

ACTION-SEALTITE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

ACTION-SEALTITE LIMITED
REGISTERED NUMBER: 01610309

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	88,083	183,127
Investments	5	668,097	668,097
		<u>756,180</u>	<u>851,224</u>
Current assets			
Stocks	6	790,443	695,799
Debtors: amounts falling due within one year	7	609,116	1,059,178
Cash at bank and in hand	8	139,009	144,629
		<u>1,538,568</u>	<u>1,899,606</u>
Creditors: amounts falling due within one year	9	(701,568)	(1,387,775)
Net current assets		<u>837,000</u>	<u>511,831</u>
Total assets less current liabilities		<u>1,593,180</u>	<u>1,363,055</u>
Creditors: amounts falling due after more than one year	10	(332,367)	(238,117)
		<u>1,260,813</u>	<u>1,124,938</u>
Provisions for liabilities			
Deferred taxation	11	(1,123)	(4,586)
Other provisions	13	(54,565)	(63,000)
		<u>(55,688)</u>	<u>(67,586)</u>
Net assets		<u><u>1,205,125</u></u>	<u><u>1,057,352</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	1,189,125	1,041,352
		<u><u>1,205,125</u></u>	<u><u>1,057,352</u></u>

ACTION-SEALTITE LIMITED
REGISTERED NUMBER: 01610309

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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 April 2023

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 2022

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 judgement in applying the Company's accounting policies.

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 paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- 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 requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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

This information is included in the consolidated financial statements of Flowmax Limited as at 31 December 2022 and these financial statements may be obtained from the Registrar of Companies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 a larger group by a parent undertaking established under the law of any part of the United Kingdom 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 undertakings 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 UK adopted International Accounting Standards. Copies are available to the public and may be obtained from the Registrar of Companies.

2.4 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.

2.5 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.

Sale 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.6 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 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' line 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 2.11.

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.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.9 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 profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

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 profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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. Work in progress and 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.

2.14 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.

2.15 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.

2.16 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.

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.17 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. Employees

	2022	2021
	£	£
Wages and salaries	537,519	452,044
Social security costs	60,382	47,144
Cost of defined contribution scheme	15,703	13,503
	<u>613,604</u>	<u>512,691</u>

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

	2022	2021
	No.	No.
Sales and administration	13	13
Directors	4	4
	<u>17</u>	<u>17</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Computer equipment	Right-of-use assets	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2022	16,375	13,479	60,521	492,290	582,665
Additions	-	4,790	16,169	4,342	25,301
Other movement	-	-	-	(5,463)	(5,463)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	16,375	18,269	76,690	491,169	602,503
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2022	15,519	10,471	55,655	317,893	399,538
Charge for the year on owned assets	409	2,504	6,231	-	9,144
Charge for the year on right-of-use assets	-	-	-	111,201	111,201
Other movement	-	-	-	(5,463)	(5,463)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	15,928	12,975	61,886	423,631	514,420
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2022	<u>447</u>	<u>5,294</u>	<u>14,804</u>	<u>67,538</u>	<u>88,083</u>
At 31 December 2021	<u>856</u>	<u>3,008</u>	<u>4,866</u>	<u>174,397</u>	<u>183,127</u>

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

	2022	2021
	£	£
Tangible fixed assets owned	20,545	8,730
Right-of-use tangible fixed assets	67,538	174,397
	<hr/>	<hr/>
	<u>88,083</u>	<u>183,127</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Tangible fixed assets (continued)

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

Net book value

	2022	2021
	£	£
Property	51,044	153,131
Motor Vehicles	16,494	21,266
	<u>67,538</u>	<u>174,397</u>

Depreciation charge for the year ended

	2022	2021
	£	£
Property	102,088	102,088
Motor Vehicles	9,118	11,631
	<u>111,201</u>	<u>113,718</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	668,097
At 31 December 2022	<u>668,097</u>
Net book value	
At 31 December 2022	<u>668,097</u>
At 31 December 2021	<u>668,097</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 %
Buckley Industrial Limited	Ordinary	100 %

6. Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>790,443</u>	<u>695,799</u>

Inventories above include a provision of £46,789 (2021: £45,007) for slow moving and obsolete stock.

7. Debtors

	2022 £	2021 £
Trade debtors	496,129	450,773
Amounts owed by group undertakings	36,399	524,235
Other debtors	31,484	40,761
Prepayments and accrued income	45,104	43,409
	<u>609,116</u>	<u>1,059,178</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>139,009</u>	<u>144,629</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Contract liabilities	62,787	69,768
Trade creditors	540,373	435,924
Amounts owed to group undertakings	-	710,488
Corporation tax	3,126	39
Other taxation and social security	20,471	16,472
Lease liabilities - IFRS 16	34,978	117,532
Other creditors	4,552	2,535
Accruals and deferred income	35,281	35,017
	<u>701,568</u>	<u>1,387,775</u>

Amounts payable to group undertakings are unsecured, interest bearing at a rate of 3.75% and payable over the term ending February 2024.

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

	2022 £	2021 £
Lease liabilities - IFRS 16	6,479	36,973
Amounts owed to group undertakings	325,888	201,144
	<u>332,367</u>	<u>238,117</u>

Amounts payable to group undertakings are unsecured, interest bearing at a rate of 3.75% and payable over the term ending February 2024.

11. Deferred taxation

	2022 £	2021 £
At beginning of year	(4,586)	(7,832)
Charged to the profit or loss	3,463	3,246
At end of year	<u>(1,123)</u>	<u>(4,586)</u>
	2022 £	2021 £
Accelerated capital allowances	<u>(1,123)</u>	<u>(4,586)</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. 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.

Lease liabilities are due as follows:

	2022 £	2021 £
Not later than one year	34,978	117,532
Between one year and five years	6,479	36,973
	<u>41,457</u>	<u>154,505</u>

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

	2022 £	2021 £
Expenses relating to short-term leases	12,319	4,579
Finance lease charges payable	<u>2,829</u>	<u>5,488</u>

13. Provisions

	Dilapidations provision £
At 1 January 2022	63,000
Charged to profit or loss	(8,435)
At 31 December 2022	<u>54,565</u>

The dilapidations provision relates to amounts payable on termination of the lease of the Company's trading premises on 24 June 2023.

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,000 (2021 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

ACTION-SEALTITE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 £15,703 (2021: £13,503). Contributions totalling £Nil (2021: £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 2022

17. Related party transactions

During the year ended 31 December 2021, the Company undertook the following transactions with group companies.

	2022	2021
	£	£
Purchases from group companies	135,907	238,196
Sales to group companies	767,122	510,865
Recharges to group companies	73,297	155,907

At the year end the Company owed £1,260,017 (2021: £911,632) to group companies.

At the year end the Company was owed £1,293,753 (2021: £524,235) from group companies.

During the year ended 31 December 2022, the Company received dividends of £720,000 (2021: £640,000) from Biopharma Dynamics Limited and dividends of £nil (2021: £164,000) from Buckley Industrial Limited.

During the year ended 31 December 2022, the Company paid dividends to the following shareholders:

Flowmax Limited - £675,000 (2021: £684,000)

P Robinson - £75,000 (2021: £76,000)

18. 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.

19. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 28 April 2023 by James Pitt BA BFP FCA (Senior Statutory Auditor) on behalf of James Cowper Kreston Audit.

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.