied.

Derivatives not designated into an effective hedge relationship are classified as a current asset or current liability.

Loans and Receivables

Trade receivables and cash and cash equivalents are classified as 'loans and receivables' and are measured at cost less impairment.

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of Financial Assets

Financial assets, other than derivatives, are assessed for indicators of impairment at each balance sheet 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 cashflows of the investment have been impacted. For trade receivables the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial instruments issued by the Company

Equity instruments

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. The Company's financial liabilities at fair value through profit or loss include only derivatives, the accounting policy in respect of which is described above.

SALAMANDER (ENGINEERING) LIMITED

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

2. ACCOUNTING POLICIES (continued)

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or expire.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	15,207	18,125
Release of Intercompany Receivable Provisions	-	(3,836,202)
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>5,000</u>	<u>5,000</u>

In the prior year, it was deemed appropriate to release certain provisions relating to intercompany receivables that were previously considered doubtful, after a review of future cashflows was conducted.

Directors' emoluments paid by the Company during the year ended 31 March 2018 amounted to £nil (2017: £nil) as such emoluments are borne by other companies within the group. The Company was charged £32,135 (2017: £27,827) during the year in respect of these services.

Tax advisory services were provided by the Company's statutory auditor during the year, however the costs of these were borne by other Group companies and not recharged.

SALAMANDER (ENGINEERING) LIMITED

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

4. TAXATION

The tax credit comprises:

	2018 £	2017 £
Deferred tax		
- Deferred tax debit/(credit) (see note 9)	5,725	(2,374)
Total deferred tax	<u>5,725</u>	<u>(2,374)</u>
Total tax on profit on ordinary activities	<u>5,725</u>	<u>(2,374)</u>

The tax assessed for the year is different from the standard rate of corporate tax in the UK. The differences are explained below.

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,089,409</u>	<u>4,685,062</u>
Profit on ordinary activities at standard rate of corporation tax in the UK of 19% (2017 - 20%)	206,988	937,012
Effects of		
Expenses not deductible for tax purposes	-	(767,240)
Group relief claimed	(204,152)	(174,434)
Capital allowances less than depreciation	2,889	2,288
Adjustments in respect of prior years	-	-
Current tax credit for the year	<u>5,725</u>	<u>(2,374)</u>

The Chancellor announced in his Budget on 16 March 2016 that the main rate of corporation tax will be reduced to 19% from 1 April 2017 and 17% from 1 April 2020 and the future current tax charges will reduce accordingly.

5. TANGIBLE FIXED ASSETS

	Tooling £	Total £
Cost		
At 1 April 2017 and 31 March 2018	<u>164,867</u>	<u>164,867</u>
Depreciation		
At 1 April 2017	125,828	125,828
Charge for the year	<u>15,207</u>	<u>15,207</u>
At 31 March 2018	<u>141,035</u>	<u>141,035</u>
Net Book Value		
At 31 March 2018	<u>23,832</u>	<u>23,832</u>
At 31 March 2017	<u>39,039</u>	<u>39,039</u>

The Company has no capital commitments at the balance sheet date (2017: none).

SALAMANDER (ENGINEERING) LIMITED

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

6. INVENTORIES

	2018 £	2017 £
Raw materials and work in progress	8,188	9,990
Finished goods	154,961	151,239
	<u>163,149</u>	<u>161,229</u>

In the opinion of the Directors, there is no material difference between the carrying value of stocks and their replacement cost.

An impairment loss of £nil (2017: £5,571) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Stock recognised in cost of sales during the year as an expense totalled £512,122 (2017: £431,951)

7. DEBTORS

	2018 £	2017 £
Trade debtors	487,386	305,361
Loans to Group companies	7,183,885	6,306,811
Prepayments and other current assets	821	627
	<u>7,672,092</u>	<u>6,612,799</u>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £nil (2017: £nil)

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	32,363	14,134
Social security and other taxes	76,120	36,008
Accruals and deferred income	58,071	46,019
	<u>166,554</u>	<u>96,161</u>

9. DEFERRED TAXATION LIABILITY

	2018 £	2017 £
Accelerated capital allowances	<u>7,357</u>	<u>1,632</u>
	Deferred tax £	
Balance at 1 April 2017	1,632	
Debit for the year to the profit and loss account (note 4)	5,725	
Balance at 31 March 2018	<u>7,357</u>	

There are no unrecognised deferred tax assets and liabilities (2017 - none).

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid at 31 March 2017 and 31 March 2018 :

Number	Class	Nominal value	£
1,000	Ordinary	£1	<u>1,000</u>

11. PARENT UNDERTAKINGS

The Company is a wholly-owned subsidiary of Davra Limited, a company incorporated in the United Kingdom with company number 5467701, registered office: 7650 Daresbury Park, Daresbury, Cheshire, WA4 4BS.

The smallest and largest group into which the Company's results are consolidated is the Group Financial Statements of Sentinel Performance Solutions Group Limited.

Copies of the Group Financial statements of Sentinel Performance Solutions Group Limited can be obtained from Companies House, Crown Way, Maundy, Cardiff CF14 3UZ.

SALAMANDER (ENGINEERING) LIMITED

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

12. ULTIMATE CONTROLLING PARTY

The directors regard the ultimate controlling party to be Epiris Managers LLP.

13. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption conferred by FRS 101 paragraph 8(j) and 8(k) not to disclose key management personnel compensation or transactions and amounts due to and from fellow group companies that are wholly owned by the ultimate parent company, Sentinel Performance Solutions Group Ltd.