

ACTION-SEALTITE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

ACTION-SEALTITE LIMITED
REGISTERED NUMBER: 01610309

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	385,585	19,790
Investments	6	7	7
Deferred tax asset		3,360	1,680
		<u>388,952</u>	<u>21,477</u>
Current assets			
Stocks	7	745,303	862,274
Debtors: amounts falling due within one year	8	923,758	900,262
Cash at bank and in hand	9	413,911	329,085
		<u>2,082,972</u>	<u>2,091,621</u>
Creditors: amounts falling due within one year	10	(847,422)	(649,315)
Net current assets		<u>1,235,550</u>	<u>1,442,306</u>
Total assets less current liabilities		<u>1,624,502</u>	<u>1,463,783</u>
Creditors: amounts falling due after more than one year	11	(245,263)	-
Net assets		<u><u>1,379,239</u></u>	<u><u>1,463,783</u></u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Share premium account	15	14,850	14,850
Other reserves	15	150	150
Profit and loss account	15	1,363,239	1,447,783
		<u><u>1,379,239</u></u>	<u><u>1,463,783</u></u>

ACTION-SEALTITE LIMITED
REGISTERED NUMBER: 01610309

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2020.

.....
P Robinson
Director

The notes on pages 3 to 19 form part of these financial statements.

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Action-Sealtite Limited is a private limited company incorporated and domiciled in the United Kingdom. The address of the registered office is 2 Chawley Park, Cumnor Hill, Oxford, OX2 9GG. The principal activity of the Company in the year under review was that of the distribution and manufacture of industrial hose couplings and ancillary goods.

The Company's trading address is Unit 14 Moorbrook, Southmead Industrial Park, Didcot, OX11 7HP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements are rounded to the nearest whole pound Sterling.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

The financial statements contain information about Action-Sealtite Limited as an individual company and do not contain consolidated financial information as the parent of the Group. The Company and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Flowmax Limited, a company registered in England and Wales.

Flowmax Limited prepares consolidated financial statements in accordance with International Financial Reporting Standards. Copies are available to the public and may be obtained from the Registrar of Companies.

2.4 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

Whilst it is too early to estimate what the full impact from COVID-19 will be on the Company's performance for the foreseeable future, the directors expect that COVID-19 will cause significant disruption to its business. However, the Company was profitable for the year ended 31 December 2019 and has a history of trading profitably. The Company has cash reserves of £413,911 and does not have any material borrowings outside amounts owed to its parent undertaking which has cash reserves and borrowing facilities in place for up to £2m until September 2020 meaning it is well-funded and in a robust financial position. The Group has also indicated it will provide financial support to the Company if required.

The Company has prepared forecasts and projections using what the directors believe to be reasonable assumptions relating to the Company's financial performance, current financial position and existing financial resources for a period of at least 12 months from signing of the financial statements which show the Company to be a going concern.

The directors have also considered alternative scenarios based on what they consider to be a severe reduction (after considering economic forecasts currently available from leading banks and government organisations) in revenue because of COVID-19 and what impact it would have on the Company's performance for a period of at least 12 months from signing of the financial statements. These forecasts and projections show the Company to be a going concern based on current cash and borrowings available.

The Company is also undertaking proactive measures to optimise working capital and preserve cash. In addition, the Company will also have additional actions available it is based on recent Government announcements regarding business rates, HMRC time to pay arrangements, VAT deferment, and other support which will provide a material working capital benefit to the Company over the next 12 months.

Based on the above, the directors are of the opinion that the going concern principle is applicable and that the Company has the necessary resources to continue as a going concern for the foreseeable future.

The directors, however, recognise that the impact of COVID-19 represents a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Impact of new international reporting standards, amendments and interpretations

IFRS 16

The company has adopted IFRS 16 from 1 January 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. See accounting policy 2.8 for full description.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. This has had an impact of adding an asset and a liability of £459,393 and a release of the rent free accrual of £49,719 to the profit and loss reserve.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods stated net of discounts, returns and value added taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company this is when the goods or services have transferred to the customer and the customer has control of these. The Company's activities are described in detail below.

(a) Sales of goods

The Company manufactures and distributes industrial hose couplings and ancillary goods. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer and the customer has legal title to the goods. Delivery occurs when the products have been distributed to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company offers discounts on some of its sales of goods. These do not constitute variable consideration and are offered at the time of invoicing. The value of up-front payments received in respect of sales of goods are immaterial to the financial statements.

A receivable is recognised when the performance obligation is satisfied as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.8 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.8 Leases (continued)

asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Tangible Fixed Assets' in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.13.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% on cost
Computer equipment	- 33.3% on cost
Plant & machinery	- 20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future and judgements in applying the Company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the actual results. There were no estimates or assumptions that have caused a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Provision for doubtful debts

Management provides for doubtful debts on the perceived risk profile and payment history of the debtor.

Provision for slow moving, damaged and obsolete stock

There is a provision to write stock down to the lower of cost and net realisable value. Management have made estimates of the selling price and direct costs to sell on certain stock items. The write down is included in the operating profit note.

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Employees

	2019	2018
	£	£
Wages and salaries	454,886	478,648
Social security costs	46,886	45,133
Pension costs	14,604	14,254
	<u>516,376</u>	<u>538,035</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Sales and administration	14	15
Director	3	3
	<u>17</u>	<u>18</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Computer equipment	Right-of-use asset	Total
	£	£	£	£	£
Cost					
At 1 January 2019	15,626	5,458	47,828	-	68,912
Additions	749	8,021	9,507	-	18,277
IFRS 16 adjustment	-	-	-	459,393	459,393
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	16,375	13,479	57,335	459,393	546,582
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2019	14,155	5,431	29,536	-	49,122
Charge for the year on owned assets	546	1,030	8,212	-	9,788
Charge for the year on right-of-use assets	-	-	-	102,087	102,087
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	14,701	6,461	37,748	102,087	160,997
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2019	<u>1,674</u>	<u>7,018</u>	<u>19,587</u>	<u>357,306</u>	<u>385,585</u>
At 31 December 2018	<u>1,471</u>	<u>27</u>	<u>18,292</u>	<u>-</u>	<u>19,790</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2019 £
Tangible fixed assets owned	28,279
Right-of-use tangible fixed assets	357,306
	<u>385,585</u>

Information about right-of-use assets is summarised below:

Net book value

	2019 £
Property	<u>357,306</u>

Depreciation charge for the year ended

	2019 £
Property	<u>(102,087)</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	7
	<u>7</u>
At 31 December 2019	<u>7</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Biopharma Dynamics Limited	Ordinary	80 %
ASL Europe B.V.	Ordinary	100 %

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Stocks

	2019	2018
	£	£
Finished goods and goods for resale	<u>745,303</u>	<u>862,274</u>

Inventories above include a provision of £44,084 (2018: £44,008) for slow moving and obsolete stock.

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Debtors

	2019	2018
	£	£
Due after more than one year		
Deferred tax asset	<u>3,360</u>	<u>1,680</u>
	2019	2018
	£	£
Due within one year		
Trade debtors	687,890	728,083
Amounts owed by group undertakings	120,000	-
Other debtors	73,756	135,922
Prepayments and accrued income	42,112	36,257
	<u>923,758</u>	<u>900,262</u>

9. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	<u>413,911</u>	<u>329,085</u>

10. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Contract liabilities	21,901	74,142
Trade creditors	502,716	426,401
Amounts owed to group undertakings	108,000	-
Corporation tax	36,292	28,617
Other taxation and social security	16,711	16,697
Lease liability - current (IFRS 16)	104,263	-
Other creditors	18,779	2,772
Accruals and deferred income	38,760	100,686
	<u>847,422</u>	<u>649,315</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Lease liability - non-current (IFRS 16)	245,263	-
	<u>245,263</u>	<u>-</u>

12. Deferred taxation

	2019 £	2018 £
At beginning of year	1,680	-
Credited to profit or loss	1,680	1,680
At end of year	<u>3,360</u>	<u>1,680</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	3,360	1,680
	<u>3,360</u>	<u>1,680</u>

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13. Leases

Company as a lessee

The Company leases its principal place of trading. The periodic rent is fixed over the lease term.

The Company also leases a number of vehicles which comprise only fixed payments over the lease term. These have not been accounted for under IFRS 16, as they are not considered material or a for less than one year. See note 23 for more detail.

Lease liabilities are due as follows:

	2019 £
Not later than one year	104,263
Between one year and five years	245,263
	<u>349,526</u>

Contractual undiscounted cash flows are due as follows:

	2019 £
Not later than one year	112,598
Between one year and five years	253,278
	<u>365,876</u>

There is no significant liquidity risk in relation to lease liabilities.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2019 £
Interest expense on lease liabilities	11,337
Expenses relating to short-term leases	<u>12,062</u>

14. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,000 (2018 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Reserves**Share premium account**

The share premium reserve includes all amounts paid in excess of the nominal value of Ordinary shares issued.

Capital contribution

The capital contribution reserve represents amounts contributed to the Company by shareholders.

Profit and loss account

The profit and loss account is the Company's accumulated retained profits and losses as at the year end.

16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £14,604 (2018: £14,254). Contributions totalling £Nil (2018: £Nil) were payable to the fund at the balance sheet date.

17. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases not accounted for under IFRS 16. These were not included as they were immaterial or for less than one year. These are as follows:

	2019	2018
	£	£
Not later than 1 year	9,160	125,751
Later than 1 year and not later than 5 years	1,810	393,658
	<u>10,970</u>	<u>519,409</u>

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. Related party transactions

During the year ended 31 December 2019, the Company undertook the following transactions with group companies.

	2019 £	2018 £
Purchases from group companies	92,647	67,519
Sales to group companies	74,308	69,956
Recharges to group companies	18,116	22,139

At the year end the Company owed £1,788 (2018: £3,937) to group companies.

At the year end the Company was owed £20,159 (2018: £14,202) from group companies.

During the year ended 31 December 2019, the Company paid dividends to the following shareholders:

Flowmax Limited - £684,000 (2018: £801,000)

P Robinson - £76,000 (2018: £89,000)

As at 31 December 2019, dividends had been declared to the following shareholders, but remained unpaid:

Flowmax Limited - £108,000 (2018: £nil)

P Robinson - £12,000 (2018: £nil)

19. Post balance sheet events

After the reporting date, COVID-19 was declared as a global pandemic. The directors have considered the impact of COVID-19 on the Group and the accounting estimates prepared by the directors and significant assumptions, including projected cash flows, used during the year ended 31 December 2019 and do not consider it has any direct financial impact on the financial statements for the year ended 31 December 2019.

20. Controlling party

The Company is a subsidiary undertaking of Flowmax Limited, incorporated in England and Wales.

The directors regard Flowmax Limited as the smallest group and SA Bias Industries (Pty) Limited, a company registered in South Africa, as the largest group within which the subsidiary belongs and for which group accounts are prepared. Flowmax Limited's registered office is 2 Chawley Park, Cumnor Hill, Oxford, OX2 9GG. Copies of the Flowmax Limited group accounts are available from the Registrar of Companies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2019 was unqualified.

In their report, the auditor draws attention to the material uncertainty relating to going concern without qualifying their report:

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 2.4 to the financial statements concerning the directors' use of the going concern basis of accounting in the preparation of the financial statements.

The financial statements have been prepared on a going concern basis, the validity of which depends upon the impact of the global uncertainty arising as a result of COVID-19. The inherent global uncertainty arising as a consequence of COVID-19, which is not specific to the Company, is general in nature, and impacts many companies, indicates the existence of a material uncertainty which may cast doubt on the Company's ability to continue as a going concern. The financial statements do not include adjustments that would be necessary if the Company were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 21 September 2020 by James Pitt BA (Hons) FCA (Senior Statutory Auditor) on behalf of James Cowper Kreston.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.