

REGISTERED NUMBER: 04861663 (England and Wales)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012
FOR
LANTECH SOLUTIONS LIMITED

FRIDAY



A09 *A1GHTLO0* #231
COMPANIES HOUSE

M R Salvage Limited
Chartered Accountants
and Registered Auditors
7/8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
SL8 5YS

CONTENTS OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2012

	Page
Company Information	1
Report of the Independent Auditors	2
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Statement of Cash Flows	7
Notes to the Financial Statements	8

LANTECH SOLUTIONS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2012

DIRECTORS:

N J Harrower
L A Lemon
H Robinson
P Robinson
J Brennan

SECRETARY:

N J Harrower

REGISTERED OFFICE:

Unit 11 Bradley Mills Road Industrial Estate
Bradley Mills Road
Huddersfield
West Yorkshire
HD1 6PQ

REGISTERED NUMBER:

04861663 (England and Wales)

AUDITORS:

M R Salvage Limited
Chartered Accountants
and Registered Auditors
7/8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
SL8 5YS

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LANTECH SOLUTIONS LIMITED

Although the company is not required to file a Directors' Report or Statement of Comprehensive Income, the Companies Act 2006 requires the accompanying Report of the Auditors to be a copy of our report to the shareholders on the company's full Financial Statements and Report of the Directors. Readers are cautioned that the Statement of Comprehensive Income and certain other primary statements and the Report of the Directors, which may be referred to in the copy of our Report of the Auditors, are not required to be filed with the Registrar of Companies.

We have audited the financial statements of Lantech Solutions Limited for the year ended 30 April 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

LANTECH SOLUTIONS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors

MR Salvage Limited

John Taylor (Senior Statutory Auditor)
for and on behalf of M R Salvage Limited
Chartered Accountants
and Registered Auditors
7/8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
SL8 5YS

Date

14 August 2012

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

STATEMENT OF FINANCIAL POSITION

30 APRIL 2012

	Notes	2012 £	2011 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>4,930</u>	<u>2,313</u>
CURRENT ASSETS			
Inventories	8	54,431	57,130
Trade and other receivables	9	162,948	139,581
Tax receivable		1,084	935
Cash and cash equivalents	10	<u>50,382</u>	<u>42,474</u>
		<u>268,845</u>	<u>240,120</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	172,066	145,649
Tax payable		<u>10,749</u>	<u>24,414</u>
		<u>182,815</u>	<u>170,063</u>
NET CURRENT ASSETS		<u>86,030</u>	<u>70,057</u>
NON-CURRENT LIABILITIES			
Deferred tax	14	<u>930</u>	<u>930</u>
NET ASSETS		<u>90,030</u>	<u>71,440</u>
SHAREHOLDERS' EQUITY			
Called up share capital	15	100	100
Retained earnings	16	<u>89,930</u>	<u>71,340</u>
TOTAL EQUITY		<u>90,030</u>	<u>71,440</u>

The financial statements have been prepared and delivered in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 (5) of the Companies Act 2006 the financial statements delivered to the Registrar of Companies do not include a Directors' Report and Statement of Comprehensive Income

The financial statements were approved by the Board of Directors on
signed on its behalf by

6/8/12

and were


P Robinson - Director


N J Harrower - Director

The notes form part of these financial statements

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2012

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 August 2010	100	30,718	30,818
Changes in equity			
Dividends	-	(18,635)	(18,635)
Total comprehensive income	<u>-</u>	<u>59,257</u>	<u>59,257</u>
Balance at 30 April 2011	<u>100</u>	<u>71,340</u>	<u>71,440</u>
Changes in equity			
Dividends	-	(16,000)	(16,000)
Total comprehensive income	<u>-</u>	<u>34,590</u>	<u>34,590</u>
Balance at 30 April 2012	<u>100</u>	<u>89,930</u>	<u>90,030</u>

The notes form part of these financial statements

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2012

		Year Ended 30 4 12 £	Period 1 8 10 to 30 4 11 £
Cash flows from operating activities			
Cash generated from operations	1	56,348	65,951
Interest paid		-	(55)
Tax paid		<u>(23,598)</u>	<u>(13,929)</u>
Net cash from operating activities		<u>32,750</u>	<u>51,967</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,600)	-
Interest received		<u>-</u>	<u>5</u>
Net cash from investing activities		<u>(3,600)</u>	<u>5</u>
Cash flows from financing activities			
Amount introduced by directors		1,670	-
Amount withdrawn by directors		(5,615)	(2,947)
Movement in group debt		(1,297)	1,297
Equity dividends paid		<u>(16,000)</u>	<u>(18,635)</u>
Net cash from financing activities		<u>(21,242)</u>	<u>(20,285)</u>
		<u>7,908</u>	<u>31,687</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	<u>42,474</u>	<u>10,787</u>
Cash and cash equivalents at end of year	2	<u>50,382</u>	<u>42,474</u>

The notes form part of these financial statements

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2012

1 RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Year Ended 30 4 12 £	Period 1 8 10 to 30 4.11 £
Profit before income tax	44,374	82,821
Depreciation charges	983	4,142
Finance costs	-	55
Finance income	-	(5)
	<u>45,357</u>	<u>87,013</u>
Decrease/(increase) in inventories	2,699	(32,130)
Increase in trade and other receivables	(20,932)	(8,663)
Increase in trade and other payables	<u>29,224</u>	<u>19,731</u>
Cash generated from operations	<u>56,348</u>	<u>65,951</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Year ended 30 April 2012

	30 4 12 £	1 5 11 £
Cash and cash equivalents	<u>50,382</u>	<u>42,474</u>

Period ended 30 April 2011

	30.4 11 £	1 8 10 £
Cash and cash equivalents	<u>42,474</u>	<u>10,787</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2012

1 ACCOUNTING POLICIES

Corporate information

Lantech Solutions Limited is a private limited company incorporated and domiciled in the United Kingdom. The address of the registered office is given on page 1. The principal activity is set out in the directors' report.

Implementation of new accounting standards

With effect from 1 May 2011, Lantech Solutions Limited has implemented an amendment to IAS 32 'Financial Instruments - Presentation - Classification of rights issues' and IAS 24 (Revised) 'Related party disclosures' and minor amendments to a number of other accounting standards. These revisions had no material impact on the current period and the prior period.

Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

At the date of approval of these financial statements the following standards, amendments to existing standards and interpretations which are in issue but not yet effective have not been applied in these financial statements:

Amendments to IFRS 7 - Amendments enhancing disclosures about transfers of financial assets

In addition, the following standards, amendments to existing standards and interpretations are in issue but have not yet been endorsed by the EU:

IAS 27 (revised) - Separate Financial Statements

IAS 28 (revised) - Investments in Associates and Joint Ventures

IFRS 9 Financial Instruments

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

Amendments to IAS 1 - Amendments to revise the way other comprehensive income is presented

Amendment to IAS 12 - Recovery of underlying assets

Amendment to IAS 19 - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects

Amendments to IAS 32 - Amendments to application guidance on the offsetting of financial assets and financial liabilities

Amendment to IFRS 1 - Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs'

Amendment to IFRS 1 - Additional exemption for entities ceasing to suffer from severe hyperinflation

Amendments to IFRS 7 - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

Amendments to IFRS 7 - Amendments requiring disclosures about the initial application of IFRS 9

IFRIC 20 - Stripping costs in the production phase of a surface mine

The directors anticipate that these standards or interpretations will either be not applicable to the company or that adoption in future periods will have no material impact on the financial statements of the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

1 ACCOUNTING POLICIES - continued

Basis of preparation

In accordance with s444(5) of the Companies Act 2006 the financial statements prepared for delivery to the Registrar of Companies do not include an income statement or directors report as the company qualifies as a small company

Revenue recognition

Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue can be reliably estimated

Revenue represents amounts receivable for goods and services net of VAT and trade discounts

Property, plant and equipment

Property, plant and equipment is reflected at cost less accumulated depreciation and any recognised impairment loss

Depreciation is provided at the following annual rates in order to write off the depreciable amount of each asset over its estimated useful life

Improvements to property	- 10% on cost
Plant and machinery	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Financial instruments

The company uses certain financial instruments in its normal operating and investing activities, which are deemed appropriate to its circumstances, such as trade receivables and trade payables, cash at bank deposits and bank overdrafts, loans and equity shares and forward foreign exchange contracts. Financial assets and liabilities are recognised on the company's balance sheet when the company has become a party to the contractual provisions of the instrument

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

Financial assets

In accordance with IFRS 7, trade receivables, loans and other receivables that have fixed or determinable payments are classified as 'Loans and receivables' and are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial

Financial assets are assessed for impairment at each balance sheet date and any impairment recognised in the profit or loss. Trade receivables are assessed for collectability and where appropriate the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account and changes in the carrying amount of the allowance account are recognised in the profit or loss in the income statement

Financial liabilities

In accordance with IFRS 7 financial liabilities such as trade payables and loans are classified as 'Other financial liabilities' and are measured initially at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, except for short term payables when the recognition of interest would be immaterial

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

1 ACCOUNTING POLICIES - continued

Debt and equity instruments issued by the company

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement

Inventories

Inventories are valued at average cost, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and, where applicable, an appropriate proportion of fixed and variable overheads

Net realisable value represents the estimated selling price less all estimated costs of completion, marketing, selling and distribution

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date

Hire purchase and leasing commitments

Assets obtained under hire purchase or finance leases, where the company has substantially all the risks and rewards of ownership, are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Critical accounting estimates and areas of judgement

The company makes estimates and assumptions concerning the future, and judgements in applying the company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the actual results. There were no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

2 EMPLOYEES AND DIRECTORS

	Year Ended 30.4 12 £	Period 1 8 10 to 30 4 11 £
Wages and salaries	119,275	45,407
Social security costs	9,214	2,545
Other pension costs	<u>4,449</u>	<u>2,897</u>
	<u>132,938</u>	<u>50,849</u>

	Year Ended 30 4 12 £	Period 1 8 10 to 30 4 11 £
Directors' remuneration	94,721	48,116
Directors' pension contributions to money purchase schemes	<u>3,600</u>	<u>2,700</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

3 NET FINANCE COSTS

	Year Ended 30.4 12 £	Period 1 8 10 to 30 4 11 £
Finance income		
Interest on repayment of corporation tax	<u>-</u>	<u>5</u>
Finance costs		
Bank interest	<u>-</u>	<u>55</u>
Net finance costs	<u>-</u>	<u>50</u>

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

4 PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging

	Year Ended 30 4 12 £	Period 1 8 10 to 30 4 11 £
Cost of inventories recognised as expense	445,597	290,456
Other operating leases	12,400	8,182
Depreciation - owned assets	983	4,142
Auditors' remuneration	1,750	5,300
Cost of inventories written off in the year	<u>5,876</u>	<u>-</u>

Auditors remuneration of £3,000 has been borne by Action-Sealtite Limited for the year ended 30 April 2012

5 INCOME TAX

Analysis of tax expense

	Year Ended 30 4 12 £	Period 1 8 10 to 30.4 11 £
Current tax		
Taxation	10,082	24,177
Prior year taxation	<u>(298)</u>	<u>(613)</u>
Total tax expense in statement of comprehensive income	<u>9,784</u>	<u>23,564</u>

Factors affecting the tax expense

The tax assessed for the year is lower (2011 - higher) than the standard rate of corporation tax in the UK
The difference is explained below

	Year Ended 30 4 12 £	Period 1.8 10 to 30 4 11 £
Profit on ordinary activities before income tax	<u>44,374</u>	<u>82,821</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	11,537	23,190
Effects of		
Capital allowances in excess of depreciation	(528)	1,075
Disallowable costs	84	104
Adjustments to prior year	(298)	(613)
Rate difference	<u>(1,011)</u>	<u>(192)</u>
Tax expense	<u>9,784</u>	<u>23,564</u>

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

6 DIVIDENDS

	Year Ended 30 4 12 £	Period 1.8 10 to 30 4 11 £
Interim	<u>16,000</u>	<u>18,635</u>

Dividends of £160 per share (2011.. £186 35) were paid during the year

7 PROPERTY, PLANT AND EQUIPMENT

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 May 2011	1,894	9,017	3,000	6,590	20,501
Additions	<u>1,909</u>	<u>-</u>	<u>-</u>	<u>1,691</u>	<u>3,600</u>
At 30 April 2012	<u>3,803</u>	<u>9,017</u>	<u>3,000</u>	<u>8,281</u>	<u>24,101</u>
DEPRECIATION					
At 1 May 2011	331	9,017	2,250	6,590	18,188
Charge for year	<u>524</u>	<u>-</u>	<u>-</u>	<u>459</u>	<u>983</u>
At 30 April 2012	<u>855</u>	<u>9,017</u>	<u>2,250</u>	<u>7,049</u>	<u>19,171</u>
CARRYING AMOUNT					
At 30 April 2012	<u>2,948</u>	<u>-</u>	<u>750</u>	<u>1,232</u>	<u>4,930</u>

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2010 and 30 April 2011	<u>1,894</u>	<u>9,017</u>	<u>3,000</u>	<u>6,590</u>	<u>20,501</u>
DEPRECIATION					
At 1 August 2010	189	7,423	1,313	5,121	14,046
Charge for period	<u>142</u>	<u>1,594</u>	<u>937</u>	<u>1,469</u>	<u>4,142</u>
At 30 April 2011	<u>331</u>	<u>9,017</u>	<u>2,250</u>	<u>6,590</u>	<u>18,188</u>
CARRYING AMOUNT					
At 30 April 2011	<u>1,563</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>2,313</u>

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

8. INVENTORIES

	2012 £	2011 £
Stocks	<u>54,431</u>	<u>57,130</u>

Inventories above includes a provision of £5,876 (2011 £nil) for slow moving and obsolete stock

9 TRADE AND OTHER RECEIVABLES

	2012 £	2011 £
Current		
Trade debtors	157,181	136,071
Directors' current accounts	4,105	1,670
Prepayments	<u>1,662</u>	<u>1,840</u>
	<u>162,948</u>	<u>139,581</u>

10 CASH AND CASH EQUIVALENTS

	2012 £	2011 £
Cash in hand	225	-
Bank accounts	<u>50,157</u>	<u>42,474</u>
	<u>50,382</u>	<u>42,474</u>

11 TRADE AND OTHER PAYABLES

	2012 £	2011 £
Current		
Trade creditors	83,949	116,347
Amounts owed to group undertakings	-	1,297
Social security and other taxes	4,113	2,454
Other creditors	2,695	884
Accruals and deferred income	62,157	18,237
Directors' current accounts	-	1,510
VAT	<u>19,152</u>	<u>4,920</u>
	<u>172,066</u>	<u>145,649</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

12 LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows

	2012 £	2011 £
Within one year	12,645	21,413
Between one and five years	<u>31,167</u>	<u>47,232</u>
	<u>43,812</u>	<u>68,645</u>

13 FINANCIAL INSTRUMENTS

Financial assets - Loans and receivables

	2012 £	2011 £
Trade receivables	162,781	139,874
Allowance for doubtful debts	(5,600)	(3,803)
Other debtors	<u>4,105</u>	<u>1,670</u>
	<u>161,286</u>	<u>137,741</u>

Movement in allowance for doubtful debts

	2012 £	2011 £
Balance at 1 May 2011	3,803	1,445
Amounts written off in year	-	-
Amounts recovered in year	-	-
Increase or decrease recognised in the income statement	<u>1,797</u>	<u>2,358</u>
Balance at 30 April 2012	<u>5,600</u>	<u>3,803</u>

The average credit period for sales of goods is 59 (2011 66) days

Included in the company's trade receivables are debtors with a carrying amount of £40,639 (2011 £19,712) which are past due at reporting date but for which the company has not provided as there has not been a significant change in the credit quality and the company still believes these amounts to be recoverable. The company does not hold any collateral over these balances. The average age of these receivables is 96 (2011 77) days.

In determining the recoverability of trade receivables the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

13 FINANCIAL INSTRUMENTS - continued

Financial liabilities

	2012 £	2011 £
Trade payables	83,905	116,347
Amounts due to related parties	<u>44</u>	<u>1,297</u>
	<u>83,949</u>	<u>117,644</u>

The average credit period on purchases of goods is 77 (2011 82) days. No interest is charged on trade payables.

The company and group of which it is a part have policies in place to ensure that trade payables are paid within the credit timeframe.

Financial risk management

The company's activities expose it to a variety of financial risks. Market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management policy is set by the parent company Board of Directors in conjunction with the company's management and seeks to minimise potential adverse effects on the company's position.

Liquidity risk

At 30 April 2012 and 30 April 2011 the company did not have any financial liabilities other than trade payables and amounts due to related parties.

Liquidity risk management includes maintaining sufficient cash and cash equivalents and an adequate amount of committed credit facilities, and management regularly monitor levels of cash, borrowing facilities and expected future cash flows.

Credit risk

Credit risk primarily arises from credit exposures to customers. Risk control assesses the credit quality of customers taking into account financial position, past experience and other factors. Credit limits are regularly reviewed. As set out above, the Directors consider there is no material exposure to credit risk at balance sheet date.

Market risk

The company does not sell and buy internationally and so is not exposed to foreign exchange risk arising from various currency exposures.

The company does not have any bank overdraft borrowing. The amounts borrowed from group companies are non-interest bearing and accordingly the company's income and operating cash flows are substantially independent of changes in market interest rates.

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

13 FINANCIAL INSTRUMENTS - continued

Capital risk management

The group and company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure. Capital structure within the group is monitored by reference to the gearing ratio calculated as net debt divided by total capital. Net debt is calculated as borrowings and trade and other payables less cash and cash equivalents. Total capital is calculated as equity (as shown in the balance sheet) plus net debt. During the year the group's strategy was to maintain a gearing ratio in the range 25% to 50%.

14 DEFERRED TAX

	2012 £	2011 £
Balance at 1 May	<u>930</u>	<u>930</u>
Balance at 30 April	<u>930</u>	<u>930</u>

15 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2012 £	2011 £
1,000	Ordinary	£1	1,000	1,000
Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

LANTECH SOLUTIONS LIMITED (REGISTERED NUMBER: 04861663)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

16 RESERVES

	Retained earnings £
At 1 May 2011	71,340
Profit for the year	34,590
Dividends	<u>(16,000)</u>
At 30 April 2012	<u>89,930</u>
	Retained earnings £
At 1 August 2010	30,718
Profit for the period	59,257
Dividends	<u>(18,635)</u>
At 30 April 2011	<u>71,340</u>

17 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Action-Sealtite Limited, incorporated in England and Wales

The directors regard Action-Sealtite Limited as the immediate parent company, and Flowmax Holdings Limited, a company registered in the British Virgin Isles, as the ultimate parent company

18 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 30 April 2012 and the period ended 30 April 2011

	2012 £	2011 £
N J Harrower		
Balance outstanding at start of year	1,670	719
Amounts repaid	(233)	-
Balance outstanding at end of year	<u>1,437</u>	<u>1,670</u>
L A Lemon		
Balance outstanding at start of year	(1,510)	-
Amounts advanced	4,178	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>2,668</u>	<u>-</u>

The directors operate current accounts and advances and credits disclosed above represent aggregates for the period

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

19 RELATED PARTY DISCLOSURES

During the period, the company had the following transactions with related parties (all below companies are under common control)

Related party	Type of transaction	2012 £	2011 £
Action-Sealtite Limited	Sales	27,607	1,177
	Purchases	25,027	1,962
Bellflow Systems Limited	Purchases	-	51
Hytex (GB) Limited	Sales	678	-
	Purchases	154	84
Mechtronic Limited	Sales	195	-

Auditors remuneration of £3,000 has been borne by Action-Sealtite Limited for the year ended 30 April 2012

The balances outstanding at the end of the year were as follows

Action-Sealtite Limited	Amount due to	44	1,235
Bell Flow Systems Limited	Amount due to	-	62
Mechtronic Limited	Amount due from	234	-

Dividends in the year paid to the directors were

N Harrower £4,000 (2011: £9,310)

L Lemon £4,000 (2011: £9,325)

20 ULTIMATE CONTROLLING PARTY

Since 20 December 2010, the company has been controlled by its immediate parent company Action-Sealtite Limited which holds 50% of the issued shares and controls the operating and financial policies of the company