
EUROSEAL LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

EUROSEAL LIMITED
REGISTERED NUMBER: 02849282

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	583	3,351
Tangible assets	5	672,186	620,383
		672,769	623,734
Current assets			
Stocks		150,264	88,831
Debtors: amounts falling due within one year	6	463,328	636,923
Cash at bank and in hand		29,029	16,902
		642,621	742,656
Creditors: amounts falling due within one year	7	(738,135)	(746,259)
Net current liabilities		(95,514)	(3,603)
Total assets less current liabilities		577,255	620,131
Creditors: amounts falling due after more than one year	8	(81,092)	(20,548)
Provisions for liabilities			
Deferred tax	9	(97,080)	(96,325)
		(97,080)	(96,325)
Net assets		399,083	503,258
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		398,983	503,158
		399,083	503,258

EUROSEAL LIMITED
REGISTERED NUMBER: 02849282

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2019.

Christopher Donald Byers
Director

The notes on pages 3 to 12 form part of these financial statements.

EUROSEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The company is a members limited liability company registered in England and Wales. The company's registered office is Units 7/8 Tamebridge Industrial Estate, Aldridge Road Perry Bar, Birmingham, B42 2XD. The principal activity continues to be that of manufacture of rubber products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that: Page 4

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.8 Intangible assets**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the life of the lease
Plant and machinery	- 10% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line

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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Financial instruments

The Company only enters into basic financial instrument 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.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 25 (2017 - 28).

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2018	26,007
At 31 December 2018	<u>26,007</u>
Amortisation	
At 1 January 2018	22,656
Charge for the year	2,768
At 31 December 2018	<u>25,424</u>
Net book value	
At 31 December 2018	<u>583</u>
At 31 December 2017	<u>3,351</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2018	212,472	2,170,688	74,250	79,362	2,536,772
Additions	-	191,750	-	1,180	192,930
At 31 December 2018	<u>212,472</u>	<u>2,362,438</u>	<u>74,250</u>	<u>80,542</u>	<u>2,729,702</u>
Depreciation					
At 1 January 2018	211,239	1,586,892	59,641	58,616	1,916,388
Charge for the year on owned assets	1,233	107,951	2,396	747	112,327
Charge for the year on financed assets	-	18,769	4,188	5,844	28,801
At 31 December 2018	<u>212,472</u>	<u>1,713,612</u>	<u>66,225</u>	<u>65,207</u>	<u>2,057,516</u>
Net book value					
At 31 December 2018	<u>-</u>	<u>648,826</u>	<u>8,025</u>	<u>15,335</u>	<u>672,186</u>
At 31 December 2017	<u>1,233</u>	<u>583,796</u>	<u>14,609</u>	<u>20,745</u>	<u>620,383</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	206,072	66,286
Motor vehicles	8,025	12,213
Furniture, fittings and equipment	14,122	19,966
	<u>228,219</u>	<u>98,465</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Debtors

	2018	2017
	£	£
Trade debtors	455,207	535,619
Other debtors	1,552	86,057
Prepayments and accrued income	6,569	15,247
	<u>463,328</u>	<u>636,923</u>

7. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank overdrafts	244,885	122,344
Trade creditors	219,020	310,733
Amounts owed to group undertakings	101,380	149,278
Other taxation and social security	71,068	76,534
Obligations under finance lease and hire purchase contracts	69,415	32,042
Other creditors	142	142
Accruals and deferred income	32,225	55,186
	<u>738,135</u>	<u>746,259</u>

The following liabilities were secured:

	2018	2017
	£	£
Bank overdrafts	244,885	122,344
Obligations under finance lease and hire purchase contracts	69,415	32,042
	<u>314,300</u>	<u>154,386</u>

Details of security provided:

The bank overdraft is secured by a standard bank debenture, incorporating a fixed and floating charge over all current and future assets of the company. The hire purchase liabilities are secured on the assets they relate to as per note 5 to the financial statements.

EUROSEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	<u>81,092</u>	<u>20,548</u>

The following liabilities were secured:

	2018 £	2017 £
Obligations under finance lease and hire purchase contracts	<u>81,092</u>	<u>20,548</u>

Details of security provided:

The hire purchase liabilities are secured on the assets they relate to as per note 5 to the financial statements.

9. Deferred taxation

	2018 £	2017 £
At beginning of year	96,325	89,655
Charged to profit or loss	755	6,670
At end of year	<u>97,080</u>	<u>96,325</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	108,820	96,325
Tax losses carried forward	(11,740)	-
	<u>97,080</u>	<u>96,325</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100 (2017 - 100) ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

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11. Commitments under operating leases

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

	2018 £	2017 £
Later than 1 year and not later than 5 years	<u>217,379</u>	<u>174,000</u>

12. Controlling party

The parent company is Eurotec Holdings Limited, a company registered in England and Wales. The controlling interest in that company is held by Christopher Donald Byers.