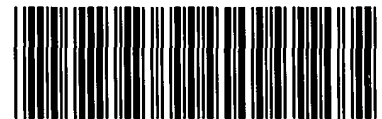


ISIS FLUID HOLDINGS LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

**The MGroup Partnership
Registered Auditors
4 Witan Way
Witney, Oxon
OX28 6FF**

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27/09/2023

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COMPANIES HOUSE

Company Registration Number: 12472614

ISIS FLUID HOLDINGS LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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ISIS FLUID HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS

P A Wright
D P Stafford
M Woodward

SECRETARY

The company does not have an appointed secretary

REGISTERED OFFICE

Station Yard
The Leys
Chipping Norton
Oxfordshire
OX7 5HZ

COMPANY REGISTRATION NUMBER

12472614 England and Wales

AUDITOR

The MGroup Partnership
Registered Auditors
4 Witan Way
Witney, Oxon
OX28 6FF

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their strategic report of the group and the parent company for the year ended 31 December 2022.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results of the year's trading, the financial position of the group and the transfer to reserves are shown in the annexed financial statements.

The net profit of the group for the year, before taxation, amounted to £1,299,213 (2021 - £1,418,827). Net assets of the group at the year end were £5,025,347 (2021 - £4,084,915).

Sales for the group in 2022 were 1.24% above the previous year; this increase was driven by improved sales to existing customers and sales to new customers.

Margins decreased despite the competitiveness of the market place.

The group continues to invest in key areas of the business to drive and support the planned increase in sales. The directors continued to control costs tightly and this contributed to the excellent results.

Control of working capital remained a key focus for the group. The group remains in a very strong financial position, this gives it a very strong competitive advantage enabling it to respond effectively to market demand.

The excellent performance is testament to the continued hard work and flexibility of the group's highly valued employees.

The group continues to focus on excellence in customer service and short lead times that focuses on key markets and customers.

The directors intend to improve the overall trading performance in the forthcoming year and to further develop its trade and consolidate its financial position.

ISIS FLUID HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS (continued...)

The primary key performance indicators used in monitoring the business are:

	2022	2021
Days debtors outstanding	76	64
Annual stock turnover	57	43
Return on capital employed	19%	20%

Days debtors outstanding - trade debtors balance per the balance sheet compared to the annual sales figure including VAT, stated in days.

Annual stock turnover - the number of days that it takes for stock to be turned over by the group, calculated as the stock figure divided by cost of sales, stated in days.

Return on capital employed % - the annual net profit before interest and tax divided by the total assets less current liabilities per the statutory accounts, expressed as a percentage.

PRINCIPAL RISKS AND UNCERTAINTIES

The group is exposed to macroeconomic factors of an uncertain nature such as changes to inflation and interest rates.

The majority of the group's purchases are from Eurozone countries and the group is therefore exposed to the risk of changes in exchange rates. Risk has been minimised by introducing margin checks on computer software to warn when quote and order processing.

The group has broadened its customer base and the sectors to which it sells, something that the subsidiary had been doing over the past 5 years. One of these sectors is the oil and gas industry.

FINANCIAL INSTRUMENTS

The group has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The group does not enter into any hedging transactions.

BY ORDER OF THE BOARD



P A Wright
Director

Date approved by the board: 20/9/2023

ISIS FLUID HOLDINGS LIMITED

GROUP DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report with the financial statements of the group and the parent company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was the wholesale of machinery and equipment to the hydraulic, process, steam, oil and gas industries.

DIRECTORS

The following directors held office during the year and their interests, including family interests, in the shares of the company at the year end are as follows:

		Number of shares	
		31/12/22	31/12/21
P A Wright	Ordinary shares of £1.00 each	30	30
D P Stafford	Ordinary shares of £1.00 each	40	40
M Woodward	Ordinary shares of £1.00 each	25	25

Isis Fluid Holdings Limited is the ultimate parent company of Isis Fluid Control Limited, a company incorporated in the UK and holds 100% of the issued share capital of Isis Fluid Control Limited.

**GROUP DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 (Financial Reporting Standard 102). 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 group and the parent company and the profit or loss of the group and the parent company for that period.

In preparing these 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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the transactions of the group and the parent company and disclose with reasonable accuracy at any time the financial position of the group and the parent 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 group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the auditor is unaware; and
- each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ISIS FLUID HOLDINGS LIMITED

**GROUP DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

POST BALANCE SHEET EVENTS

There were no matters to report as post balance sheet events.

AUDITORS

The auditor, The MGroup Partnership, have expressed their willingness to continue in office, and in accordance with section 485 of the Companies Act 2006 a resolution proposing their reappointment will be submitted at a General Meeting of the company.

BY ORDER OF THE BOARD OF DIRECTORS



P A Wright
Director

Date approved by the board: 20/9/2023

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

TO THE MEMBERS OF ISIS FLUID HOLDINGS LIMITED

OPINION

We have audited the financial statements of ISIS Fluid Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

/continued

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION 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 strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

/continued

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

RESPONSIBILITIES OF THE DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 5, 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 group's and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the hydraulic, process, steam, oil and gas industries;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

/continued

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

DESCRIPTION OF THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The auditor's 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 the auditor's opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (UK) (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.

/continued

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

**DESCRIPTION OF THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(continued...)**

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the entity's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/continued

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

P. D. Smith

P D Smith (Senior Statutory Auditor)
For and on behalf of
The MGroup Partnership
STATUTORY AUDITOR
4 Witan Way
Witney
Oxon
OX28 6FF

21 September 2023

ISIS FLUID HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
TURNOVER	4	18,194,561	17,971,680
Cost of sales		13,068,441	13,251,098
GROSS PROFIT		5,126,120	4,720,582
Administrative expenses		3,664,098	3,198,436
		1,462,022	1,522,146
Other operating income		-	8,183
OPERATING PROFIT	5	1,462,022	1,530,329
Interest payable and similar charges	8	162,809	111,502
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,299,213	1,418,827
Taxation on ordinary activities	9	358,781	371,985
PROFIT FOR THE FINANCIAL YEAR	21	940,432	1,046,842

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account for the company has not been included in these financial statements. Of the group profit attributable to ordinary shareholders, a loss after taxation of £134,215 (2021 - loss after taxation of £95,181) has been dealt with in the profit and loss account of the company.

There were no discontinued operations in the period.

The only recognised gains or losses for the period are included in the profits reported above.

ISIS FLUID HOLDINGS LIMITED
**BALANCE SHEETS
AS AT 31 DECEMBER 2022**

		Group		Company	
	Notes	2022 £	2021 £	2022 £	2021 £
FIXED ASSETS					
Intangible assets	10	3,633,112	4,140,058	-	-
Tangible assets	11	1,549,287	1,570,463	-	-
Investments	12	-	-	10,327,419	10,327,419
		<u>5,182,399</u>	<u>5,710,521</u>	<u>10,327,419</u>	<u>10,327,419</u>
CURRENT ASSETS					
Stock	13	2,038,796	1,550,655	-	-
Debtors	14	4,070,043	3,675,033	75	75
Cash at bank and in hand		1,824,808	1,041,648	-	-
		<u>7,933,647</u>	<u>6,267,336</u>	<u>75</u>	<u>75</u>
CREDITORS: Amounts falling due within one year	15	5,277,781	4,321,656	849,794	977,862
NET CURRENT ASSETS / (LIABILITIES)		<u>2,655,866</u>	<u>1,945,680</u>	<u>(849,719)</u>	<u>(977,787)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,838,265</u>	<u>7,656,201</u>	<u>9,477,700</u>	<u>9,349,632</u>
CREDITORS: Amounts falling due after more than one year	16	2,768,915	3,531,386	2,006,688	2,732,747
Provisions for liabilities and charges	17	44,003	39,900	-	-
NET ASSETS		<u><u>5,025,347</u></u>	<u><u>4,084,915</u></u>	<u><u>7,471,012</u></u>	<u><u>6,616,885</u></u>
CAPITAL AND RESERVES					
Called up share capital	19	100	100	100	100
Merger reserve	20	2,499,975	2,499,975	2,499,975	2,499,975
Profit and loss account	21	2,525,272	1,584,840	4,970,937	4,116,810
SHAREHOLDERS' FUNDS		<u><u>5,025,347</u></u>	<u><u>4,084,915</u></u>	<u><u>7,471,012</u></u>	<u><u>6,616,885</u></u>

These accounts were approved by the board on 20/9/2023 and signed on its behalf by the following:



P A Wright
Director

ISIS FLUID HOLDINGS LIMITED

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

GROUP

	Called up share capital £	Merger reserve £	Profit and loss account £	Total £
At 1 January 2021	100	2,499,975	537,998	3,038,073
Profit for the year	-	-	1,046,842	1,046,842
At 31 December 2021	100	2,499,975	1,584,840	4,084,915
Profit for the year	-	-	940,432	940,432
At 31 December 2022	100	2,499,975	2,525,272	5,025,347

COMPANY

	Called up share capital £	Merger reserve £	Profit and loss account £	Total £
At 1 January 2021	100	2,499,975	3,295,598	5,795,673
Profit for the year	-	-	821,212	821,212
At 31 December 2021	100	2,499,975	4,116,810	6,616,885
Profit for the year	-	-	854,127	854,127
At 31 December 2022	100	2,499,975	4,970,937	7,471,012

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

	Notes	2022 £	2021 £
Cash flows from operating activities			
Operating profit		1,462,022	1,530,329
Adjustments for:			
Depreciation		63,547	71,960
Amortisation		506,946	506,946
		<u>2,032,515</u>	<u>2,109,235</u>
Movements in working capital			
Increase in stocks		(488,141)	(121,674)
Increase in debtors		(395,010)	(296,390)
Increase in creditors		1,253,676	104,121
		<u>2,403,040</u>	<u>1,795,292</u>
Net cash generated from operations			
Interest paid		(162,809)	(111,502)
Income taxes paid		(392,940)	(456,546)
		<u>1,847,291</u>	<u>1,227,244</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(42,371)	(3,689)
Deferred consideration payments		(978,188)	(904,872)
		<u>(1,020,559)</u>	<u>(908,561)</u>
Cash flows from financing activities			
Repayments of loans		(43,572)	(48,010)
		<u>(43,572)</u>	<u>(48,010)</u>
Net increase in cash and cash equivalents		783,160	270,673
Cash and cash equivalents at the beginning of the year		1,041,648	770,975
Cash and cash equivalents at the end of the year	22	<u>1,824,808</u>	<u>1,041,648</u>

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

1 GENERAL INFORMATION

Isis Fluid Holdings Limited is a private company limited by shares and incorporated in England and Wales. Its registered office and principal place of business are:

Station Yard
The Leys
Chipping Norton
Oxfordshire
OX7 5HZ

The financial statements are presented in Sterling, which is the functional currency of the group.

The company's registration number is 12472614.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)", and with the Companies Act 2006.

The following is a summary of the significant accounting policies adopted by the group in the preparation of the consolidated financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Isis Fluid Holdings Limited and its subsidiary undertaking, Isis Fluid Control Limited. The company uses the acquisition method of accounting to consolidate the results of its subsidiary undertaking.

Revenue recognition

Turnover represents the income received or receivable from the wholesale of valves and associated equipment, stated net of trade discounts and value added tax.

Contract turnover is recognised as contract activity progresses, in accordance with the terms of the contractual agreement and the stage of completion of the work. The amount of revenue reflects the partial performance of the company's contractual obligations.

Non-contract turnover is recognised as soon as there is a right to consideration and is measured at the fair value of consideration received or receivable.

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Intangible fixed assets

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. At acquisition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill amortisation is charged on a straight line basis so as to write off the cost of the asset, less its residual value assumed to be zero, over its useful economic life, which is estimated to be 10 years.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Grant income

Grant income has been recognised under the accrual model, where income is recognised on a systematic basis over the periods in which the group recognises the related costs for which the grant is intended to compensate.

Grant income of £nil (2021 - £1,997) was recognised during the year, received from the Government's SME Brexit Support Fund to help with training in relation to post-Brexit import and export procedures.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation has been provided at the following rates to write off the cost less estimated residual value of each asset over its expected useful life, as follows.

Freehold property	Straight line basis at 2% per annum
Fixtures and fittings	Reducing balance basis at 15% per annum
Computer equipment	Straight line basis at 10% to 25% per annum
Motor vehicles	Reducing balance basis at 25% per annum

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the profit and loss account, and included within administrative expenses.

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

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Financial assets are measured at cost and are assessed at the end of each reporting period for objective evidence of impairment. Where objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

The impairment loss for financial assets measured at cost is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets (which is the higher of value in use and the fair value less cost to sell) is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit and loss account.

Stocks are also assessed for impairment at each reporting date. The carrying amount of each item of stock, or group of similar items, is compared with its selling price less cost to complete and sell. If an item of stock, or group of similar items, is impaired its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset, or group of related assets, is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset, or group of related assets, in prior periods. A reversal of an impairment loss is recognised immediately in the profit and loss account.

Investments

Investments in subsidiaries are shown at cost less accumulated impairment losses.

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

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Stock

Stock has been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost comprises the cost of goods purchased valued on a standard cost basis. Net realisable value is based on estimated selling price less all further costs incurred to get the stock into its normal sale condition (including marketing, selling and distribution costs).

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Leases

Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership of the leased assets to the group. Other leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the group are classified as operating leases.

Payments applicable to operating leases are charged against profit on a straight line basis over the lease term.

Pensions

The group operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the amount payable in the period. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments in the balance sheet.

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

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods based on current tax rates and laws. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing at that date. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. The significant estimates made by management include the useful economic life of tangible fixed assets and goodwill and making allowance for obsolete and slow-moving stock items. Estimates have also been made in relation to the tax rates at which deferred tax provisions will be reversed.

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

4 TURNOVER

The analysis of the group's turnover by geographical area is as follows:	2022	2021
	£	£
United Kingdom	15,465,978	11,788,849
Rest of Europe	1,571,384	3,590,402
Rest of the world	1,157,199	2,592,429
	<u>18,194,561</u>	<u>17,971,680</u>

The analysis of the group's turnover by category is as follows:	2022	2021
	£	£
Sales of goods	<u>18,194,561</u>	<u>17,971,680</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2022	2021
	£	£
The profit on ordinary activities before taxation is stated after charging:		
Directors' remuneration (Note 6)	290,343	250,646
Company contributions to employee pension schemes	166,790	132,056
Auditor's remuneration:		
Audit fees	18,100	7,900
Taxation advisory services	155	3,174
Services relating to corporate finance transactions	-	-
Other non-audit services	43,589	51,747
Depreciation	63,547	71,960
Amortisation	506,946	506,946
Operating lease rentals - Motor vehicles	84,789	95,347
Currency exchange losses	-	54,537
The profit on ordinary activities before taxation is stated after crediting:		
Currency exchange gains	<u>30,018</u>	

6 DIRECTORS' REMUNERATION

	2022	2021
	£	£
The remuneration of the directors was as follows:		
Qualifying services	246,641	233,641
Benefits in kind	43,702	17,005
	<u>290,343</u>	<u>250,646</u>

Remuneration totalling £96,927 (2021 - £159,369) was paid to members of the directors' close families.

The number of directors to whom retirement benefits were accruing was as follows:

Defined contribution pension schemes	<u>3</u>	<u>3</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7 EMPLOYEES

	2022 Number	2021 Number
Average number of persons employed by the group, including directors, during the year:		
Directors	3	3
Management and administration	44	39
	<u>47</u>	<u>42</u>
	2022 £	2021 £
Staff costs incurred during the year in respect of these employees were:		
Directors, management and administration wages and salaries	1,989,916	1,714,263
Social security costs	222,138	185,125
Pension contributions	166,790	132,056
	<u>2,378,844</u>	<u>2,031,444</u>

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the period total £166,790 (2021 - £132,056). At the period end, there were unpaid pension contributions of £14,996 (2021 - £16,376) and these have been included in creditors (Note 15).

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £	2021 £
Bank interest	450	741
Bank loan interest	38,298	27,101
Other loan interest	124,061	83,660
	<u>162,809</u>	<u>111,502</u>

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

9 TAXATION ON ORDINARY ACTIVITIES

	2022	2021
	£	£
UK Corporation tax charge	354,678	396,959
Corporation tax adjustment regarding prior year	-	(27,466)
Deferred taxation (Note 17)	4,103	2,492
	<u>358,781</u>	<u>371,985</u>
Reconciliation of current tax charge	2022	2022
	£	£
Profit on ordinary activities before taxation	<u>1,299,213</u>	<u>1,418,827</u>
Profit on ordinary activities by rate of tax	246,851	269,578
Expenses not deductible for tax purposes	131,321	104,889
Deferred tax provided for at 25%	608	8,532
Overprovision of corporation tax	(19,999)	(11,014)
Total current tax	<u>358,781</u>	<u>371,985</u>

The taxation charge for the year has been calculated at 19% (2021 -19%).

10 INTANGIBLE ASSETS

GROUP	Goodwill
	£
Cost	
At 1 January 2022	<u>5,069,459</u>
At 31 December 2022	<u>5,069,459</u>
Accumulated amounts written off	
At 1 January 2022	929,401
Charge for year	506,946
At 31 December 2022	<u>1,436,347</u>
Net book value	
At 1 January 2022	<u>4,140,058</u>
At 31 December 2022	<u>3,633,112</u>

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

11 TANGIBLE ASSETS

	Freehold property	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2022	1,661,455	283,635	460,397	42,241	2,447,728
Additions	3,958	1,401	37,012	-	42,371
At 31 December 2022	<u>1,665,413</u>	<u>285,036</u>	<u>497,409</u>	<u>42,241</u>	<u>2,490,099</u>
Accumulated depreciation					
At 1 January 2022	188,779	224,339	440,215	23,932	877,265
Charge for year	33,233	8,935	16,800	4,579	63,547
At 31 December 2022	<u>222,012</u>	<u>233,274</u>	<u>457,015</u>	<u>28,511</u>	<u>940,812</u>
Net book value					
At 1 January 2022	<u>1,472,676</u>	<u>59,296</u>	<u>20,182</u>	<u>18,309</u>	<u>1,570,463</u>
At 31 December 2022	<u>1,443,401</u>	<u>51,762</u>	<u>40,394</u>	<u>13,730</u>	<u>1,549,287</u>

12 FIXED ASSET INVESTMENTS

COMPANY

	Investment in subsidiaries £
Cost	
At 1 January 2022	10,327,419
At 31 December 2022	<u>10,327,419</u>
Net book value	
At 1 January 2022	10,327,419
At 31 December 2022	<u>10,327,419</u>

The company owns 100% of the ordinary share capital of the following companies:

Company	Class of share	Country of Incorporation	Registered Office
Isis Fluid Control Limited	Ordinary	England and Wales	Station Yard, The Leys, Chipping Norton, Oxfordshire, OX7 5HZ

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

13 STOCK

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Finished goods and goods for resale	2,038,796	1,550,655	-	-

14 DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	3,800,106	3,560,633	-	-
Prepayments and accrued income	269,862	99,325	-	-
Other debtors	75	15,075	75	75
	<u>4,070,043</u>	<u>3,675,033</u>	<u>75</u>	<u>75</u>

15 CREDITORS: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	42,224	49,385	-	-
Trade creditors	2,859,615	2,482,775	-	-
Taxation and social security	776,417	626,065	-	-
Other creditors	825,246	966,463	805,800	946,943
Accruals and deferred income	774,279	196,968	43,994	30,919
	<u>5,277,781</u>	<u>4,321,656</u>	<u>849,794</u>	<u>977,862</u>

Included within trade creditors are amounts which may be the subject of retention of title clauses.

16 CREDITORS: amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	762,227	798,639	-	-
Other creditors	2,006,688	2,732,747	2,006,688	2,732,747
	<u>2,768,915</u>	<u>3,531,386</u>	<u>2,006,688</u>	<u>2,732,747</u>

The group has a bank loan with Barclays of £805,451 which is repayable over 5 years, with interest being charged on this loan at 3.0% above the Bank of England base rate. This is secured by way of fixed and floating charges over all assets held by the group.

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

17 PROVISIONS FOR LIABILITIES

	Group		Company	
	2022	2021	2022	2021
Deferred Taxation	£	£	£	£
Accelerated capital allowances	44,003	39,900	-	-
	<u>44,003</u>	<u>39,900</u>	<u>-</u>	<u>-</u>
Movements on deferred taxation provision				
	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Balance brought forward	39,900	37,408	-	-
Transfer during the period (Note 9)	4,103	2,492	-	-
	<u>44,003</u>	<u>39,900</u>	<u>-</u>	<u>-</u>
Balance carried forward	44,003	39,900	-	-

18 CONTINGENCIES AND COMMITMENTS

Other Commitments

Amounts falling due next year under operating leases:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
In less than one year	75,642	86,490	-	-
In more than one but less than five years	120,360	131,249	-	-
	<u>196,002</u>	<u>217,739</u>	<u>-</u>	<u>-</u>

19 SHARE CAPITAL

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

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

20 MERGER RESERVE

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Balance brought forward	2,499,975	2,499,975	2,499,975	2,499,975
Balance carried forward	2,499,975	2,499,975	2,499,975	2,499,975

The merger reserve consists of the value of shares issued as part of a business combination, in excess of the nominal value of the issued shares.

21 PROFIT AND LOSS ACCOUNT

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Balance brought forward	1,584,840	537,998	4,116,810	3,295,598
Profit for the financial year	940,432	1,046,842	854,127	821,212
Balance carried forward	2,525,272	1,584,840	4,970,937	4,116,810

The profit and loss account reflects the retained profits of the group and parent company and includes current period retained profits and losses.

22 ANALYSIS OF CHANGES IN NET DEBT

	Balance at 1 January 2022 £	Cash flows £	Balance at 31 December 2022 £
Cash and cash equivalents			
Cash	1,041,648	783,160	1,824,808
	1,041,648	783,160	1,824,808
Borrowings			
Debt due within one year	(996,328)	148,304	(848,024)
Debt due after one year	(3,531,386)	762,471	(2,768,915)
	(4,527,714)	910,775	(3,616,939)
Total	(3,486,066)	1,693,935	(1,792,131)

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

23 RELATED PARTY TRANSACTIONS

Isis Fluid Holdings Limited owns 100% of the issued share capital of Isis Fluid Control Limited. As such, the results of the subsidiary undertaking have been included in the consolidation. Isis Fluid Holdings Limited's consolidated accounts are available at their registered office, Station Yard, The Leys, Chipping Norton, Oxfordshire, OX7 5HZ.

The group has taken advantage of the exemption to not disclose transactions that have taken place within the wholly owned group.

In a prior period, P A Wright made a loan to the group of £7,500,000, which is repayable in instalments at a minimum of £600,000 per annum. Interest is being charged on the loan at 2.5% above the Bank of England base rate and an interest charge for the period of £124,061 (2021 - £83,660) (Note 8) was included in the profit and loss account. The outstanding loan balance at 31 December 2022 was £2,812,488 (2021 - £3,679,691).