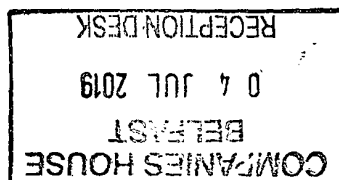


Sepha Limited

Report and Financial Statements

31 December 2018



Sepha Limited

Sepha Limited

Company Information

Directors

J McKenna
J Schauer

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers

Danske Bank
P.O. Box 183
Donegall Square West
Belfast BT1 6JS

Solicitors

Mills Selig
21 Arthur Street
Belfast BT1 4GA

Registered Office

25 Carrowreagh Business Park
Carrowreagh Road
Dundonald
Belfast BT16 1QQ

Sepha Limited

Sepha Limited

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Registered No. NI 014142

Directors' report

The directors present their report and financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year after taxation amounted to £526,296 (2017: profit of £189,496). During the year dividends of £1,411,270 were paid to shareholders (2017 – £nil).

Principal activity

The principal activity of the company is the manufacture and sale of equipment to the pharmaceutical and high value product packaging industry. The company operates across 3 divisions (Product Packaging Integrity Testing, Blisterpack Product Recovery and Blisterpack Production Solutions). Production is exported to a global customer base located in developed and emerging markets.

Directors

The directors who served the company during the year were as follows:

J McKenna

J Schauer

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

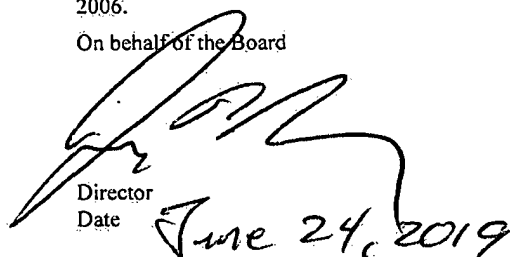
Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Strategic report

The directors have not prepared a strategic report as the company is entitled to the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

On behalf of the Board



Director
Date June 24, 2019

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditors' report

to the members of Sepha Limited

Opinion

We have audited the financial statements of Sepha Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

to the members of Sepha Limited (continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

to the members of Sepha Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Signature

Michael Christie (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Belfast

Date 29 June 2019

Statement of comprehensive income

for the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	2	4,023,471	3,091,912
Cost of sales		(1,529,078)	(1,272,792)
Gross profit		2,494,393	1,819,120
Distribution costs		(498,798)	(581,885)
Administrative expenses		(1,399,333)	(993,031)
Other operating income	3	54,809	—
Operating profit	3	651,071	244,204
Interest receivable and similar income		941	688
Interest payable and similar expenses	5	(7,004)	(4,969)
Profit before taxation		645,008	239,923
Tax	7	(118,712)	(50,427)
Profit for the financial year		526,296	189,496
Other comprehensive income		—	—
Total comprehensive income for the year		526,296	189,496

All amounts relate to continuing activities.

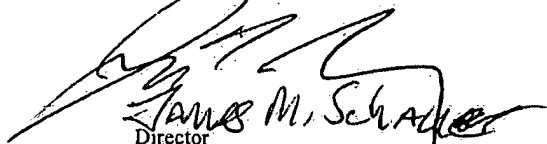
The notes on pages 11 to 20 form part of these financial statements.

Statement of financial position

at 31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Intangible assets	8	-	7,070
Tangible assets	9	446,405	445,778
		<u>446,405</u>	<u>452,848</u>
Current assets			
Stocks	10	474,717	534,690
Debtors	11	883,880	463,603
Cash at bank and in hand		1,460,404	1,949,474
		<u>2,819,001</u>	<u>2,947,767</u>
Creditors: amounts falling due within one year	12	<u>(1,235,844)</u>	<u>(486,078)</u>
Net current assets		<u>1,583,157</u>	<u>2,461,689</u>
Total assets less current liabilities		<u>2,029,562</u>	<u>2,914,537</u>
Net assets:		<u>2,029,562</u>	<u>2,914,537</u>
Capital and reserves			
Called up share capital	13	20,161	20,161
Share premium account		654,825	654,825
Capital contribution reserve		10,000	10,000
Profit and loss account		1,344,576	2,229,551
Shareholders' funds		<u>2,029,562</u>	<u>2,914,537</u>

The financial statements were approved by the Board of Directors on 24 June 2019 signed on behalf of the Board of Directors:


James M. Schaefer
Director

The notes on pages 11 to 20 form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2018

	<i>Called-up capital</i> £	<i>Share premium</i> £	<i>Capital contribution reserve</i> £	<i>Profit and loss account</i> £	<i>Total equity</i> £
At 1 January 2017	20,160	7,340	10,000	2,040,055	2,077,555
Share issued in the year	1	647,485	—	—	647,486
Total comprehensive income	—	—	—	189,496	189,496
At 1 January 2018	20,161	654,825	10,000	2,229,551	2,914,537
Share issued in the year	—	—	—	—	—
Dividend paid	—	—	—	(1,411,270)	(1,411,270)
Total comprehensive income	—	—	—	526,926	526,926
At 31 December 2018	20,161	654,825	10,000	1,344,576	2,029,562

Called up share capital

Share capital represents the nominal value of shares that has been issued.

Share premium

Share premium includes the excess over the nominal value received by the company in exchange for shares.

Capital contribution reserve

Capital contribution reserve includes all share capital previously issued which has been redeemed and not cancelled.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

The notes on pages 11 to 20 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2018

	Notes	2018 £	2017 £
Net cash inflow / (outflow) from operating activities	14	<u>963,824</u>	<u>(483,183)</u>
Investing activities			
Interest received		941	688
Payments to acquire fixed assets		<u>(35,560)</u>	<u>(77,800)</u>
Net cash outflow from investing activities		<u>(34,619)</u>	<u>(77,112)</u>
Financing activities			
Interest paid		(7,004)	(4,969)
Dividends paid		(1,411,270)	—
Issue of new shares		—	647,486
Net cash (outflow) / inflow from financing activities		<u>(1,418,274)</u>	<u>642,517</u>
Net (decrease) / increase in cash and cash equivalents		(489,069)	82,222
Cash and cash equivalents, at 1 January		<u>1,949,474</u>	<u>1,867,250</u>
Cash and cash equivalents, at 31 December		<u>1,460,404</u>	<u>1,949,474</u>

The notes on pages 11 to 20 form part of these financial statements.

Notes to the financial statements

at 31 December 2018

1. Accounting policies

General information

Sepha Limited is a private company limited by shares incorporated in Northern Ireland. The Registered Office is 25 Carrowreagh Business Park, Carrowreagh Road, Dundonald, Belfast, BT16 1QQ.

Basis of preparation

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

The directors of Sepha Limited have reviewed the resources available and believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, Sepha Limited continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the course of preparing the company's financial statements, no judgements have been made in the process of applying the company's accounting policies, or in respect of those involving estimates which could have a significant effect on amounts recognized in the financial statements.

Significant accounting policies

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of intangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Amortisation is calculated so as to write off the cost of intangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives. The useful economic lives of the software are 3 years.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned.

The useful economic lives of the assets are as follows:

Buildings	—	2%-12% straight-line
Plant and machinery	—	10-30% straight-line
Fixtures, fittings and equipment	—	10%-33% straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 December 2018

1. Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the group statements cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Notes to the financial statements

at 31 December 2018

1. Accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Research and development

Research expenditure is written off to the Profit and Loss Account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

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 company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 7.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2018

1. Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the statement of comprehensive income.

Leasing and hire purchase commitments

Rentals payable under operating leases are charged in the statement of comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

Pensions

The Company operates a defined contribution plan for its employees. Contributions to defined contribution schemes are recognised as an expense in the statement of comprehensive income in the period in which they become payable. 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.

Notes to the financial statements

at 31 December 2018

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

Turnover attributable to geographical markets outside the United Kingdom amounted to £3,534,677 (31 December 2017 – £2,837,650) for the year.

3. Operating profit

This is stated after charging/(crediting):

	2018	2017
	£	£
Auditors' remuneration	9,000	7,060
Amortisation of intangible assets (included in administration expenses)	7,070	11,704
Depreciation of owned fixed assets	34,933	23,876
Other operating income – RDEC tax credit	(54,809)	-
Research and development expenditure	240,232	209,692
Net foreign exchange (gain)/loss	(28,940)	4,297
Operating lease rentals – office equipment	1,170	1,170

4. Directors' remuneration

	2018	2017
	£	£
Aggregate remuneration	-	-
Company pension contributions to defined contribution pension schemes	-	-

The amount of remuneration paid to the directors in respect of their services to the company are negligible.

Notes to the financial statements

at 31 December 2018

5. Interest payable and similar charges

	2018	2017
	£	£
Bank charges	7,004	4,969

6. Staff costs

	2018	2017
	£	£
Wages and salaries	1,029,814	819,290
Social security costs	87,795	83,296
Other pension costs	31,370	28,595
	<u>1,148,979</u>	<u>931,181</u>

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

	No.	No.
Administration	5	5
Sales and marketing	9	7
Research and development	4	4
Production and engineering	9	11
	<u>27</u>	<u>27</u>

7. Tax

(a) Tax on profit

The tax charge is comprised as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax on the profits for the year	116,199	46,419
Adjustments in respect of previous periods	(100)	4,846
Total current tax (note 7(b))	<u>116,099</u>	<u>51,265</u>
Deferred tax:		
(Decrease) / increase in deferred tax position	(813)	1,362
Adjustments in respect of previous periods	3,426	(2,199)
Total deferred tax movement	<u>2,613</u>	<u>(837)</u>
Tax charge on profit	<u>118,712</u>	<u>50,427</u>

Notes to the financial statements

at 31 December 2018

7. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2017 – 19.25%). The differences are explained below:

	2018 £	2017 £
Profit before tax	645,008	239,923
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	122,552	46,185
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(7,261)	1,776
Difference in corporation tax and deferred tax rate	-	(180)
Adjustments in respect of previous periods	3,326	2,647
Total tax for the year (note 7(a))	118,712	50,428

(c) Deferred tax

	2018 £	2017 £
Accelerated capital allowances	3,397	679
Other timing differences	-	5,331
Deferred tax (note 11)	3,397	6,010

	£
At 1 January 2018	6,010
Deferred tax charge in the profit and loss account	(2,613)
At 31 December 2018	3,397

Reductions to the rate of UK corporation tax to 17% (effective 1 April 2020) have been enacted. The company's deferred tax balances recognised or disclosed above have been measured at the enacted rates at which it is currently estimated that they will reverse.

Notes to the financial statements

at 31 December 2018

8. Intangible fixed assets

	Software £	Total £
Cost:		
At 1 January 2018	42,549	42,549
Additions	-	-
At 31 December 2018	42,549	42,549
Accumulated amortisation:		
At 1 January 2018	35,479	35,479
Charge for the year	7,070	7,070
At 31 December 2018	42,549	42,549
Net book amount:		
At 31 December 2018	-	-
At 1 January 2018	7,070	7,070

9. Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost:				
At 1 January 2018	627,686	125,111	163,907	916,704
Additions	30,000	-	5,560	35,560
At 31 December 2018	657,686	125,111	169,467	952,265
Accumulated depreciation:				
At 1 January 2018	265,855	57,121	147,950	470,926
Charge for the year	5,357	21,465	8,111	34,933
At 31 December 2018	271,212	78,586	156,061	505,859
Net book amount				
At 31 December 2018	386,474	46,525	13,406	446,406
At 1 January 2018	361,831	67,990	15,957	445,778

10. Stocks

	2018 £	2017 £
Raw materials	218,561	287,051
Finished goods	256,156	247,639
	474,717	534,690

Notes to the financial statements

at 31 December 2018

11. Debtors

	2018	2017
	£	£
Trade debtors	827,012	421,661
Other debtors	33,541	-
Prepayments and accrued income	19,184	35,932
Amount owed from group undertakings	746	-
Deferred tax (note 7)	3,397	6,010
	<u>883,880</u>	<u>463,603</u>

12. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	324,021	141,521
Amounts owed to group undertakings	194,724	17,188
Current corporation tax	116,416	55,000
Other taxes and social security costs	23,714	29,758
Accruals and other creditors	576,969	242,611
	<u>1,235,844</u>	<u>486,078</u>

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

13. Issued share capital

	2018		2017	
<i>Allotted, called up and fully paid</i>	No.	£	No.	£
Ordinary shares of £1 each	20,161	<u>20,161</u>	20,161	<u>20,161</u>

Notes to the financial statements

at 31 December 2018

14. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow / (outflow) from operating activities

	2018	2017
	£	£
Operating profit	651,071	244,204
Depreciation of tangible fixed assets	34,933	23,876
Amortisation of intangible fixed assets	7,070	11,704
Taxation	126	(93,000)
Decrease/(increase) in stock	59,973	(64,310)
(Increase)/ decrease in debtors	(422,890)	328,436
Increase/(decrease) in creditors	633,541	(934,093)
Net cash inflow/(outflow) from operating activities	963,824	(483,183)

(b) Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	1,460,404	1,949,474

15. Commitments under operating leases

At 31 December 2018 the total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Office equipment		
Within one year	1,500	1,170
In two to five years	-	-
In over five years	-	-

Notes to the financial statements

at 31 December 2018

16. Contingent liabilities

Government grants received from Invest Northern Ireland are repayable in certain circumstances. The directors do not anticipate any repayment falling due under the terms on which grants were received.

17. Related party transactions

The company had the following transactions with group undertakings in the year:

	£
Amounts owed to group undertaking at 1 January 2018	17,188
Sales to group undertakings in 2018	(65,225)
Purchases from group undertakings in 2018	516,426
Payments to group undertakings in 2018	(338,217)
Receipts from group undertakings in 2018	64,198
Amounts owed to group undertaking at 31 December 2018	<u>194,370</u>

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals is £256,478 (2017 – £318,885).

18. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Tasi Holdings Inc, a company incorporated in the United States of America.

The ultimate parent undertaking, and the only undertaking for which group financial statements are prepared, is TAC Holding Company, a company incorporated in the United States of America. Group financial statements for this company are prepared but are not available to the public.

There is no ultimate controlling party.