

REGISTERED NUMBER: 01610309 (England and Wales)

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 1999  
FOR  
SEAL-TITE PRODUCTS LIMITED

M R Salvage & Co  
Chartered Accountants  
and Registered Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Bucks. SL8 5YS



**SEAL-TITE PRODUCTS LIMITED**

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**FOR THE YEAR ENDED 30 APRIL 1999**

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**SEAL-TITE PRODUCTS LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**DIRECTORS:**

H Robinson  
K Davies  
K Guest  
N N Rodrigues  
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 & Co  
Chartered Accountants  
and Registered Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Bucks. SL8 5YS

## SEAL-TITE PRODUCTS LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 1999

The directors present their report with the financial statements of the company for the year ended 30 April 1999.

#### **PRINCIPAL ACTIVITY**

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.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### **DIVIDENDS**

An interim dividend of £150 per share was paid on 29 April 1999. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 April 1999 will be £150,000.

#### **DIRECTORS**

The directors during the year under review were:

H Robinson	
K Davies	
K Guest	
N N Rodrigues	
G E Nel	
H W Sacks	- resigned 22.6.1998

The beneficial interests of the directors holding office on 30 April 1999 in the issued share capital of the company were as follows:

	30.4.99	1.5.98
<b>Ordinary £1 shares</b>		
H Robinson	240	240
K Davies	150	150
K Guest	50	50
N N Rodrigues	-	-
G E Nel	-	-

The company is a 56% owned subsidiary, and the interests of the group directors are disclosed in the accounts of the parent company.

**SEAL-TITE PRODUCTS LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

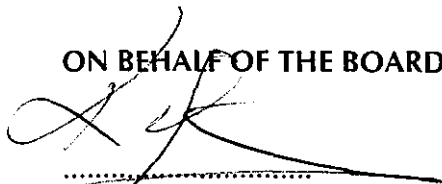
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, M R Salvage & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

  
K Davies - SECRETARY

Dated: 8/7/99

**SEAL-TITE PRODUCTS LIMITED**

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**  
**SEAL-TITE PRODUCTS LIMITED**

We have audited the financial statements on pages five to seventeen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

**Respective responsibilities of directors and auditors**

As described on page three the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*M. R. Salvage & Co*

M R Salvage & Co  
Chartered Accountants  
and Registered Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Bucks. SL8 5YS

Dated: 14th July 1999

**SEAL-TITE PRODUCTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 APRIL 1999**

		1999	1998
	Notes	£	£
<b>TURNOVER</b>	2	2,047,163	1,938,547
Cost of sales		1,315,697	1,322,652
<b>GROSS PROFIT</b>		731,466	615,895
Administrative expenses		523,190	491,172
<b>OPERATING PROFIT</b>	4	208,276	124,723
Interest payable and similar charges	5	5,034	4,394
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		203,242	120,329
Tax on profit on ordinary activities	6	64,000	33,578
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		139,242	86,751
Dividends	7	150,000	100,000
		(10,758)	(13,249)
Retained profit brought forward		228,829	242,078
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£218,071</u>	<u>£228,829</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

# SEAL-TITE PRODUCTS LIMITED

## BALANCE SHEET 30 APRIL 1999

		1999		1998	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	8		26,340		25,383
Investments	9		55,173		97,200
			<u>81,513</u>		<u>122,583</u>
<b>CURRENT ASSETS:</b>					
Stocks	10	151,622		169,236	
Debtors	11	463,474		443,027	
Cash at bank and in hand		29,015		41,904	
		<u>644,111</u>		<u>654,167</u>	
<b>CREDITORS:</b> Amounts falling due within one year	12	461,553		501,921	
		<u></u>		<u></u>	
<b>NET CURRENT ASSETS:</b>			<u>182,558</u>		<u>152,246</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>264,071</u>		<u>274,829</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	13		30,000		30,000
			<u>£234,071</u>		<u>£244,829</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	17		1,000		1,000
Share premium	18		14,850		14,850
Capital contribution	19		150		150
Profit and loss account			<u>218,071</u>		<u>228,829</u>
Shareholders' funds	23		<u>£234,071</u>		<u>£244,829</u>

ON BEHALF OF THE BOARD:



H Robinson - DIRECTOR

Approved by the Board on 8/7/1999

The notes form part of these financial statements



**SEAL-TITE PRODUCTS LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 1999**

		1999	1998
	Notes	£	£
Net cash inflow from operating activities	1	203,464	137,359
Returns on investments and servicing of finance	2	(5,034)	(4,394)
Taxation		(33,549)	(30,285)
Capital expenditure	2	(10,145)	(12,495)
Acquisitions and disposals	2	42,027	(97,200)
Equity dividends paid		(250,000)	-
Decrease in cash in the period		<u>£(53,237)</u>	<u>£(7,015)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(53,237)</u>	<u>(7,015)</u>
Change in net funds resulting from cash flows		<u>(53,237)</u>	<u>(7,015)</u>
Movement in net funds in the period		<u>(53,237)</u>	<u>(7,015)</u>
Net funds at 1 May 1998		<u>37,183</u>	<u>44,198</u>
Net (debt)/funds at 30 April 1999		<u>£(16,054)</u>	<u>£37,183</u>

The notes form part of these financial statements

**SEAL-TITE PRODUCTS LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1999 £	1998 £
Operating profit	208,276	124,723
Depreciation charges	9,189	7,259
Loss on sale of fixed assets	-	763
Decrease in stocks	17,614	20,316
(Increase)/Decrease in debtors	(20,448)	4,232
Decrease in creditors	(11,167)	(19,934)
<b>Net cash inflow from operating activities</b>	<b>203,464</b>	<b>137,359</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	1999 £	1998 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(5,034)	(4,394)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(5,034)</b>	<b>(4,394)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(10,145)	(12,495)
<b>Net cash outflow for capital expenditure</b>	<b>(10,145)</b>	<b>(12,495)</b>
<b>Acquisitions and disposals</b>		
Purchase of subsidiary undertaking	-	(10,000)
Loan to subsidiary undertaking	42,027	(87,200)
<b>Net cash inflow/(outflow) for acquisitions and disposals</b>	<b>42,027</b>	<b>(97,200)</b>

**SEAL-TITE PRODUCTS LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.5.98 £	Cash flow £	At 30.4.99 £
Net cash:			
Cash at bank and in hand	41,904	(12,889)	29,015
Bank overdraft	(4,721)	(40,348)	(45,069)
	<u>37,183</u>	<u>(53,237)</u>	<u>(16,054)</u>
Total	<u>37,183</u>	<u>(53,237)</u>	<u>(16,054)</u>
<b>Analysed in Balance Sheet</b>			
Cash at bank and in hand	41,904		29,015
Bank overdraft	(4,721)		(45,069)
	<u>37,183</u>		<u>(16,054)</u>

## SEAL-TITE PRODUCTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1999

#### 1. ACCOUNTING POLICIES

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

##### **Tangible fixed assets**

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

Patterns	- 15% on cost
Equipment	- 10% on cost
Fixtures and fittings	- 10% on cost
Computer equipment	- 20% on cost

##### **Stock and work in progress**

Stock 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.

##### **Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

##### **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.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

##### **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.

##### **Group accounts**

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about the group.

**SEAL-TITE PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

Turnover attributable to geographical markets outside the United Kingdom amounted to 15% (1998:13.7%).

**3. STAFF COSTS**

	1999	1998
	£	£
Wages and salaries	256,179	225,828
Other pension costs	19,153	18,058
	<u>275,332</u>	<u>243,886</u>

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

	1999	1998
Sales	5	5
Administration	6	5
	<u>11</u>	<u>10</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	1999	1998
	£	£
Other operating leases	23,292	26,659
Depreciation - owned assets	9,189	7,259
Loss on disposal of fixed assets	-	763
Auditors' remuneration	3,000	3,000
Foreign exchange differences	4,378	(1,019)
Operating lease charges		
- land and buildings	<u>29,198</u>	<u>29,198</u>
Directors' emoluments	103,937	112,893
Directors' pension contributions to money purchase schemes	<u>11,806</u>	<u>14,239</u>

**SEAL-TITE PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	1999	1998
	£	£
Bank interest	1,760	748
Loan interest	3,274	3,194
Bank loan interest	-	452
	<u>5,034</u>	<u>4,394</u>

**6. TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	1999	1998
	£	£
UK corporation tax	64,000	33,549
(Over)/under provision in prior years	-	29
	<u>64,000</u>	<u>33,578</u>

UK corporation tax has been charged at 31% (1998 - 31%).

**7. DIVIDENDS**

	1999	1998
	£	£
Equity shares:		
Interim	150,000	-
Final	-	100,000
	<u>150,000</u>	<u>100,000</u>

**SEAL-TITE PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**8. TANGIBLE FIXED ASSETS**

	Patterns	Equipment	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£	£
<b>COST:</b>					
At 1 May 1998	6,000	20,899	12,254	21,368	60,521
Additions	-	3,620	-	6,525	10,145
Disposals	-	-	-	(1,645)	(1,645)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1999	6,000	24,519	12,254	26,248	69,021
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>					
At 1 May 1998	6,000	10,668	6,538	11,931	35,137
Charge for year	-	2,715	1,225	5,249	9,189
Eliminated on disposals	-	-	-	(1,645)	(1,645)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1999	6,000	13,383	7,763	15,535	42,681
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE:</b>					
At 30 April 1999	-	11,136	4,491	10,713	26,340
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1998	-	10,230	5,716	9,437	25,383
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**9. FIXED ASSET INVESTMENTS**

	£
<b>COST:</b>	
At 1 May 1998 and 30 April 1999	10,000
	<hr/>
<b>NET BOOK VALUE:</b>	
At 30 April 1999	10,000
	<hr/>
At 30 April 1998	10,000
	<hr/>
	1999      1998
	£          £
Unlisted investments	10,000      10,000
	<hr/>

**SEAL-TITE PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**9. FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**Fluidex Limited**

Nature of business: fuel handling equipment

Class of shares:	%
Ordinary	holding 100.00

	1999	1998
	£	£
Aggregate capital and reserves	9,714	(13,797)
Profit for the year	23,716	1,364
	<u>          </u>	<u>          </u>

Investments (neither listed nor unlisted) were as follows:

	1999	1998
	£	£
Loan to subsidiary undertaking	45,173	87,200
	<u>          </u>	<u>          </u>

**10. STOCKS**

	1999	1998
	£	£
Stock	150,430	169,236
Work in progress	1,192	-
	<u>          </u>	<u>          </u>
	<u>151,622</u>	<u>169,236</u>

**11. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Trade debtors	440,989	424,902
Other debtors	-	704
Prepayments	14,479	16,285
Amounts due from group undertakings	8,006	1,136
	<u>          </u>	<u>          </u>
	<u>463,474</u>	<u>443,027</u>



**SEAL-TITE PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 1999**

**12. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Bank loans and overdrafts (see note 14)	45,069	4,721
Trade creditors	272,425	292,779
Other creditors	4,983	7,291
Dividend owed	-	100,000
Social security and other taxes	45,399	42,918
Taxation	64,000	22,549
ACT payable	-	11,000
Accrued expenses	29,677	20,663
	<u>461,553</u>	<u>501,921</u>

**13. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	1999	1998
	£	£
Loan	<u>30,000</u>	<u>30,000</u>

**14. LOANS AND OVERDRAFTS**

*An analysis of the maturity of loans and overdrafts is given below:*

	1999	1998
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>45,069</u>	<u>4,721</u>

# SEAL-TITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1999

### 15. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	1999 £	1998 £	1999 £	1998 £
Expiring:				
Within one year	-	-	8,799	-
Between one and five years	-	-	-	23,292
In more than five years	29,198	29,198	-	-
	<u>29,198</u>	<u>29,198</u>	<u>8,799</u>	<u>23,292</u>

### 16. SECURED DEBTS

The following secured debts are included within creditors:

	1999 £	1998 £
Bank overdrafts	<u>45,069</u>	<u>4,721</u>

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

### 17. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	1999 £	1998 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1999 £	1998 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

### 18. SHARE PREMIUM

	1999 £	1998 £
Brought forward	<u>14,850</u>	<u>14,850</u>

## SEAL-TITE PRODUCTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1999

#### 19. CAPITAL CONTRIBUTION

	1999	1998
	£	£
Brought forward	150	150
	<u>      </u>	<u>      </u>

#### 20. ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Fluid Holdings Ltd (formerly Fluid Holdings PLC), incorporated in England and Wales.

The directors regard Fluid Holdings Ltd, as the immediate parent company, and Fluid Investments Limited, a company registered in the British Virgin Isles, to be its ultimate parent company.

#### 21. PENSION COMMITMENTS

The company operates a pension scheme on behalf of its directors and certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual commitment under this scheme is for contributions of £16,524 (1998:£18,058).

#### 22. RELATED PARTY DISCLOSURES

The company is controlled by its parent company, Fluid Holdings Ltd (formerly Fluid Holdings PLC), by virtue of the fact that it owns 56% of the ordinary share capital.

During the year the company traded with its subsidiary undertaking, Fluidex Limited. Sales to Fluidex Limited were to the value of £28,891 (1998:£5,499) and purchases to the value of £22,655 (1998:£2,946). All transactions took place in the normal course of business and at arm's length.

During the year the company traded with its ultimate parent company. Purchases from Fluid Investments were to the value of £14,720 (1998:£7,000). All transactions took place in the normal course of business and at arm's length.

#### 23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Profit for the financial year	139,242	86,751
Dividends	(150,000)	(100,000)
	<u>      </u>	<u>      </u>
<b>NET REDUCTION OF SHAREHOLDERS' FUNDS</b>	<b>(10,758)</b>	<b>(13,249)</b>
Opening shareholders' funds	244,829	258,078
	<u>      </u>	<u>      </u>
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>234,071</b>	<b>244,829</b>
	<u>      </u>	<u>      </u>
Equity interests	234,071	244,829
	<u>      </u>	<u>      </u>