

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2008
FOR
ACTION-SEALTITE LIMITED

M R Salvage LLP
Chartered Accountants
and Registered Auditors
7/8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
SL8 5YS

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ACTION-SEALTITE LIMITED

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FOR THE YEAR ENDED 30 APRIL 2008

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ACTION-SEALTITE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2008

DIRECTORS:

H Robinson
K Davies
G E Nel

SECRETARY:

K Davies

REGISTERED OFFICE:

7/8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
SL8 5YS

REGISTERED NUMBER:

01610309 (England and Wales)

AUDITORS:

M R Salvage LLP
Chartered Accountants
and Registered Auditors
7/8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
SL8 5YS

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ACTION-SEALTITE LIMITED

We have audited the financial statements of Action-Sealtite Limited for the year ended 30 April 2007 which comprise the income statement, the statement of recognised income and expense, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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. *Small*

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union are set out in the Report of the Directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ACTION-SEALTITE LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted for use in the European Union, of the state of the company's affairs as at 30 April 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

M R Salvage LLP

M R Salvage LLP
Chartered Accountants
and Registered Auditors
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Buckinghamshire
SL8 5YS

Date *6 August 2008*

ACTION-SEALTITE LIMITED

BALANCE SHEET
30 APRIL 2008

	Notes	2008 £	2007 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>20,788</u>	<u>14,148</u>
CURRENT ASSETS			
Inventories	8	395,985	497,390
Trade and other receivables	9	826,420	836,709
Cash and cash equivalents	10	<u>40,516</u>	<u>43,180</u>
		<u>1,262,921</u>	<u>1,377,279</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	624,093	772,530
Financial liabilities - borrowings			
Bank overdrafts	12	193,344	201,452
Tax payable		<u>75,812</u>	<u>43,046</u>
		<u>893,249</u>	<u>1,017,028</u>
NET CURRENT ASSETS		<u>369,672</u>	<u>360,251</u>
NET ASSETS		<u>390,460</u>	<u>374,399</u>
SHAREHOLDERS' EQUITY			
Called up share capital	15	1,000	1,000
Share premium	16	14,850	14,850
Capital contribution	16	150	150
Retained earnings	16	<u>374,460</u>	<u>358,399</u>
TOTAL EQUITY		<u>390,460</u>	<u>374,399</u>

These financial statements have been prepared and delivered in accordance with certain of the specific provisions of Part VII of the Companies Act 1985 relating to small companies

These financial statements have been prepared in accordance with International Financial Reporting Standards, and an income statement and directors' report have not been included in the financial statements delivered to the Registrar of Companies in accordance with s246(5) of the Companies Act 1985

The financial statements were approved by the Board of Directors on 30/7/2008 and were signed on its behalf by


H Robinson - Director

ACTION-SEALTITE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2008

	Notes	2008 £	2007 £
Cash flows from operating activities			
Cash generated from operations	1	454,123	330,034
Interest paid		(19,233)	(18,437)
Tax paid		<u>(113,046)</u>	<u>(75,960)</u>
Net cash from operating activities		<u>321,844</u>	<u>235,637</u>
 Cash flows from investing activities			
Purchase of property, plant & equipment		(19,095)	(2,936)
Interest received		<u>897</u>	<u>1,250</u>
Net cash from investing activities		<u>(18,198)</u>	<u>(1,686)</u>
 Cash flows from financing activities			
Amount introduced by directors		1,798	842
Equity dividends paid		<u>(300,000)</u>	<u>(240,000)</u>
Net cash from financing activities		<u>(298,202)</u>	<u>(239,158)</u>
 Increase/(Decrease) in cash and cash equivalents		<u>5,444</u>	<u>(5,207)</u>
Cash and cash equivalents at beginning of year	2	<u>(158,272)</u>	<u>(153,065)</u>
Cash and cash equivalents at end of year	2	<u><u>(152,828)</u></u>	<u><u>(158,272)</u></u>

ACTION-SEALTITE LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2008

1 RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	2008	2007
	£	£
Profit before tax	461,873	329,105
Depreciation charges	12,455	11,557
Finance costs	19,233	18,437
Finance income	<u>(897)</u>	<u>(1,250)</u>
	492,664	357,849
Decrease/(Increase) in inventories	101,405	(100,337)
Decrease/(Increase) in trade and other receivables	8,491	(114,574)
(Decrease)/Increase in trade and other payables	<u>(148,437)</u>	<u>187,096</u>
Cash generated from operations	<u>454,123</u>	<u>330,034</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow in respect of cash and cash equivalents are in respect of these balance sheet amounts

Year ended 30 April 2008

	30 4 08	1 5 07
	£	£
Cash and cash equivalents	40,516	43,180
Bank overdrafts	<u>(193,344)</u>	<u>(201,452)</u>
	<u>(152,828)</u>	<u>(158,272)</u>

Year ended 30 April 2007

	30 4 07	1 5 06
	£	£
Cash and cash equivalents	43,180	88,601
Bank overdrafts	<u>(201,452)</u>	<u>(241,666)</u>
	<u>(158,272)</u>	<u>(153,065)</u>

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 APRIL 2008**

1 ACCOUNTING POLICIES

Corporate information

Action-Sealtite Limited is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 1. The principal activities are set out in the directors report.

Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

At the date of approval of these financial statements the following standards and interpretations which are in issue but not yet effective have not been applied in these financial statements:

IFRS 8 Operating Segments

IFRIC 11 IFRS 2 Group and Treasury Share Transactions

IFRIC 12 Service Concession Agreements

IFRIC 13 Customer Loyalty Programmes

IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 15 Agreements for Construction of Real Estate

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The directors anticipate that these standards or interpretations will either be not applicable to the company or that adoption in future periods will have no material impact on the financial statements of the company.

In accordance with s246(5) of the Companies Act 1985 the financial statements prepared for delivery to the Registrar of Companies do not include an income statement or directors report as the company qualifies as a small company.

Revenue recognition

Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue can be reliably estimated.

Revenue represents amounts receivable for goods and services net of VAT and trade discounts.

Property, plant and equipment

Property, plant and equipment is reflected at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided at the following annual rates in order to write off the depreciable amount of each asset over its estimated useful life:

Patterns	- 15% on cost
Office equipment	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30 APRIL 2008**

1 ACCOUNTING POLICIES - continued

Financial instruments

The company uses certain financial instruments in its normal operating and investing activities, which are deemed appropriate to its circumstances, such as trade receivables and trade payables, cash at bank deposits and bank overdrafts, loans and equity shares. Financial assets and liabilities are recognised on the company's balance sheet when the company has become a party to the contractual provisions of the instrument.

Cash and cash equivalents comprise cash on hand and on demand deposits, 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.

Financial assets

In accordance with IFRS 7, trade receivables, loans and other receivables that have fixed or determinable payments are classified as 'Loans and receivables' and are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Financial assets are assessed for impairment at each balance sheet date and any impairment recognised in the profit or loss. Trade receivables are assessed for collectibility and where appropriate 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 and changes in the carrying amount of the allowance account are recognised in the profit or loss in the income statement.

Debt and equity instruments issued by the company

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

In accordance with IFRS 7 financial liabilities such as trade payables and loans are classified as 'Other financial liabilities' and are measured initially at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, except for short term payables when the recognition of interest would be immaterial.

Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Net realisable value represents the estimated selling price less all estimated costs of completion, marketing, selling and distribution.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs

Contributions in respect of the company's pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 EMPLOYEES AND DIRECTORS

	2008	2007
	£	£
Wages and salaries	561,017	491,597
Social security costs	61,851	49,715
Other pension costs	<u>27,428</u>	<u>23,009</u>
	<u>650,296</u>	<u>564,321</u>

The average monthly number of employees during the year was as follows

	2008	2007
Sales	10	10
Administration	2	2
Stores	<u>3</u>	<u>4</u>
	<u>15</u>	<u>16</u>

	2008	2007
	£	£
Directors' emoluments	161,626	152,061
Directors' pension contributions to money purchase schemes	<u>9,000</u>	<u>9,000</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

3 NET FINANCE COSTS

	2008	2007
	£	£
Finance income		
Bank interest received	<u>897</u>	<u>1,250</u>
Finance costs		
Bank interest	<u>19,233</u>	<u>18,437</u>
Net finance costs	<u>18,336</u>	<u>17,187</u>

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

4 PROFIT BEFORE TAX

The profit before tax is stated after charging

	2008	2007
	£	£
Cost of inventories recognised as expense	2,574,525	2,413,812
Other operating leases	29,956	29,162
Depreciation - owned assets	12,455	11,557
Auditors' remuneration	8,685	10,000
Foreign exchange losses	<u>13,136</u>	<u>14,020</u>

5 TAX

Analysis of the tax charge

	2008	2007
	£	£
Current tax		
Taxation	<u>145,812</u>	<u>100,046</u>
Total tax charge in income statement	<u>145,812</u>	<u>100,046</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2008	2007
	£	£
Profit on ordinary activities before tax	<u>461,873</u>	<u>329,105</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 30%)	138,562	98,732
Effects of		
Capital allowances in excess of depreciation	(1,226)	(329)
Disallowable costs	9,321	1,718
Disallowable income	(45)	(75)
Change in tax rate	<u>(800)</u>	<u>-</u>
Total tax	<u>145,812</u>	<u>100,046</u>

6 DIVIDENDS

	2008	2007
	£	£
Interim	<u>300,000</u>	<u>240,000</u>

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

7 PROPERTY, PLANT AND EQUIPMENT

	Patterns £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2007	17,803	26,214	27,267	46,467	117,751
Additions	-	-	-	19,095	19,095
At 30 April 2008	17,803	26,214	27,267	65,562	136,846
DEPRECIATION					
At 1 May 2007	17,803	24,163	19,610	42,027	103,603
Charge for year	-	1,605	3,589	7,261	12,455
At 30 April 2008	17,803	25,768	23,199	49,288	116,058
NET CARRYING AMOUNT					
At 30 April 2008	-	446	4,068	16,274	20,788
At 30 April 2007	-	2,051	7,657	4,440	14,148

	Patterns £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2006	17,803	26,214	24,936	45,862	114,815
Additions	-	-	2,331	605	2,936
At 30 April 2007	17,803	26,214	27,267	46,467	117,751
DEPRECIATION					
At 1 May 2006	17,803	22,294	15,836	36,113	92,046
Charge for year	-	1,869	3,774	5,914	11,557
At 30 April 2007	17,803	24,163	19,610	42,027	103,603
NET CARRYING AMOUNT					
At 30 April 2007	-	2,051	7,657	4,440	14,148
At 30 April 2006	-	3,920	9,100	9,749	22,769

The bank overdraft is secured by a debenture over the assets of the company

8 INVENTORIES

	2008 £	2007 £
Inventories	384,850	495,332
Work-in-progress	11,135	2,058
	<u>395,985</u>	<u>497,390</u>

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

9 TRADE AND OTHER RECEIVABLES

	2008	2007
	£	£
Current		
Trade debtors	803,368	815,713
Amounts owed by related parties	3,449	506
Directors' current accounts	-	1,798
Prepayments	<u>19,603</u>	<u>18,692</u>
	<u>826,420</u>	<u>836,709</u>

10 CASH AND CASH EQUIVALENTS

	2008	2007
	£	£
Cash in hand	42	11
Bank accounts	<u>40,474</u>	<u>43,169</u>
	<u>40,516</u>	<u>43,180</u>

11 TRADE AND OTHER PAYABLES

	2008	2007
	£	£
Current		
Trade creditors	390,576	597,068
Amounts owed to related parties	4,406	-
Social security and other taxes	53,903	74,837
Other creditors	69,546	34,015
Accrued expenses	<u>105,662</u>	<u>66,610</u>
	<u>624,093</u>	<u>772,530</u>

12 FINANCIAL LIABILITIES - BORROWINGS

	2008	2007
	£	£
Current		
Bank overdrafts	<u>193,344</u>	<u>201,452</u>

Terms and debt repayment schedule

	1 year or less
	£
Bank overdrafts	<u>193,344</u>

The bank overdraft is repayable on demand and bears interest at commercial bank rates

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

13 LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows

	2008	2007
	£	£
Within one year	109,879	82,917
Between one and five years	332,517	223,105
In more than five years	<u>162,500</u>	<u>146,458</u>
	<u>604,896</u>	<u>452,480</u>

14 FINANCIAL INSTRUMENTS

Financial assets - Loans and receivables

	2008	2007
	£	£
Trade receivables	825,368	833,713
Allowance for doubtful debts	<u>(22,000)</u>	<u>(18,000)</u>
	<u>803,368</u>	<u>815,713</u>

Movement in allowance for doubtful debts

	£
Balance at 1 May 2007	18,000
Amounts written off in year	-
Amounts recovered in year	-
Increase or decrease recognised in the profit and loss	<u>4,000</u>
Balance at 30 April 2008	<u>22,000</u>

The average credit period for sales of goods is 60 days. No interest is charged on overdue trade receivables. The company has provided for certain trade receivables estimated irrecoverable amounts determined by reference to specific circumstances and past default experience.

Included in the company's trade receivables are debtors with a carrying amount of £176,719 which are past due at reporting date but for which the company has not provided as there has not been a significant change in the credit quality and the company still believes these amounts to be recoverable. The company does not hold any collateral over these balances. The average age of these receivables is 72 days (2007: 74 days).

In determining the recoverability of trade receivables the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

14 FINANCIAL INSTRUMENTS - continued

Financial liabilities

	2008	2007
	£	£
Trade payables	390,576	597,068
Amounts due to related parties	4,406	-
Bank overdrafts	<u>193,344</u>	<u>201,452</u>
	<u>588,326</u>	<u>798,520</u>

The average credit period on purchases of goods is 60 days. No interest is charged on trade payables.

The company and group of which it is a part have policies in place to ensure that payables are paid within the credit timeframe.

Financial risk management

The company's activities expose it to a variety of financial risks. Market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management policy is set by the parent company Board of Directors in conjunction with the company's management and seeks to minimise potential adverse effects on the company's position.

Liquidity risk

The maturity profile and details of financial liabilities are set out in note 12 to the Financial statements. The company finances its operations partly through these borrowings. The company generally borrows in £ sterling at market rates of interest.

Liquidity risk management includes maintaining sufficient cash and cash equivalents and an adequate amount of committed credit facilities, and management regularly monitors levels of cash, borrowing facilities and expected future cash flows.

Credit risk

Credit risk primarily arises from credit exposures to customers. Risk control assesses the credit quality of customers taking into account financial position, past experience and other factors. Credit limits are regularly reviewed. As set out above, the Directors consider there is no material exposure to credit risk at balance sheet date.

Market risk

The company sells and buys internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and the US Dollar. The foreign exchange risk arises where assets or liabilities are denominated in a currency that is not the company's functional currency of £ sterling.

The company monitors foreign exchange risk arising on commercial transactions and where appropriate uses forward contracts to hedge the exposure.

At 30 April 2008 if the £ had weakened by 5% against the Euro, with all other variables held constant the pre tax profit would have been approximately £2,109 higher mainly as a result of foreign exchange gains on Euro denominated receivables and payables.

At 30 April 2008 if the £ had strengthened by 5% against the US Dollar, with all other variables held constant the pre tax profit would have been approximately £805 higher mainly as a result of foreign exchange gains on US Dollar denominated receivables and payables.

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

14 FINANCIAL INSTRUMENTS - continued

The company does not have any significant interest bearing assets and accordingly the company's income and operating cash flows are substantially independent of changes in market interest rates. The company's interest rate risk arises from the bank overdraft borrowing at variable commercial interest rates. The directors are prepared to accept the level of risk this entails.

The impact on the profit before tax of an increase of 5% points on the average interest rate on the bank overdraft would have reduced pre tax profit by £12,021.

Capital risk management

The group and company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure. Capital structure within the group is monitored by reference to the gearing ratio calculated as net debt divided by total capital. Net debt is calculated as borrowings and trade and other payables less cash and cash equivalents. Total capital is calculated as equity (as shown in the balance sheet) plus net debt. During the year the group's strategy was to maintain a gearing ratio in the range 25% to 50%.

15 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	2008 £	2007 £
10,000	Ordinary		<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid Number	Class	Nominal value £1	2008 £	2007 £
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

16 RESERVES

	Retained earnings £	Share premium £	Capital contribution £	Totals £
At 1 May 2007	358,399	14,850	150	373,399
Profit for the year	316,061			316,061
Dividends	<u>(300,000)</u>			<u>(300,000)</u>
At 30 April 2008	<u>374,460</u>	<u>14,850</u>	<u>150</u>	<u>389,460</u>

	Retained earnings £	Share premium £	Capital contribution £	Totals £
At 1 May 2006	369,340	14,850	150	384,340
Profit for the year	229,059			229,059
Dividends	<u>(240,000)</u>			<u>(240,000)</u>
At 30 April 2007	<u>358,399</u>	<u>14,850</u>	<u>150</u>	<u>373,399</u>

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

17 ULTIMATE PARENT COMPANY

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

The directors regard Flowmax Limited as the immediate parent company, and Flowmax Holdings Limited, a company registered in the British Virgin Isles, as the ultimate parent company

18 CONTINGENT LIABILITIES

The company, its immediate parent and fellow subsidiaries are party to an omnibus guarantee and set-off agreement given to Lloyds TSB Bank plc in respect of group overdraft facilities. The total level of indebtedness at the year end amounted to £1,311,446

19 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 30 April 2008 and 30 April 2007

	2008	2007
	£	£
H Robinson		
Balance outstanding at start of year	1,798	2,640
Balance outstanding at end of year	-	1,798
Maximum balance outstanding during year	<u>1,798</u>	<u>2,640</u>

20 RELATED PARTY DISCLOSURES

During the year, the company had the following transactions with related parties (all below companies are under common control)

Related party	Type of transaction	2008	2007
		£	£
Flowmax Holdings Limited (parent company)	Purchases	7,650	7,075
Alpeco Limited	Sales	3,913	3,997
	Purchases	768	1,350
Centre Tank Services Limited	Sales	30,227	14,645
	Purchases	8,752	4,142
Dial Alpeco Benelux BV	Sales	1,198	1,525
Flowmax Instrumentation Limited	Purchases	7,350	12,125
Industrial Flow Control Limited	Sales	1,352	5,425
Torbar Flowmeters Limited	Sales	3,886	4,085
Hytek (UK) Limited	Sales	2,110	4,411
	Purchases	4,746	3,113
Flowmax Limited	Purchases	15,379	12,735

ACTION-SEALTITE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008

20 RELATED PARTY DISCLOSURES - continued

The balances outstanding at the end of the year were as follows

Centre Tank Services Limited	Amount due from	1,846
Torbar Flowmeters Limited	Amount due from	643
Alpeco Limited	Amount due from	100
Flowmax Instrumentation Limited	Amount due to	4,406
Hytex (UK) Limited	Amount due from	860

All transactions with related parties during the year took place in the normal course of business and at arm's length

21 POST BALANCE SHEET EVENTS

A dividend of £120,000 (£120 per share) was declared before the date of approval of these financial statements. In accordance with IAS 10 this dividend was not recognised in the financial statements

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial year	316,061	229,059
Dividends	<u>(300,000)</u>	<u>(240,000)</u>
Net addition/(reduction) to shareholders' funds	16,061	(10,941)
Opening shareholders' funds	<u>374,399</u>	<u>385,340</u>
Closing shareholders' funds	<u>390,460</u>	<u>374,399</u>