

**ACTION-SEALTITE LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**ACTION-SEALTITE LIMITED**  
**REGISTERED NUMBER: 01610309**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	5	19,790	4,030
Investments	6	7	9
Deferred tax asset	11	1,680	-
		<hr/>	<hr/>
		21,477	4,039
<b>Current assets</b>			
Stocks	7	862,274	744,256
Debtors: amounts falling due within one year	8	900,262	815,332
Cash at bank and in hand	9	329,085	470,208
		<hr/>	<hr/>
		2,091,621	2,029,796
Creditors: amounts falling due within one year	10	(649,315)	(558,483)
		<hr/>	<hr/>
<b>Net current assets</b>		1,442,306	1,471,313
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,463,783	1,475,352
		<hr/>	<hr/>
<b>Net assets</b>		<u>1,463,783</u>	<u>1,475,352</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,000	1,000
Share premium account	13	14,850	14,850
Other reserves	13	150	150
Profit and loss account	13	1,447,783	1,459,352
		<hr/>	<hr/>
		<u>1,463,783</u>	<u>1,475,352</u>

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 by:

.....  
**P Robinson**  
Director

Date: 28 May 2019

**ACTION-SEALTITE LIMITED**  
**REGISTERED NUMBER: 01610309**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

The notes on pages 3 to 15 form part of these financial statements.

## **ACTION-SEALTITE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **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 2018**

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.6 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. However, these have been reclassified as a result of IFRS 15. See policy 2.7 below.

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.

**2.7 Impact of new international reporting standards, amendments and interpretations**

**IFRS 9 Financial Instruments**

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 1 January 2018.

**IFRS 15 Revenue from Contracts with Customers**

The Company has adopted IFRS 15 from 1 January 2018. The impact of IFRS 15 on the financial statements is that payments on account of £74,142 (2017: £12,677) are now recognised separately as contract liabilities rather than within trade creditors in note 16. There has been no impact on profit and equity as a result of adoption of IFRS 15.

**Standards and interpretations not yet effective**

**IFRS 16: Leases**

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance income, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The effective date of the standard is for years beginning on or after 1 January 2019.

The Company expects to adopt the amendment for the first time in the 2019 annual financial statements.

The impact of this standard is still being assessed.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.7 Impact of new international reporting standards, amendments and interpretations (continued)**

**IFRIC 23: Uncertainty over Income Tax Treatments**

Judgement is required to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together, a decision based upon which approach provides better predictions of the resolution of the uncertainty.

The effective date of the standard is for years beginning on or after 1 January 2019.

The Company expects to adopt the amendment for the first time in the 2019 annual financial statements.

Management has reviewed IFRIC 23 and does not believe it will have a material impact on the Company. The Company retains the services of an external tax adviser, who reviews the deferred tax calculation in accordance with IAS 12.

**Amendments resulting from Annual Improvements (2015-2017 Cycle)**

Minor amendments to various accounting standards.

The effective date of the amendments is for years beginning on or after 1 January 2019.

The Company expects to adopt the amendment for the first time in the 2019 annual financial statements.

None of these amendments are expected to have a material impact on the Company.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments regarding the definition of material.

**IFRS 3 Business Combinations**

Amendments to clarify the definition of a business.

Effective for business combinations on or after 1 January 2020.

The Company expects to adopt the amendment for the first time in the 2020 annual financial statements.

This amendment is not expected to have a material impact on the Company.

**IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in**

**Accounting Estimates and Errors**

Amendments regarding the definition of material.

Effective for periods beginning on or after 1 January 2020.

The Company expects to adopt the amendment for the first time in the 2020 annual financial statements.

This amendment is not expected to have a material impact on the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**2. Accounting policies (continued)**

**2.8 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**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.

**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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)****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.

**4. Employees**

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

	<b>2018 No.</b>	2017 No.
Sales and administration	<b>15</b>	12
Director	<b>3</b>	3
	<hr/>	<hr/>
	<b>18</b>	<b>15</b>

**ACTION-SEALTITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2018	14,331	5,458	27,440	47,229
Additions	1,295	-	20,388	21,683
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	15,626	5,458	47,828	68,912
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 2018	11,763	5,116	26,320	43,199
Charge for the year on owned assets	2,392	315	3,216	5,923
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	14,155	5,431	29,536	49,122
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2018	<u>1,471</u>	<u>27</u>	<u>18,292</u>	<u>19,790</u>
<b>At 31 December 2017</b>	<u>2,568</u>	<u>342</u>	<u>1,120</u>	<u>4,030</u>

**ACTION-SEALTITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**6. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2018	9
Disposals	(2)
	<hr/>
At 31 December 2018	<u><u>7</u></u>

During the year, Action-Sealtite Limited sold 5% of the issued share capital of Biopharma Dynamics Limited to a director of Biopharma Dynamics Limited.

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Biopharma Dynamics Limited	Ordinary	80 %

**7. Stocks**

	<b>2018 £</b>	<b>2017 £</b>
Finished goods and goods for resale	<u><u>862,274</u></u>	<u><u>744,256</u></u>

Inventories above include a provision of £44,008 (2017: £41,271) for slow moving and obsolete stock.

**ACTION-SEALTITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**8. Debtors**

	<b>2018</b>	2017
	<b>£</b>	£
<b>Due after more than one year</b>		
Deferred tax asset	<u><b>1,680</b></u>	<u>-</u>
	<b>2018</b>	2017
	<b>£</b>	£
<b>Due within one year</b>		
Trade debtors	<b>728,083</b>	628,781
Other debtors	<b>135,922</b>	125,590
Prepayments and accrued income	<b>36,257</b>	60,961
	<u><b>900,262</b></u>	<u>815,332</u>

The average credit period for sales of goods is 66 days (2017: 56 days). No interest is charged on overdue trade debtors. The Company believes all trade debtors are recoverable.

Included in the Company's trade debtors are debtors with a carrying amount of £127,595 (2017: £49,495) which are past due at reporting date but for which the Company has not provided as there has not been a 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 ageing of amounts due but not impaired is as follows:

**9. Cash and cash equivalents**

	<b>2018</b>	2017
	<b>£</b>	£
Cash at bank and in hand	<u><b>329,085</b></u>	<u>470,208</u>

**ACTION-SEALTITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. Creditors: Amounts falling due within one year**

	2018 £	As restated 2017 £
Contract liabilities	74,142	12,677
Trade creditors	426,401	470,506
Corporation tax	28,617	36,240
Other taxation and social security	16,697	21,535
Other creditors	2,772	70
Accruals and deferred income	100,686	17,455
	<u>649,315</u>	<u>558,483</u>

**11. Deferred taxation**

	2018 £
At 1 January 2018	-
Credited to profit or loss	1,680
<b>At end of year</b>	<u><u>1,680</u></u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	1,680	-
	<u><u>1,680</u></u>	<u><u>-</u></u>

**12. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	<u><u>1,000</u></u>	<u><u>1,000</u></u>

**ACTION-SEALTITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**13. 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.

**14. 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 £14,254 (2017 - £13,064). Contributions totalling £Nil (2017 - £Nil) were payable to the fund at the balance sheet date.

**ACTION-SEALTITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**15. Related party transactions**

During the year ended 31 December 2018, the Company undertook the following transactions with group companies.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Purchases from group companies	<b>67,519</b>	77,661
Sales to group companies	<b>69,956</b>	101,135
Recharges to group companies	<b>22,139</b>	17,818

At the year end the Company owed £3,937 (2017: £300) to group companies.

At the year end the Company was owed £14,202 (2017: £11,211) from group companies.

During the year ended 31 December 2018, the Company paid dividends to the following shareholders:

Flowmax Limited - £801,000 (2017: £450,000)

P Robinson - £89,000 (2017: £50,000)

**16. Controlling party**

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 SA Bias Industries (Pty) Limited, a company registered in South Africa, as the ultimate parent company.

**17. Auditor's information**

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 30 May 2019 by James Pitt BA (Hons) ACA (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.