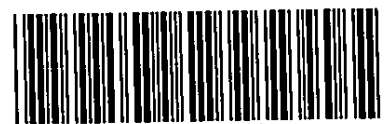


REGISTERED NUMBER: 01610309 (England and Wales)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010
FOR
ACTION-SEALTITE LIMITED

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

SATURDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 30 APRIL 2010

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ACTION-SEALTITE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2010

DIRECTORS: H Robinson
K Davies
G E Nel

SECRETARY: K Davies

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

BUSINESS ADDRESS: Unit 4, Moorbrook
Southmead Industrial Park
Didcot
Oxon
OX11 7HP

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**

Although the company is not required to file a Directors' Report or Statement of Comprehensive Income, the Companies Act 2006 requires the accompanying Report of the Auditors to be a copy of our report to the shareholders on the company's full Financial Statements and Report of the Directors. Readers are cautioned that the Statement of Comprehensive Income and certain other primary statements and the Report of the Directors, which may be referred to in the copy of our Report of the Auditors, are not required to be filed with the Registrar of Companies.

We have audited the financial statements of Action-Sealtite Limited for the year ended 30 April 2010 on pages five to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted for use in the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

M R Salvage LLP

G R Sutton (Senior Statutory Auditor)
for and on behalf of M R Salvage LLP
Chartered Accountants
and Registered Auditors
7/8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
SL8 5YS

Date *5 August 2010*

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

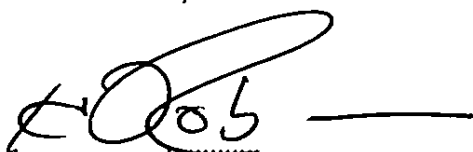
STATEMENT OF FINANCIAL POSITION
30 APRIL 2010

	Notes	2010 £	2009 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	15,566	23,233
Investments	8	<u>10</u>	<u>10</u>
		<u>15,576</u>	<u>23,243</u>
CURRENT ASSETS			
Inventories	9	371,425	503,303
Trade and other receivables	10	924,514	773,070
Cash and cash equivalents	11	<u>52,143</u>	<u>32,747</u>
		<u>1,348,082</u>	<u>1,309,120</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	590,523	547,950
Financial liabilities - borrowings			
Bank overdrafts	13	80,558	243,633
Tax payable		<u>40,884</u>	<u>49,749</u>
		<u>711,965</u>	<u>841,332</u>
NET CURRENT ASSETS		<u>636,117</u>	<u>467,788</u>
NET ASSETS		<u>651,693</u>	<u>491,031</u>
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,000	1,000
Share premium	17	14,850	14,850
Capital contribution	17	150	150
Retained earnings	17	<u>635,693</u>	<u>475,031</u>
TOTAL EQUITY		<u>651,693</u>	<u>491,031</u>

The financial statements have been prepared and delivered in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies

In accordance with Section 444(5) of the Companies Act 2006 the financial statements delivered to the Registrar of Companies do not include a Directors' Report and Statement of Comprehensive Income

The financial statements were approved by the Board of Directors on *14th August 2010* and were signed on its behalf by



H Robinson - Director

The notes form part of these financial statements

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2010

	Called up share capital equity £	Profit and loss account £	Share premium £	Capital contribution £	Total £
Balance at 1 May 2008	1,000	374,460	14,850	150	390,460
Changes in equity					
Dividends	-	(120,000)	-	-	(120,000)
Total comprehensive income	-	<u>220,571</u>	-	-	<u>220,571</u>
Balance at 30 April 2009	<u>1,000</u>	<u>475,031</u>	<u>14,850</u>	<u>150</u>	<u>491,031</u>
Changes in equity					
Dividends	-	(60,000)	-	-	(60,000)
Total comprehensive income	-	<u>220,662</u>	-	-	<u>220,662</u>
Balance at 30 April 2010	<u>1,000</u>	<u>635,693</u>	<u>14,850</u>	<u>150</u>	<u>651,693</u>

The notes form part of these financial statements

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2010

		2010	2009
		£	£
Cash flows from operating activities			
Cash generated from operations	1	345,260	218,545
Interest paid		(7,606)	(15,808)
Tax paid		<u>(91,749)</u>	<u>(125,812)</u>
Net cash from operating activities		<u>245,905</u>	<u>76,925</u>
Cash flows from investing activities			
Purchase of property, plant & equipment		-	(16,138)
Purchase of fixed asset investments		-	(10)
Interest received		<u>-</u>	<u>227</u>
Net cash from investing activities		<u>-</u>	<u>(15,921)</u>
Cash flows from financing activities			
Movement on group debt		(3,434)	938
Equity dividends paid		<u>(60,000)</u>	<u>(120,000)</u>
Net cash from financing activities		<u>(63,434)</u>	<u>(119,062)</u>
Increase/(Decrease) in cash and cash equivalents		<u>182,471</u>	<u>(58,058)</u>
Cash and cash equivalents at beginning of year			
	2	<u>(210,886)</u>	<u>(152,828)</u>
Cash and cash equivalents at end of year	2	<u>(28,415)</u>	<u>(210,886)</u>

The notes form part of these financial statements

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2010

1 RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2010	2009
	£	£
Profit before income tax	303,546	320,320
Depreciation charges	7,667	13,693
Finance costs	7,606	15,808
Finance income	-	(227)
	<u>318,819</u>	<u>349,594</u>
Decrease/(Increase) in inventories	131,878	(107,318)
(Increase)/Decrease in trade and other receivables	(150,611)	50,607
Increase/(Decrease) in trade and other payables	<u>45,174</u>	<u>(74,338)</u>
Cash generated from operations	<u>345,260</u>	<u>218,545</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 2010

	30 4 10	1 5 09
	£	£
Cash and cash equivalents	52,143	32,747
Bank overdrafts	<u>(80,558)</u>	<u>(243,633)</u>
	<u>(28,415)</u>	<u>(210,886)</u>

Year ended 30 April 2009

	30 4 09	1 5 08
	£	£
Cash and cash equivalents	32,747	40,516
Bank overdrafts	<u>(243,633)</u>	<u>(193,344)</u>
	<u>(210,886)</u>	<u>(152,828)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010

1 ACCOUNTING POLICIES

Corporate information

Action-Sealtite Limited is a private limited company incorporated and domiciled in the United Kingdom. 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 2006 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, amendments to existing standards and interpretations which are in issue but not yet effective have not been applied in these financial statements:

IAS 24 (revised) - Related Party Disclosures

IAS 27 (revised) - Consolidated and Separate Financial Statements

IFRS 1 (revised) - First-time Adoption

IFRS 3 (revised) - Business Combinations

IFRS 5 (revised) - Non-current Assets Held for Sale and Discontinued Operations

IFRS 9 Financial Instruments Classification and Measurement

Amendment to IAS 32 Financial Instruments Presentation - IFRS classification of rights issues

Amendment to IAS 39 Financial Instruments Recognition and Measurement - Eligible Hedged items

Amendments to IFRS 2 Share-based Payment - re Group cash-settled share-based payment transactions

Amendments to IFRIC 14 - Prepayments and minimum funding requirements

IFRIC 17 - Distributions of Non-cash Assets to Owners

IFRIC 18 - Transfers of Assets from Customers

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In addition in April 2009 the IASB issued 'Improvements to International Financial Reporting Standards 2009' making amendments to various IFRS and IAS which are not yet effective and have not been applied in these financial statements.

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 s444(5) of the Companies Act 2006 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.

Exemption from preparing consolidated financial statements

The financial statements contain information about Action-Sealtite Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 and IAS 27 from the requirements to prepare consolidated financial statements. The results of the company and its subsidiary undertaking are included 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.

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

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

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 and forward foreign exchange contracts. 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 are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

1 ACCOUNTING POLICIES - continued

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.

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.

Employee benefit 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

	2010	2009
	£	£
Wages and salaries	504,806	580,145
Social security costs	50,227	64,245
Other pension costs	<u>27,240</u>	<u>27,929</u>
	<u>582,273</u>	<u>672,319</u>

	2010	2009
	£	£
Directors' remuneration	113,445	128,958
Directors' pension contributions to money purchase schemes	<u>12,600</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

	2010	2009
	£	£
Finance income		
Bank interest received	<u>-</u>	<u>227</u>

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

3 NET FINANCE COSTS - continued

	2010	2009
	£	£
Finance costs		
Bank interest	<u>7,606</u>	<u>15,808</u>
Net finance costs	<u>7,606</u>	<u>15,581</u>

4 PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting)

	2010	2009
	£	£
Cost of inventories recognised as expense	2,454,472	2,389,214
Other operating leases	40,303	35,730
Depreciation - owned assets	7,667	13,693
Auditors' remuneration	7,200	8,945
Foreign exchange (profit)/losses	<u>(273)</u>	<u>(25,535)</u>

5 INCOME TAX

Analysis of the tax charge

	2010	2009
	£	£
Current tax		
Taxation	<u>82,884</u>	<u>99,749</u>
Total tax charge in income statement	<u>82,884</u>	<u>99,749</u>

Factors affecting the tax charge

The tax assessed for the year is lower (2009 - higher) than the standard rate of corporation tax in the UK
The difference is explained below

	2010	2009
	£	£
Profit on ordinary activities before tax	<u>303,546</u>	<u>320,320</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	84,993	89,690
Effects of Capital allowances in excess of depreciation	(312)	760
Disallowable costs	(1,797)	9,299
Total income tax	<u>82,884</u>	<u>99,749</u>

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010**

6 DIVIDENDS

	2010	2009
	£	£
Interim	<u>60,000</u>	<u>120,000</u>

7 PROPERTY, PLANT AND EQUIPMENT

	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £	
COST					
At 1 May 2009	8,025	27,106	36,019	71,150	
Disposals	<u>(8,025)</u>	<u>(15,612)</u>	<u>(9,710)</u>	<u>(33,347)</u>	
At 30 April 2010	<u>-</u>	<u>11,494</u>	<u>26,309</u>	<u>37,803</u>	
DEPRECIATION					
At 1 May 2009	7,833	18,844	21,240	47,917	
Charge for year	192	1,916	5,559	7,667	
Eliminated on disposal	<u>(8,025)</u>	<u>(15,612)</u>	<u>(9,710)</u>	<u>(33,347)</u>	
At 30 April 2010	<u>-</u>	<u>5,148</u>	<u>17,089</u>	<u>22,237</u>	
CARRYING AMOUNT					
At 30 April 2010	<u>-</u>	<u>6,346</u>	<u>9,220</u>	<u>15,566</u>	
	Patterns £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2008	17,803	26,214	27,267	65,562	136,846
Additions	-	-	9,163	6,975	16,138
Disposals	<u>(17,803)</u>	<u>(18,189)</u>	<u>(9,324)</u>	<u>(36,518)</u>	<u>(81,834)</u>
At 30 April 2009	<u>-</u>	<u>8,025</u>	<u>27,106</u>	<u>36,019</u>	<u>71,150</u>
DEPRECIATION					
At 1 May 2008	17,803	25,768	23,199	49,288	116,058
Charge for year	-	254	4,969	8,470	13,693
Eliminated on disposal	<u>(17,803)</u>	<u>(18,189)</u>	<u>(9,324)</u>	<u>(36,518)</u>	<u>(81,834)</u>
At 30 April 2009	<u>-</u>	<u>7,833</u>	<u>18,844</u>	<u>21,240</u>	<u>47,917</u>
CARRYING AMOUNT					
At 30 April 2009	<u>-</u>	<u>192</u>	<u>8,262</u>	<u>14,779</u>	<u>23,233</u>

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

8 INVESTMENTS

	Shares in group undertakings £	
COST		
At 1 May 2009 and 30 April 2010		<u>10</u>
CARRYING AMOUNT		
At 30 April 2010		<u><u>10</u></u>
	Shares in group undertakings £	
COST		
Additions		<u>10</u>
At 30 April 2009		<u>10</u>
CARRYING AMOUNT		
At 30 April 2009		<u><u>10</u></u>

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

Biopharma Dynamics Limited
Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00		
		2010	2009
		£	£
Aggregate capital and reserves		<u>10</u>	<u>10</u>

9 INVENTORIES

	2010	2009
	£	£
Inventories	<u>371,425</u>	<u>503,303</u>

Inventories above include a provision of £41,058 (2009 £32,377) for slow moving and obsolete stock

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

10 TRADE AND OTHER RECEIVABLES

	2010	2009
	£	£
Current		
Trade debtors	908,282	746,873
Amounts owed by related parties	1,539	706
Other debtors	577	-
Prepayments	<u>14,116</u>	<u>25,491</u>
	<u>924,514</u>	<u>773,070</u>

11 CASH AND CASH EQUIVALENTS

	2010	2009
	£	£
Cash in hand	169	13
Bank accounts	<u>51,974</u>	<u>32,734</u>
	<u>52,143</u>	<u>32,747</u>

12 TRADE AND OTHER PAYABLES

	2010	2009
	£	£
Current		
Trade creditors	275,170	332,350
Amounts owed to related parties	-	2,601
Social security and other taxes	60,646	68,935
Other creditors	38,819	41,787
Accrued expenses	<u>215,888</u>	<u>102,277</u>
	<u>590,523</u>	<u>547,950</u>

13 FINANCIAL LIABILITIES - BORROWINGS

	2010	2009
	£	£
Current		
Bank overdrafts	<u>80,558</u>	<u>243,633</u>

Terms and debt repayment schedule

	1 year or less
	£
Bank overdrafts	<u>80,558</u>

The bank overdraft is repayable on demand and bears interest at commercial bank rates and is secured by a debenture over the assets of the company

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

14 LEASING AGREEMENTS

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

	2010	2009
	£	£
Within one year	106,883	110,704
Between one and five years	331,310	323,364
In more than five years	<u>12,500</u>	<u>87,500</u>
	<u>450,693</u>	<u>521,568</u>

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

15 **FINANCIAL INSTRUMENTS**

Financial assets - Loans and receivables

	2010	2009
	£	£
Trade receivables	946,298	768,873
Allowance for doubtful debts	(38,016)	(22,000)
Amounts due from related parties	1,538	706
	<u>909,820</u>	<u>747,579</u>

Movement in allowance for doubtful debts

	£	£
Balance at 1 May 2009	22,000	22,000
Amounts written off in year	16,016	-
Amounts recovered in year	-	-
	<u>38,016</u>	<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 £224,314 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 91 days (2009 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.

Financial liabilities

	2009	2009
	£	£
Trade payables	275,170	332,350
Amounts due to related parties	-	2,601
Bank overdrafts	80,558	243,633
	<u>355,728</u>	<u>578,584</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 payable are paid within the credit timeframe.

NOTES TO THE FINANCIAL STATEMENTS - continued
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Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts at 30 April 2010 were £128,494 (2009 £27,338) There has been no provision in these financial statements for any financial asset or liability arising on these contracts as the amount involved is considered to be immaterial

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next three months Gains and losses on forward foreign exchange contracts as of 30 April 2010 are recognised in the income statement in the periods during which the hedged forecast transaction affects the income statement This is generally within 3 months from the end of the reporting period

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 15 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 monitor 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 2010 if the £ had weakened by 5% against the Euro, with all other variables held constant the pre tax profit would have been approximately £3,158 higher mainly as a result of foreign exchange profits on Euro denominated receivables and payables

At 30 April 2010 if the £ had weakened by 5% against the US Dollar, with all other variables held constant the pre tax profit would have been approximately £1,216 lower mainly as a result of foreign exchange losses on US Dollar denominated receivables and payables

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
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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 £4,753.

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%.

16 CALLED UP SHARE CAPITAL

Authorised				
Number	Class	Nominal value	2010	2009
		£	£	
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid				
Number	Class		Nominal value	2010
			£	2009
			£1	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

17 RESERVES

	Retained earnings	Share premium	Capital contribution	Totals
	£	£	£	£
At 1 May 2009	475,031	14,850	150	490,031
Profit for the year	220,662			220,662
Dividends	<u>(60,000)</u>			<u>(60,000)</u>
At 30 April 2010	<u>635,693</u>	<u>14,850</u>	<u>150</u>	<u>650,693</u>
	Retained earnings	Share premium	Capital contribution	Totals
	£	£	£	£
At 1 May 2008	374,460	14,850	150	389,460
Profit for the year	220,571			220,571
Dividends	<u>(120,000)</u>			<u>(120,000)</u>
At 30 April 2009	<u>475,031</u>	<u>14,850</u>	<u>150</u>	<u>490,031</u>

ACTION-SEALTITE LIMITED (REGISTERED NUMBER: 01610309)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2010

18 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

19 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 £1,105,986 (2009 £1,765,372)

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	2010 £	2009 £
Alpeco Limited	Sales	11,281	12,540
	Purchases	-	926
Centre Tank Services Limited	Sales	11,864	11,825
	Purchases	10,094	13,615
Flowmax Instrumentation Limited	Purchases	5,392	11,475
	Sales	5,000	4,281
Industrial Flow Control Limited	Sales	189	626
	Purchases	-	187
Flowmax Flowmeters Limited	Sales	438	1,897
Hytek (UK) Limited	Sales	4,319	1,656
	Purchases	8,184	7,208
Flowmax Limited	Purchases	25,264	16,735

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

Centre Tank Services Limited	Amount due from	69	277
Flowmax Flowmeters Limited	Amount due from	504	679
Alpeco Limited	Amount due to	966	-
Hytek (UK) Limited	Amount due to/from	1	429
Flowmax Limited	Amount due to	-	2,601

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

During the year dividends of £60,000 were paid to related parties as follows

Flowmax Limited	£36,000 (2009 £72,000)
H Robinson	£15,000 (2009 £30,000)
K Davies	£ 9,000 (2009 £18,000)