

Burkert Contromatic Limited

Annual report and abbreviated financial
statements

for the year ended 31 December 2001

Registered no. 00831741



Burkert Contromatic Limited

Annual report and abbreviated financial statements

for the year ended 31 December 2001

Contents

Full financial statements for the year ended 31 December 2001 were approved by the board of directors on 18 December 2002. The directors have prepared the attached financial statements for the year ended 31 December 2001 in compliance with Schedule 8 of the Companies Act 1985 for filing with the Registrar of Companies.

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Burkert Contromatic Limited

Directors and Advisors for the year ended 31 December 2001

Directors

Mr W Kreis (resigned 15 October 2001)

Mr W Steiger (appointed 4 September 2001, resigned 21 January 2002)

Mr P M Dietschi

Secretary and registered office

Mrs A Saunders

Brimscombe Port Business Park

Brimscombe

Stroud

Gloucestershire

GL5 2QF

Registered Auditors

PricewaterhouseCoopers

Lennox House

Beaufort Buildings

Spa Road

Gloucester

GL1 1XD

Solicitors

Bretherton Price Elgoods

123 The Promenade

Cheltenham

Gloucestershire

GL50 1NW

Bankers

Barclays Bank plc

18 Southgate Street

Gloucester

GL1 2NJ

Burkert Contromatic Limited

Directors' report for the year ended 31 December 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activity

The principal activity of the company continued to be the distribution of Fluid Control Systems incorporating Valve and Control Technology.

Review of business and future developments

Given the general industry conditions and suppressed market places, the level of business was satisfactory. The year end financial position, in particular the profitability has been greatly influenced by the corporate decision to change the methods in respect of provision for stock depreciation, this is acknowledged and accepted by the directors as part of the group strategy.

With all costs under control and the perceived stability in both the organisation and market place an increased level of activity is anticipated complimented by growth in sales.

Results and dividends

The profit and loss account for the year is set out on page 5.

The loss for the year, after taxation, amounted to £790,589 (2000: profit £59,592). The directors propose that this loss be added to reserves brought forward and do not recommend the payment of a dividend.

Directors

The directors of the company at 31 December 2001 were Mr W Steiger and Mr P M Dietschi.

Directors' interests in the shares of the company

No director of the company held any interest in the shares of the company during the year to 31 December 2001.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 9 to the financial statements.

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 December 2001. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

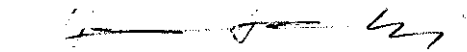
The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Burkert Contromatic Limited

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting

By order of the Board



Director

Burkert Contromatic Limited

Independent auditors' report to the members of Burkert Contromatic Limited under Section 247B of the Companies Act 1985

We have audited the abbreviated financial statements, which comprise of the profit and loss account, the balance sheet, the cash flow statement and the related notes.

Respective responsibilities of directors and auditors

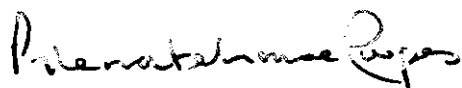
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985 to the registrar of companies and whether the abbreviated financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purposes of this report did not include examining or dealing with events after the date of our report on the full annual financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements are properly prepared in accordance with that provision.



Chartered Accountants and Registered Auditors
Gloucester, 19 December 2002

Burkert Contromatic Limited

Abbreviated profit and loss account for the year ended 31 December 2001

	Note	2001 £	2000 £
Gross profit		2,158,531	2,863,039
Net operating expenses	3	(2,952,869)	(2,751,270)
Operating (loss)/profit		(794,338)	111,769
Interest receivable and similar income		4,180	6,451
		(790,158)	118,220
Interest payable and similar charges	6	(461)	(2,243)
(Loss)/profit on ordinary activities before taxation	7	(790,619)	115,977
Tax on (loss)/profit on ordinary activities	8	30	(56,385)
Retained (loss)/profit for the financial year	15	(790,589)	59,592

The company has no recognised gains and losses other than those included in the (losses)/profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the year stated above, and their historical cost equivalents.

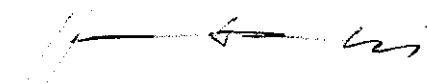
Burkert Contromatic Limited

Balance sheet as at 31 December 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	9	154,140	123,089
Current assets			
Stocks	10	830,944	1,280,543
Debtors	11	1,336,505	1,701,943
Cash at bank and in hand		220,770	73,808
		2,388,219	3,056,294
Creditors: amounts falling due within one year	12	1,933,626	1,780,061
Net current assets		454,593	1,276,233
Net assets		608,733	1,399,322
Capital and reserves			
Called up share capital	14	500,000	500,000
Profit and loss account	15	108,733	899,322
Equity shareholders' funds	16	608,733	1,399,322

Advantage has been taken of the exemptions for medium-sized companies conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company is entitled to benefit from those exemptions as a medium-sized company.

Approved by the Board on 18th December 2002


Director

Burkert Contromatic Limited

Cash flow statement for the year ended 31 December 2001

	Note	2001 £	2000 £
Net cash inflow / (outflow) from operating activities	17	314,802	(59,682)
Returns on investment and servicing of finance			
Interest received		4,180	6,451
Interest paid		(461)	(2,243)
Net cash inflow from returns on investments and servicing of finance		3,719	4,208
Taxation			
UK corporation tax paid		(71,020)	(16,296)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(100,539)	(31,769)
Cash inflow / (outflow) before management of liquid resources and financing		146,962	(103,539)
Increase / (decrease) in cash in the period	18	146,962	(103,539)

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2001

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Improvements to leasehold property	20
Fixtures, fittings and test plant	10
Computer equipment	33.33

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on an average basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Turnover

Turnover comprises the amounts receivable from customers for sales excluding value added tax.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension scheme arrangements

The company pension scheme is a defined contribution scheme, contribution costs being charged to the profit and loss account as they are incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date except where the liability is covered by a forward contract, in which case the contracted rate is used. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Burkert Contromatic Limited

2 Turnover

Turnover consists entirely of sales originating in the United Kingdom. Approximately 2% of sales are made to countries outside of the United Kingdom.

Turnover is derived from transactions with external customers, with the exception of sales made to Burkert Contromatic (Ireland) Limited as shown in Note 22.

3 Net operating expenses

Net operating expenses are made up as follows:

	2001	2000
	£	£
Distribution costs	1,922,888	1,704,925
Administrative and other operating income and expenses	1,029,981	1,046,345
	2,952,869	2,751,270

4 Directors' emoluments

	2001	2000
	£	£
Aggregate emoluments	-	-
Company pension contributions to defined contribution scheme	-	-

Burkert Contromatic Limited

5 Employee information

The average weekly number of persons employed by the company (including executive directors) during the year was:

By activity	2001	2000
	Number	Number
Administration	6	5
Sales	23	27
Technical and stores	14	14
	43	46

Staff costs (for the above persons)	2001	2000
	£	£
Wages and salaries	1,110,275	1,172,202
Social security costs	125,925	114,633
Other pensions costs (note 13)	117,392	121,621
Total direct costs of employment	1,353,592	1,408,456

6 Interest payable and similar charges

	2001	2000
	£	£
On bank loans and overdrafts repayable within five years, not by instalments	461	2,243

7 (Loss)/Profit on ordinary activities before taxation

	2001	2000
	£	£
(Loss)/Profit on ordinary activities before taxation is stated after charging:		
Loss on foreign exchange	4,873	18,760
Depreciation charge for the year:		
- tangible owned fixed assets	69,488	73,404
Auditors' remuneration	15,000	13,000
Operating leases in respect of:		
- plant and machinery	124,324	143,203
- other	44,000	44,000

Burkert Contromatic Limited

8 Tax on profit on ordinary activities

	2001	2000
	£	£
Taxation on the profit for the year		
United Kingdom corporation tax at 30% (2000: 30%)	-	59,000
(Over)/under provision in respect of prior years	(30)	(2,615)
	(30)	56,385

9 Tangible assets

	Leasehold improvements	Test Plant	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2001	68,962	53,861	57,671	187,473	367,967
Additions	1,489	3,017	53,863	42,170	100,539
Disposals / write off	-	-	-	-	-
At 31 December 2001	70,451	56,878	111,534	229,643	468,506
Depreciation					
At 1 January 2001	40,435	24,122	43,753	136,568	244,878
Charge for the year	14,538	4,856	3,886	46,208	69,488
Disposals / write off	-	-	-	-	-
At 31 December 2001	54,973	28,978	47,639	182,776	314,366
Net book amount					
At 31 December 2001	15,478	27,900	63,895	46,867	154,140
At 31 December 2000	28,527	29,739	13,918	50,905	123,089

10 Stocks

	2001	2000
	£	£
Stocks of goods for resale	830,944	1,280,543

Burkert Contromatic Limited

11 Debtors

	2001	2000
Amounts falling due within one year	£	£
Trade debtors	1,276,789	1,523,274
Amounts due from fellow subsidiary undertakings	11,319	140,407
Corporation tax recoverable	18,073	-
Prepayments and accrued income	30,324	38,262
	1,336,505	1,701,943

12 Creditors - Amounts falling due within one year

	2001	2000
Amounts falling due within one year	£	£
Trade creditors	103,471	159,128
Amounts owed to parent company and fellow subsidiary undertakings	1,555,346	1,266,593
Corporation tax	-	52,977
Other taxation and social security costs	222,692	282,963
Accruals and deferred income	52,117	18,400
	1,933,626	1,780,061

13 Pension obligations

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounted to £117,392 for the year (2000: £121,621).

14 Called up share capital

	2001	2000
	£	£
Authorised		
600,000 ordinary shares of £1 each	600,000	600,000
Allotted, called up and fully paid		
500,000 ordinary shares of £1 each	500,000	500,000

Burkert Contromatic Limited

15 Profit and loss account

	£
At 1 January 2001	899,322
Retained loss for the year	(790,589)
At 31 December 2001	108,733

16 Reconciliation of movements in shareholders' funds

	2001 £
For the year ended 31 December 2001	
Opening shareholders' funds	1,399,322
Loss for the financial year	(790,589)
Closing shareholders' funds	608,733

17 Reconciliation of operating profit to net cash flow from operating activities

	2001 £	2000 £
Continuing operations		
Operating (loss)/profit	(794,338)	111,769
Depreciation on tangible fixed assets	69,488	73,404
(Increase)/decrease in stocks	449,599	103,091
(Increase)/decrease in trade debtors	246,485	37,332
Decrease/(increase) in prepayments and accrued income	7,938	(12,836)
Decrease/(increase) in amounts due from subsidiary undertaking	129,088	(140,407)
(Decrease)/increase in trade creditors	(55,657)	50,487
Increase/(decrease) in amounts owed to group undertakings	288,753	(244,333)
Increase/(decrease) in other taxation and social security costs	(60,271)	(43,113)
(Decrease)/increase in accruals and deferred income	33,717	4,924
Net cash inflow/(outflow) from operating activities	314,802	(59,682)

Burkert Contromatic Limited

18 Reconciliation of net cash flow to movement in net funds

	2001	2000
	£	£
Increase / (decrease) in cash in period	146,962	(103,539)
Movement in net funds in the period	146,962	(103,539)
Net funds at 1 January 2001	73,808	177,347
Net funds at 31 December 2001	220,770	73,808

19 Analysis of changes in net funds

	1 January 2001	Cash flow	31 December 2001
	£	£	£
Net funds			
Cash at bank and in hand	73,808	146,962	220,770
Net funds	73,808	146,962	220,770
Analysed in balance sheet			
Cash at bank and in hand	73,808	146,962	220,770
Net funds	73,808	146,962	220,770

20 Capital commitments

There was no capital expenditure contracted for but not provided for at the balance sheet date.

21 Financial commitments

At 31 December 2001, the company had annual commitments under non-cancellable operating leases as follows:

	2001		2000	
	Land and buildings	Other	Land and buildings	Other
Operating leases	£	£	£	£
Operating leases which expire:				
- within one year	-	3,762	-	21,272
- in the second to fifth years inclusive	44,000	70,825	44,000	87,244
- over five years	-	-	-	-
	44,000	74,587	44,000	108,516

Burkert Contromatic Limited

22 Related party transactions

The company entered into trading transactions during the year with Burkert Contromatic AG, the ultimate parent company of Burkert Contromatic Limited.

The cost of purchases from Burkert Contromatic AG during 2001 totalled £3,708,291 (2000: £3,685,666). Total charges for marketing, sales, engineering, IT support and other specified services support of £191,569 (2000: £202,450), being 3% of turnover, were also paid to Burkert Contromatic AG. The balance outstanding at the year end is £1,548,067 (2000: £1,250,817) and is included within amounts owed to parent company and fellow subsidiary undertakings.

During 2000, a new company, Burkert Contromatic (Ireland) Limited, was established, a company owned by the same ultimate controlling party as Burkert Contromatic Limited. Burkert Contromatic Limited has received marketing services from this company during the year to the value of £331,026 (2000: £nil). The balance due at the year end is £11,319 (2000: £140,407) which is included within amounts due from fellow subsidiary undertakings.

23 Ultimate parent company

The directors regard Burkert Contromatic AG, a company incorporated in Switzerland, as the ultimate parent company and the ultimate controlling party by virtue of its 100% interest in the equity capital of Burkert Contromatic UK.