

Registered Number: 04008521

Seal Analytical Limited
Annual report and financial statements
for the year ended 30 November 2016



Seal Analytical Limited

Annual report and financial statements for the year ended 30 November 2016

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Directors' report for the year ended 30 November 2016

The Directors present their report and the audited financial statements of the Company for the year ended 30 November 2016.

Principal activities

Throughout the year the principal activity of the Company was the sale and servicing of water analysis equipment and related consumables.

The Company is a private company and is incorporated and domiciled in the UK. The address of its registered office is 7 Regis Place, Bergen Way, King's Lynn, PE30 2JN.

Review of business and future developments

The level of sales of the Company during the year reduced compared to the prior year as a result of the move of discrete analyser production to the US. The financial position at 30 November 2016 is considered to be satisfactory. Opportunities for developing the global position of the discrete water analyser continue to be explored.

Further discussion of the business review and future developments, in the context of the Porvair group as a whole, including the Company, is provided in the Chairman's statement, Chief Executive's report and the Finance Director's review in the Porvair plc annual report and financial statements, which does not form part of this report.

Research and development

The Company continues a programme of development of its existing systems and new systems to support future growth opportunities. The development is largely completed in-house rather than through third parties.

Key performance indicators

The Company considers its key performance indicators to be: revenue growth and operating margin, revenue from new products, profit before tax growth and return on capital employed. Further discussion of these key performance indicators, in the context of the group as a whole, including the Company, is provided in the Chairman's statement, Chief Executive's report and the Finance Director's review in the Porvair plc annual report and financial statements, which does not form part of this report.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Further discussion of these risks and uncertainties, in the context of the group as a whole, including the Company, is provided on pages 26 to 31 of the Porvair plc annual report and financial statements, which does not form part of this report.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of liquidity risk, foreign exchange risk and credit risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company. Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of Directors are implemented by the Company's finance department.

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Directors' report for the year ended 30 November 2016 (continued)

Financial risk management (continued)

Liquidity risk

The ultimate parent company ensures the Company has sufficient available funds for operations and planned growth.

Foreign exchange risk

The Company sells its products in both US dollars and Euros and is exposed to exchange rate movements. The exposure to exchange rate movements is partially mitigated by purchases in those currencies and inter-company loan balances, in addition to which the Company selectively enters into forward currency contracts in relation to its principal foreign currency denominated revenues to reduce the impact of exchange rate movements.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

Results and dividends

The Company's results for the year are shown on page 6. The Company made a profit for the financial year of £435,000 (2015: £810,000). The Directors have paid a dividend of £414,000 in the year (2015: £748,000). The Directors do not recommend any further payment of dividend.

Directors

The Directors who were in office during the year and up to the date of signing the financial statements were as follows:

BDW Stocks

CP Tyler

I Stirling

S Smith

Strategic report

A Strategic report has not been reported separately, as the Company has adopted the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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:

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Directors' report for the year ended 30 November 2016 (continued)

Statement of Directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' responsibility for provision of information to the Auditors

In accordance with Section 418 of the Companies Act 2006, each Director in office at the date the Directors' report is approved, has confirmed that so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Employment policies

The Company's employment policies encourage the provision of employment opportunities for disabled people, racial minorities and other disadvantaged groups. The Company endeavours to keep its employees well informed about the progress of their company.

Charitable and political contributions

There were no charitable or political donations in the year (2015: £nil).

Independent auditors

PricewaterhouseCoopers LLP have indicated that they will resign as auditors following the Annual General Meeting. Deloitte LLP have indicated their willingness to become the Company's auditors, and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By order of the Board,



SJ Rodgers
Company secretary
4 May 2017

Seal Analytical Limited

Independent auditors' report to the members of Seal Analytical Limited

Report on the financial statements

Our opinion

In our opinion, Seal Analytical Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 30 November 2016;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Seal Analytical Limited

Independent auditors' report to the members of Seal Analytical Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andy Grimby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
4 May 2017

Seal Analytical Limited

Income statement for the year ended 30 November 2016

	Note	2016 £'000	2015 £'000
Revenue	1	367	407
Cost of sales		(257)	(302)
Gross profit		110	105
Distribution costs		(8)	(5)
Administrative expenses		(158)	(260)
Operating loss	2	(56)	(160)
Income from subsidiaries		488	917
Profit before income tax		432	757
Income tax credit	5	3	53
Profit for the financial year		435	810

The results relate to continuing activities.

Seal Analytical Limited

Balance sheet as at 30 November 2016

Registered Number: 04008521

	Note	2016 £'000	2015 £'000
Fixed assets			
Intangible assets	7	284	284
Property, plant and equipment	8	13	15
Investments	9	17	17
		314	316
Current assets			
Inventories	10	40	28
Trade and other receivables	11	94	132
Cash and cash equivalents		889	804
		1,023	964
Creditors: amounts falling due within one year	12	(191)	(155)
Net current assets		832	809
Total assets less current liabilities		1,146	1,125
Net assets		1,146	1,125
Capital and reserves			
Called up share capital		230	230
Share premium account		575	575
Retained earnings		341	320
Total equity		1,146	1,125

The financial statements on pages 6 to 21 were approved by the Board of Directors on 4 May 2017 and were signed on its behalf by:

C. P. Tyler

CP Tyler
Director

Seal Analytical Limited

Statement of changes in equity for the year ended 30 November 2016

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 December 2014	230	575	258	1,063
Profit for the financial year	-	-	810	810
Total comprehensive income	-	-	810	810
Transactions with owners:				
Dividends	-	-	(748)	(748)
Total transactions with owners recognised directly in equity	-	-	(748)	(748)
Balance as at 30 November 2015	230	575	320	1,125
Profit for the financial year	-	-	435	435
Total comprehensive income	-	-	435	435
Transactions with owners:				
Dividends	-	-	(414)	(414)
Total transactions with owners recognised directly in equity	-	-	(414)	(414)
Balance as at 30 November 2016	230	575	341	1,146

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Accounting policies for the year ended 30 November 2016

Basis of accounting

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis and under the historical cost convention, in accordance with the Companies Act 2006. A reconciliation of the impact of adopting FRS 101 is included in note 19.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based payment (details of the number and weighted-average exercise prices of share options and how the fair value of goods or services received was determined);
- paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n) (ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- IFRS 7 Financial Instruments: Disclosures;
- paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets (reconciliations between the carrying amount at the beginning and end of the period);
- paragraphs 10(d) (statement of cash flows), 10(f) (statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements), 16 (statement of compliance with all IFRSs), 38A (requirement for minimum of two primary statements, including cash flow statements), 38B-D (additional comparative information), 40A-D (requirements for a third statement of financial position), 111 (cash flow statement information) and 134 to 136 (capital management disclosures) of IAS 1 Presentation of Financial Statements;
- IAS 7 Statement of Cash Flows;
- paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- paragraph 17 of IAS 24 Related Party Disclosures (key management compensation);
- IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135 (e) of IAS 36 Impairment of Assets (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed. No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 December 2015 have had a material impact on the Company.

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Accounting policies for the year ended 30 November 2016 (continued)

The principal accounting policies applied in the preparation of these financial statements are set out below:

Going concern

The Company meets its day-to-day working capital requirements through its cash reserves. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Revenue

Revenue is the total amount receivable from external customers for goods and services supplied in the ordinary course of business and excludes value added tax. Revenue is recognised at the point the risks and rewards are transferred, typically once goods are despatched to the customer. Revenue in relation to service contracts is recognised on a straight line basis over the period of the contract.

Property, plant and equipment

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to working condition for its intended use.

Depreciation is calculated so as to write down the cost, less estimated residual value, of tangible fixed assets by equal annual instalments over their expected useful lives, as follows:

Plant, machinery and equipment	25-33% straight line
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Goodwill

Purchased goodwill represents the excess of the fair value of total purchase consideration over the fair value of the net assets acquired. This is capitalised as an intangible fixed asset at cost less accumulated impairment losses and reviewed annually for impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Other intangible assets

Software, process technology, know-how and design rights are measured initially at cost and then amortised over their estimated useful lives, which are deemed to be 3 years, on a straight line basis.

All research and development expenditure is written off to the profit and loss account as incurred.

All expenditure on the registration, renewal and maintenance of patents and trademarks is written off to the profit and loss account as incurred.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

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Accounting policies for the year ended 30 November 2016 (continued)

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes all expenditure incurred in the normal course of business in bringing the stock to its present location and condition and overheads appropriate to the stage of manufacture. Cost is derived based on the weighted average cost of purchased materials. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the relevant lease.

Pension contributions

The Company operates a defined contribution scheme for its employees. The pension costs charged in the financial statements represent the contributions payable by the Company during the year.

Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. All differences are taken to the profit and loss account.

Taxation

Current tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that are relevant to the period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates which have been enacted or substantively enacted by the balance sheet date and are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is recognised in the income statement, except when it relates to items recognised directly to other comprehensive income or directly to equity. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Consolidated financial statements

The financial statements present information about the Company as an individual undertaking and not about its Group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Porvair plc, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

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Notes to the financial statements for the year ended 30 November 2016

1 Revenue

Revenue is attributable to the principal activity of the Company, and is wholly generated from the United Kingdom. An analysis of revenue by geographical destination is given below:

	2016 £'000	2015 £'000
United Kingdom	338	374
Rest of Europe	13	16
Americas	16	17
	367	407

2 Operating loss

	2016 £'000	2015 £'000
Operating loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
Owned assets	8	8
Inventory recognised as an expense	108	122
Operating lease rentals:		
Plant and machinery	7	11
Other	15	13
Research and development costs	71	65
(Gain)/loss on foreign exchange transactions	(54)	19
Services provided by the Company's auditors		
The Company obtained the following services from the Company's auditors at costs detailed below:		
The audit of the Company financial statements pursuant to legislation	6	5

Seal Analytical Limited

Notes to the financial statements for the year ended 30 November 2016 (continued)

3 Employee information

The average monthly number of staff employed by the Company, including Directors, during the year by activity was as follows:

	2016 Number	2015 Number
Sales and service	4	5
Administration	2	2
	6	7

The cost of employing those staff comprised the following:

	2016 £'000	2015 £'000
Wages and salaries	220	263
Social security costs	27	32
Other pension costs (see note 15)	22	23
	269	318

4 Directors' remuneration

None of the Directors received remuneration for their services to the Company (2015: £nil).

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Notes to the financial statements for the year ended 30 November 2016 (continued)

5 Income tax

	2016 £'000	2015 £'000
Current tax		
UK Corporation tax credit	(15)	(46)
Adjustments in respect of prior years	-	(15)
Total current tax	(15)	(61)
Deferred tax		
Origination and reversal of timing differences	12	8
Total deferred tax	12	8
Income tax credit	(3)	(53)

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK at 20% (2015: 20.33%). The differences are explained below:

	2016 £'000	2015 £'000
Profit before income tax:	432	757
 Tax at the standard UK Corporation tax rate of 20% (2015: 20.33%)	 86	 154
Effects of:		
Non-taxable dividend receivable	(98)	(190)
Accelerated capital allowances	(3)	(10)
Origination and reversal of timing difference of deferred tax	12	8
Adjustments in respect of prior years	-	(15)
Total tax credit for the year	(3)	(53)

The standard rate of Corporation tax in the UK remained at 20% during the year. Accordingly, the theoretical effective tax rate applied to the Company's profits for this accounting year is 20%.

Changes to the UK corporation tax rates were introduced by Finance (No.2) Act 2015, being the reduction of the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. The latter was superseded by Finance Act 2016, which was substantively enacted in September 2016 and reduced the rate to apply from 1 April 2020 to 17%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Seal Analytical Limited

Notes to the financial statements for the year ended 30 November 2016 (continued)

6 Dividends

During the year, dividends were declared and paid of £1.80 (2015: £3.25) per ordinary share, totalling £414,000 (2015: £748,000).

7 Intangible assets

	Goodwill	Software	Process Technology, Know-how and Design Rights	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 December 2015	406	383	33	822
At 30 November 2016	406	383	33	802
Accumulated amortisation				
At 1 December 2015	122	383	33	538
Charge for the year	-	-	-	-
At 30 November 2016	122	383	33	538
Net book value				
At 30 November 2016	284	-	-	284
At 30 November 2015	284	-	-	284

Seal Analytical Limited

Notes to the financial statements for the year ended 30 November 2016 (continued)

8 Property, plant and equipment

	Plant, machinery and equipment £'000
Cost	
At 1 December 2015	111
Additions	6
Disposals	(43)
At 30 November 2016	74
Accumulated depreciation	
At 1 December 2015	96
Charge for the year	8
Disposals	(43)
At 30 November 2016	61
Net book value	
At 30 November 2016	13
At 30 November 2015	15

9 Investments

	Shares in group undertakings £'000
Cost at 30 November 2015 and 2016	17

The Company has the following subsidiary undertakings:

Subsidiary undertakings	Principal activity	Country of incorporation	Interest in ordinary shares and voting rights
Seal Analytical GmbH	Sale and servicing of water analysis equipment and related consumables	Germany	100%
Pulse Instrumentation GmbH	Sale of water analysis consumables	Germany	100%*

* shares owned by Seal Analytical GmbH

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Seal Analytical Limited

Notes to the financial statements for the year ended 30 November 2016 (continued)

10 Inventories

	2016 £'000	2015 £'000
Finished goods	40	28

11 Trade and other receivables

	2016 £'000	2015 £'000
Amounts falling due within one year:		
Trade receivables	58	33
Other debtors	14	11
Deferred tax asset (note 13)	15	27
Corporation tax	7	61
	94	132

12 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade payables	23	16
Other taxation and social security	7	11
Accruals and deferred income	161	128
	191	155

Seal Analytical Limited

Notes to the financial statements for the year ended 30 November 2016 (continued)

13 Deferred taxation

Deferred tax (assets)/liabilities	2016 £'000	2015 £'000
Balance at 1 December	(27)	(35)
Profit and loss account	12	8
Balance at 30 November	(15)	(27)
The deferred tax asset recognised in the financial statements comprises:		
Accelerated capital allowances	(13)	(25)
Short term timing differences	(2)	(2)
	(15)	(27)

There are no unprovided deferred tax assets or liabilities as at 30 November 2016 and 30 November 2015.

14 Share capital

	2016 £'000	2015 £'000
Authorised:		
600,000 (2015: 600,000) Ordinary shares of £1 each	600	600
	600	600
Allotted and fully paid		
230,115 (2015: 230,115) Ordinary shares of £1 each	230	230
	230	230

15 Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund. Contributions payable by the Company to the scheme amounted to £22,000 (2015: £23,000). Amounts outstanding at 30 November 2016 were £1,000 (2015: £2,000).

Seal Analytical Limited

Notes to the financial statements for the year ended 30 November 2016 (continued)

16 Operating lease commitments

At 30 November 2016 the Company had future aggregate minimum lease payments under non-cancellable operating leases expiring as follows:

	2016 Land and Buildings £'000	2016 Other £'000	2015 Land and Buildings £'000	2015 Other £'000
No later than one year	15	5	15	8
Later than one year and no later than five years	19	4	34	9
	34	9	49	17

17 Contingent liabilities

The Company has an unlimited cross-guarantee arrangement in respect of the bank borrowings of Porvair plc, Porvair Filtration Group Limited, Porvair Sciences Limited and Porvair Filtration Limited. At 30 November 2016, these net borrowings amounted to £nil (2015: £nil).

18 Parent undertaking

The Company's ultimate parent undertaking and controlling party is Porvair plc, a company registered in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Porvair plc financial statements are available to the public and may be obtained from the Company Secretary at 7 Regis Place, Bergen Way, King's Lynn, Norfolk, PE30 2JN.

19 Explanations of FRS 101 adjustments

This is the first year that the Company has prepared its financial statements in accordance with FRS 101. Comparative information for the year ended 30 November 2016 and the year ended 30 November 2015 has been presented under FRS101, the date of transition being 1 December 2014.

Set out below are descriptions of the various implementation options applied by the Company in preparing the financial statements for the year ended 30 November 2016, as well as reconciliations from the previously used

UK GAAP to FRS 101 for both total comprehensive income for the year ended 30 November 2015 and total equity as at 1 December 2014 and 30 November 2015.

Seal Analytical Limited

Notes to the financial statements for the year ended 30 November 2016 (continued)

19 Explanations of FRS 101 adjustments (continued)

Reconciliation of total equity:

		1 December 2014	30 November 2015
	Note	£'000	£'000
Total equity reported under UK GAAP (previously reported)		1,063	1,084
Adjustments to equity on transition to FRS 101:			
- Reversal of goodwill amortisation	a	-	41
- Reclassification of capitalised software costs	b	-	-
Total equity reported under FRS 101		1,063	1,125

Reconciliation of total comprehensive income:

		2015 £'000
	Note	
Total comprehensive income for the financial year under UK GAAP (previously reported)		769
Adjustments to profit for the year under FRS 101:		
- Reversal of goodwill amortisation	a	41
Total comprehensive income for the financial year under FRS 101		810

Explanations for adjustments to total equity and total comprehensive income

Initial exemptions on first time adoption

In preparing its statement of financial position and adjusting amounts reported previously in accordance with UK GAAP, the Company applied IFRS 1, which contains a number of voluntary exemptions and mandatory exceptions from the requirement to apply IFRS retrospectively.

The Company applied the following exemptions and exceptions:

- Estimates - Hindsight has not been used to create or revise estimates. The estimates previously made by the Company under UK GAAP have not been revised for the application of IFRS except where necessary to reflect any difference in accounting policies.

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Notes to the financial statements for the year ended 30 November 2016 (continued)

19 Explanations of FRS 101 adjustments (continued)

a) Goodwill

Goodwill is considered to have an indefinite useful economic life under IAS 38: 'Intangible assets'. Therefore, amortisation of £41,000 has not been recognised in the income statement under FRS 101, as it was previously under 'old UK GAAP'. This results in an increase of profit and total equity by £41,000 in the year to 30 November 2015 compared to that previously stated.

b) Capitalised software costs presentation

Previously under 'old UK GAAP' software costs could be shown within property, plant and equipment, whereas under IFRS they are shown as an intangible asset. The cost of such assets transferred at the transition date from property, plant and equipment to software costs within intangible assets is £383,000, with its associated accumulated amortisation of £383,000. This presentation change has no effect on total equity nor on total comprehensive income in any period.