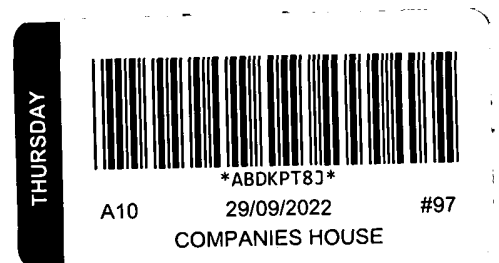


ISIS FLUID CONTROL LIMITED

**INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

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



Company Registration Number: 02613241

ISIS FLUID CONTROL LIMITED

**INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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ISIS FLUID CONTROL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS

P A Wright
D P Stafford
M Woodward

SECRETARY

Ms K L Augar

REGISTERED OFFICE

Station Yard
The Leys
Chipping Norton
Oxon
OX7 5HZ

COMPANY REGISTRATION NUMBER

02613241 England and Wales

AUDITORS

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

ISIS FLUID CONTROL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report with the audited financial statements of the company for the year ended 31 December 2021.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

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

The net profit for the year, before taxation, amounted to £2,020,957 (2020 - £1,612,468). Net assets at the year end were £3,655,394 (2020 - £2,922,815).

Sales for the company in 2021 were 26.4% above the previous year; this increase was driven by improved sales to existing customers and sales to new customers.

Margins increased despite the competitiveness of the market place.

The company 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 company. The company 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 company's highly valued employees.

The company 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 CONTROL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

	2021	2020
Annual sales growth	26%	2%
Days debtors outstanding	64	67
Annual stock turnover	43	51
Return on capital employed	46%	42%

Annual sales growth % - calculated based on the movement in turnover as shown on the face of the profit and loss account, expressed as a percentage.

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 company, 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

As with many companies, the company is exposed to macroeconomic factors of an uncertain nature such as changes to inflation and interest rates.

The majority of the company's purchases are from Eurozone countries and the company 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 company has broadened its customer base and the sectors to which it sells over the past 5 years. One of these sectors is the oil and gas industry.

FINANCIAL INSTRUMENTS

The company 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 company does not enter into any hedging transactions.

BY ORDER OF THE BOARD OF DIRECTORS



P A Wright

Director

Date approved by the board: 26/09/2022

ISIS FLUID CONTROL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report with the audited financial statements of the company for the year ended 31 December 2021

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review continued to be that of the wholesale of machinery and equipment to the hydraulic, process, steam, oil and gas industries.

DIVIDENDS

The cost of the ordinary dividends paid in 2021 was £916,393 (2020 - £3,445,412).

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	
		31/12/21	31/12/20
P A Wright	Ordinary shares of £1.00 each	-	-
D P Stafford	Ordinary shares of £1.00 each	-	-
M Woodward	Ordinary shares of £1.00 each	-	-

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

ISIS FLUID CONTROL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 judgements 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 that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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 company's 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 company's auditor is aware of that information.

ISIS FLUID CONTROL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

POST BALANCE SHEET EVENTS

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

AUDITOR

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: 26/09/2022

ISIS FLUID CONTROL LIMITED

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

TO THE MEMBER OF ISIS FLUID CONTROL LIMITED

OPINION

We have audited the financial statements of ISIS Fluid Control Limited for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the 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 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 state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. 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

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 company'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 2021**

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.

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 strategic report and the directors' report for the financial year 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 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, 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.

/continued

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 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.

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

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

/continued

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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;
- enquiring of management as to actual and potential litigation and claims; and

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.

/continued

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.

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 company'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 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 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 entity or business activities within the company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

/continued

ISIS FLUID CONTROL LIMITED

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

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
OX28 6FF

28th September 2022.

ISIS FLUID CONTROL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	4	17,971,680	14,217,618
Cost of sales		13,251,098	10,169,485
GROSS PROFIT		4,720,582	4,048,133
Administrative expenses		2,679,966	2,509,757
		2,040,616	1,538,376
Other operating income		8,183	76,874
OPERATING PROFIT	5	2,048,799	1,615,250
Interest payable and similar expenses	8	27,842	2,782
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,020,957	1,612,468
Tax on ordinary activities	9	371,985	327,138
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,648,972	1,285,330
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		1,648,972	1,285,330
Profit for the financial year attributable to:			
Owners of the parent company		1,648,972	1,285,330
Total comprehensive income attributable to:			
Owners of the parent company		1,648,972	1,285,330

There were no acquisitions and no discontinued operations in either of the periods.

The only recognised gains and losses for both periods are the profits reported above.

ISIS FLUID CONTROL LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	1,570,463	1,638,734
CURRENT ASSETS			
Stock	12	1,550,655	1,428,981
Debtors	13	3,674,958	3,378,568
Cash at bank and in hand		1,041,647	770,975
		<u>6,267,260</u>	<u>5,578,524</u>
CREDITORS: Amounts falling due within one year	14	3,343,790	3,409,012
		<u>2,923,470</u>	<u>2,169,512</u>
NET CURRENT ASSETS			
		<u>4,493,933</u>	<u>3,808,246</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	15	798,639	848,023
Provisions for liabilities and charges	17	39,900	37,408
		<u>3,655,394</u>	<u>2,922,815</u>
NET ASSETS			
		<u>3,655,394</u>	<u>2,922,815</u>
CAPITAL AND RESERVES			
Called up share capital	19	475	475
Capital redemption reserve	20	50	50
Profit and loss account	21	3,654,869	2,922,290
		<u>3,655,394</u>	<u>2,922,815</u>
SHAREHOLDER'S FUNDS			
		<u>3,655,394</u>	<u>2,922,815</u>

These accounts were approved by the board on 26/09/2022 and signed on its behalf by the following:



P A Wright
Director

ISIS FLUID CONTROL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2020	475	50	5,082,372	5,082,897
Total comprehensive income for the year	-	-	1,285,330	1,285,330
Dividends	-	-	(3,445,412)	(3,445,412)
At 31 December 2020	<u>475</u>	<u>50</u>	<u>2,922,290</u>	<u>2,922,815</u>
	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2021	475	50	2,922,290	2,922,815
Total comprehensive income for the year	-	-	1,648,972	1,648,972
Dividends	-	-	(916,393)	(916,393)
At 31 December 2021	<u>475</u>	<u>50</u>	<u>3,654,869</u>	<u>3,655,394</u>

ISIS FLUID CONTROL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Operating profit before tax		2,048,799	1,615,250
Adjustments for:			
Depreciation		71,960	93,649
		<u>2,120,759</u>	<u>1,708,899</u>
Movements in working capital			
(Increase) / Decrease in stocks		(121,674)	89,949
(Increase) / Decrease in debtors		(296,390)	293,221
Increase in creditors		20,457	102,637
		<u>1,723,152</u>	<u>2,194,706</u>
Cash generated from operations		1,723,152	2,194,706
Interest paid		(27,842)	(2,782)
Income taxes paid		(456,546)	(237,135)
		<u>1,238,764</u>	<u>1,954,789</u>
Net cash generated by operating activities		<u>1,238,764</u>	<u>1,954,789</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,689)	(30,801)
		<u>(3,689)</u>	<u>(30,801)</u>
Net cash used in investing activities		<u>(3,689)</u>	<u>(30,801)</u>
Cash flows from financing activities			
Proceeds of loan received		-	900,000
Repayment of loan		(48,010)	(3,966)
Equity dividends paid		(916,393)	(3,445,412)
		<u>(964,403)</u>	<u>(2,549,378)</u>
Net cash used in financing activities		<u>(964,403)</u>	<u>(2,549,378)</u>
Net increase / (decrease) in cash and cash equivalents		270,672	(625,390)
Cash and cash equivalents at the beginning of the year	22	770,975	1,396,365
Cash and cash equivalents at the end of the year	22	1,041,647	770,975

ISIS FLUID CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 GENERAL INFORMATION

Isis Fluid Control 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
Oxon
OX7 5HZ

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

The company's registered number is 02613241.

2 STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

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.

Turnover

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

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 entity recognises the related costs for which the grant is intended to compensate.

Grant income of £nil (2020 - £76,874) was recognised during the year, received from the Government's Job Retention Scheme. This was a scheme introduced due to the COVID-19 pandemic, where employers are able to claim grants of up to 80% of furloughed employees' wages costs.

Grant income of £1,997 (2020 - £nil) 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 with administrative expenses.

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 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 company 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.

ISIS FLUID CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Impairment of 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.

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.

ISIS FLUID CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Leases

Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership of the leased assets to the company. Other leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the company 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 company 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 year. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments in the balance sheet.

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.

ISIS FLUID CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Foreign currencies

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

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 JUDGEMENTS

In the application of the company'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 making allowances 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.

4 TURNOVER

	2021	2020
	£	£
The analysis of turnover by geographical area is as follows:		
United Kingdom	11,788,849	11,554,196
Rest of Europe	3,590,402	1,893,969
Rest of the World	2,592,429	769,453
	<u>17,971,680</u>	<u>14,217,618</u>
	2021	2020
	£	£
The analysis of turnover by category is as follows:		
Sale of goods	<u>17,971,680</u>	<u>14,217,618</u>

ISIS FLUID CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2021	2020
	£	£
The profit on ordinary activities before taxation is stated after charging:		
Directors' remuneration (Note 6)	250,646	252,055
Audit fees	5,400	4,750
Depreciation	71,960	93,649
Operating lease rentals - motor vehicles	95,347	84,847
Currency exchange losses	54,537	29,781
	<u>250,646</u>	<u>252,055</u>

6 DIRECTORS' REMUNERATION

	2021	2020
	£	£
The remuneration of the directors was as follows:		
Qualifying services	233,641	203,853
Benefits in kind	17,005	48,202
	<u>250,646</u>	<u>252,055</u>

	2021	2020
	£	£
The remuneration of the highest paid director was as follows:		
Qualifying services	105,324	100,174
Benefits in kind	7,003	21,251
	<u>112,327</u>	<u>121,425</u>

Remuneration totalling £159,369 (2020 - £76,570) 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 scheme	<u>3</u>	<u>3</u>
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ISIS FLUID CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 EMPLOYEES

	2021 Number	2020 Number
Average number of persons employed by the company, including directors, during the year:		
Directors	3	3
Management and administration	39	43
	<u>42</u>	<u>46</u>
Staff costs incurred during the year in respect of these employees were:		
Director, management and administration wages and salaries	1,714,263	1,698,278
Social security costs	185,125	176,013
Pension contributions	132,056	142,532
	<u>2,031,444</u>	<u>2,016,823</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 pension provider. Pension payments recognised as an expense during the period total £132,056 (2020 - £142,532). At the year end, there were unpaid pension contributions of £16,376 (2020 - £13,144) and these have been included in creditors (Note 14).

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Bank interest	741	489
Bank loan interest	27,101	2,293
	<u>27,842</u>	<u>2,782</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9 TAXATION ON ORDINARY ACTIVITIES

	2021 £	2020 £
Corporation tax charge	396,959	337,558
Corporation tax adjustment regarding prior year	(27,466)	-
Deferred taxation (Note 17) - provisions for liabilities	2,492	(10,420)
	<u>371,985</u>	<u>327,138</u>
Reconciliation of current tax charge	2021 £	2020 £
Profit on ordinary activities before taxation	<u>2,020,957</u>	<u>1,612,468</u>
Profit on ordinary activities by rate of tax	383,982	306,369
Expenses not deductible for tax purposes	9,717	6,693
Group relief claimed	(18,084)	(28,465)
Deferred tax provision	8,532	(1,163)
Overprovision of corporation tax	(12,162)	43,704
Total current tax	<u>371,985</u>	<u>327,138</u>

The taxation charge for the year ended 31 December 2021 was calculated at 19% (2020 - 19%)

10 DIVIDENDS

	2021 £	2020 £
Dividend paid on ordinary shares	<u>916,393</u>	<u>3,445,412</u>

ISIS FLUID CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11 TANGIBLE ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2021	1,661,455	280,736	459,607	42,241	2,444,039
Additions	-	2,899	790	-	3,689
At 31 December 2021	<u>1,661,455</u>	<u>283,635</u>	<u>460,397</u>	<u>42,241</u>	<u>2,447,728</u>
Accumulated depreciation					
At 1 January 2021	154,979	222,739	406,215	21,372	805,305
Charge for year	33,800	1,600	34,000	2,560	71,960
At 31 December 2021	<u>188,779</u>	<u>224,339</u>	<u>440,215</u>	<u>23,932</u>	<u>877,265</u>
Net book value					
At 1 January 2021	<u>1,506,476</u>	<u>57,997</u>	<u>53,392</u>	<u>20,869</u>	<u>1,638,734</u>
At 31 December 2021	<u>1,472,676</u>	<u>59,296</u>	<u>20,182</u>	<u>18,309</u>	<u>1,570,463</u>

12 STOCK

	2021 £	2020 £
Finished goods and goods for resale	<u>1,550,655</u>	<u>1,428,981</u>

13 DEBTORS

	2021 £	2020 £
Trade debtors	3,560,633	3,217,668
Prepayments and accrued income	99,325	155,901
Other debtors	15,000	4,999
	<u>3,674,958</u>	<u>3,378,568</u>

ISIS FLUID CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	49,385	67,969
Trade creditors	2,482,775	1,797,590
Taxation and social security	626,065	1,036,811
Accruals and deferred income	166,045	490,354
Other creditors	19,520	16,288
	<u>3,343,790</u>	<u>3,409,012</u>

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

15 CREDITORS: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	798,639	848,023
	<u>798,639</u>	<u>848,023</u>

16 BORROWINGS

	2021	2020
	£	£
Current		
Bank loans - secured	49,385	48,011
	<u>49,385</u>	<u>48,011</u>
Non-current		
Bank loans - secured	798,639	848,023
	<u>798,639</u>	<u>848,023</u>

The company has a bank loan with Barclays of £848,024 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 company.

ISIS FLUID CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17 PROVISIONS FOR LIABILITIES

Deferred Taxation	Provided	
	2021	2020
	£	£
Accelerated capital allowances	39,900	37,408
	<u> </u>	<u> </u>
Movements on deferred taxation provision	2021	2020
	£	£
Balance brought forward	37,408	47,828
Transfer during the year	2,492	(10,420)
	<u> </u>	<u> </u>
Balance carried forward	39,900	37,408
	<u> </u>	<u> </u>

18 COMMITMENTS

Amounts falling due next year under operating leases:	2021	2020
	£	£
Expiring in less than one year	86,490	64,090
Expiring in more than one but less than five years	131,249	52,461
	<u> </u>	<u> </u>
	217,739	116,551
	<u> </u>	<u> </u>

19 SHARE CAPITAL

	Nominal value	Number	2021	2020
	£		£	£
Allotted, called up and fully paid:				
Ordinary shares	1	475	475	475
			<u> </u>	<u> </u>

The holders of 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.

20 CAPITAL REDEMPTION RESERVE

	2021	2020
	£	£
Balance brought forward	50	50
	<u> </u>	<u> </u>
Balance carried forward	50	50
	<u> </u>	<u> </u>

The capital redemption reserve represents the nominal value of the shares purchased by the company.

ISIS FLUID CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

21 PROFIT AND LOSS ACCOUNT

	2021 £	2020 £
Balance brought forward	2,922,290	5,082,372
Profit for the financial year	1,648,972	1,285,330
Dividends	(916,393)	(3,445,412)
	<u>3,654,869</u>	<u>2,922,290</u>
Balance carried forward	<u><u>3,654,869</u></u>	<u><u>2,922,290</u></u>

The profit and loss account includes all current and prior period retained profits and losses of the company.

22 ANALYSIS OF CHANGES IN NET DEBT

	Balance at 1 January 2021 £	Cash flows £	Balance at 31 December 2021 £
Cash and cash equivalents			
Cash	770,975	270,672	1,041,647
	<u>770,975</u>	<u>270,672</u>	<u>1,041,647</u>
Borrowings			
Debt due within one year	(67,969)	18,584	(49,385)
Debt due after one year	(848,023)	49,384	(798,639)
	<u>(915,992)</u>	<u>67,968</u>	<u>(848,024)</u>
Total	<u><u>(145,017)</u></u>	<u><u>338,640</u></u>	<u><u>193,623</u></u>

23 DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following director's advances, credits and guarantees took place during the year:

	Balance at 1 January 2021 £	Amounts advanced £	Amounts repaid £	Amounts written off £	Balance at 31 December 2021 £
D P Stafford	4,999	-	-	4,999	-
	<u>4,999</u>	<u>-</u>	<u>-</u>	<u>4,999</u>	<u>-</u>

This advance is interest free and repayable on demand.

ISIS FLUID CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption to not disclose transactions with its parent company, Isis Fluid Holdings Limited, on the basis that the parent company holds 100% of the share capital of the company.

25 ULTIMATE PARENT COMPANY

The company's parent and ultimate parent company at the year end was Isis Fluid Holdings Limited, a company incorporated in England and Wales and registered at Station Yard, The Leys, Chipping Norton, Oxfordshire, OX7 5HZ. Isis Fluid Holdings Limited holds 100% of the issued share capital of Isis Fluid Control Limited. Consolidated accounts are publicly available at their registered office.