

Burkert Contromatic Limited

Annual report and abbreviated financial statements
for the year ended 31 December 2004

Registered Number 831741



Burkert Contromatic Limited

Annual report and abbreviated financial statements for the year ended 31 December 2004

Contents

Full financial statements for the year ended 31 December 2004 were approved by the board of directors on 31 March 2005

The director has prepared the attached financial statements for the year ended 31 December 2004 in compliance with Schedule 8 of the Companies Act 1985 for filing with the Registrar of Companies.

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Burkert Contromatic Limited

Director and Advisors for the year ended 31 December 2004

Director

Mr P M Dietschi

Secretary and registered office

Mrs A Saunders
Brimscombe Port Business Park
Brimscombe
Stroud
Gloucestershire
GL5 2QF

Registered Auditors

PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 5QD

Solicitors

Bretherton Price Elgoods
123 The Promenade
Cheltenham
Gloucestershire
GL50 1NW

Bankers

Barclays Bank plc
18 Southgate Street
Gloucester
GL1 2NJ

Burkert Contromatic Limited

Director's report for the year ended 31 December 2004

The director presents his report and the audited financial statements for the year ended 31 December 2004.

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

An improved sales growth of circa 6% was achieved against 2003 and the result is supported by improved profitability of circa 4.2%. The continued implementation of our strategy and a focus on the core activities, have much improved our overall business structure. Market conditions are relatively stable and for the foreseeable mid-term future, are considered to remain so.

We are satisfied with these results and look upon them as appropriate foundations from which to achieve further growth and continued profitability.

Results and dividends

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

The profit for the year before taxation amounted to £305,205 (2003: loss £120,653). The directors do not recommend the payment of a dividend.

Director

The director of the company during the year was Mr P M Dietschi.

Director's interests in the shares of the company

The director of the company did not hold any interest in the shares of the company during the year to 31 December 2004.

Changes in fixed assets

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

Statement of director's responsibilities

The director is 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 director confirms 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 2004. The director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The director is 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.

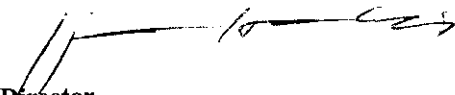
Burkert Contromatic Limited

Director's report for the year ended 31 December 2004

Auditors

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

By order of the Board



Director

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

We have examined the abbreviated financial statements on pages 5 to 16 together with the annual financial statements of Burkert Contromatic Limited for the year ended 31 December 2004.

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 the company's entitlement to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985 and whether the abbreviated financial statements are properly prepared in accordance with that provision and to report our opinion to you. This report, including the opinion, has been prepared for and only for the company's directors for the purpose of Section 247B of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

Basis of 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 are properly prepared from those financial statements. 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 annual financial statements.

Opinion

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

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Bristol

6 April 2005

Burkert Contromatic Limited

Abbreviated profit and loss account for the year ended 31 December 2004

	Note	2004 £	2003 £
Gross profit		2,514,999	2,260,717
Net operating expenses	3	(2,213,505)	(2,386,242)
Operating profit/(loss)		301,494	(125,525)
Interest receivable and similar income		6,148	7,073
Interest payable and similar charges	6	(2,437)	(2,201)
Profit/(loss) on ordinary activities before taxation	7	305,205	(120,653)
Tax on profit/(loss) on ordinary activities	8	(1,844)	(1,752)
Retained profit/(loss) for the financial year	15	303,361	(122,405)

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

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

All of the above results arise from continuing activities.

Burkert Contromatic Limited

Balance sheet as at 31 December 2004

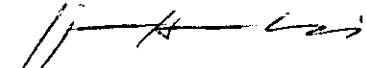
	Note	2004 £	2003 £
Fixed assets			
Tangible assets	9	87,845	92,906
Current assets			
Stocks	10	600,296	631,437
Debtors	11	1,490,865	1,508,479
Cash at bank and in hand		428,304	466,399
		2,519,465	2,606,315
Creditors: amounts falling due within one year	12	(1,701,758)	(2,097,030)
Net current assets		817,707	509,285
Net assets		905,552	602,191

Capital and reserves

Called up share capital	14	500,000	500,000
Profit and loss account	15	405,552	102,191
Equity shareholders' funds	16	905,552	602,191

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 director's opinion, the company is entitled to benefit from those exemptions as a medium-sized company.

Approved by the Board on 31 March 2005


Director

Burkert Contromatic Limited

Cash flow statement for the year ended 31 December 2004

	Note	2004 £	2003 £
Net cash (outflow)/inflow from operating activities	17	(1,994)	177,400
Returns on investment and servicing of finance			
Interest received		6,148	7,073
Interest paid		(232)	(30)
Interest paid on finance leases		(2,205)	(2,204)
Net cash inflow from returns on investments and servicing of finance		3,711	4,839
Taxation			
UK corporation tax refund		-	76,256
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(35,549)	(14,538)
Sale of tangible fixed assets		-	502
Cash (outflow)/inflow before management of liquid resources and financing		(33,832)	244,459
Financing			
Capital element of finance lease repayments		(4,263)	(4,263)
(Decrease)/increase in cash in the period	18	(38,095)	240,196

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2004

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 for deferred taxation is made in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised to the extent that they are considered recoverable.

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.

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

1 Accounting policies (continued)

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.

2 Turnover

Turnover consists entirely of sales originating in the United Kingdom. Approximately 6% of sales are made to countries outside of the United Kingdom.

Turnover is all derived from transactions with external customers.

3 Net operating expenses

Net operating expenses are made up as follows:

	2004	2003
	£	£
Distribution costs	1,443,946	1,491,529
Administrative and other operating income and expenses	769,559	894,713
	2,213,505	2,386,242

2003 figures have been re-stated due to a re-allocation of salaries (£166,478) from distribution costs into administration costs.

4 Director's emoluments

The director received no emolument in respect of his services to the company.

5 Employee information

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

By activity	2004	2003
	Number	Number
Administration	5	5
Sales	15	15
Technical and stores	16	16
	36	36

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

5 Employee information (continued)

Staff costs (for the above persons)	2004 £	2003 £
Wages and salaries	1,039,666	1,053,555
Social security costs	121,174	117,082
Other pensions costs (note 13)	96,924	103,593
Total direct costs of employment	1,257,764	1,274,230

6 Interest payable and similar charges

	2004 £	2003 £
On bank loans and overdrafts	232	(3)
On finance leases	2,205	2,204
	2,437	2,201

7 Profit/(loss) on ordinary activities before taxation

	2004 £	2003 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
(Gain)/Loss on foreign exchange	(55,335)	83,069
Depreciation charge for the year:		
- tangible owned fixed assets	39,435	48,753
- assets held under finance lease	1,175	4,294
Auditors remuneration		
- audit services	14,035	14,080
- non audit services	11,180	1,620
Operating leases in respect of:		
- plant and machinery	98,157	97,334
- other	49,220	52,362

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

8 Tax on profit/(loss) on ordinary activities

	2004 £	2003 £
Current tax		
UK corporation tax on profits/(losses) for the year	1,844	-
Adjustment in respect of prior years	-	1,752
Total current tax	1,844	1,752
Total deferred tax	-	-
Tax on profit/(loss) on ordinary activities	1,844	1,752

The tax assessed for the period is higher (2003 :lower) than the standard rate of corporation tax in the UK (30%).
The differences are explained below:

	2004 £	2003 £
Profit/(loss) on ordinary activities before tax	305,205	(120,653)
Profit/(loss) on ordinary activities multiplied by standard rate in the UK (30%)	91,562	(36,196)
Effects of:		
Expenses not deductible for tax purposes	8,361	8,749
Accelerated capital allowances and other timing differences	727	27,447
Utilisation of losses	(98,806)	-
Adjustments in respect of prior period	-	1,752
Current tax charge/(credit) for the year	1,844	1,752

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

9 Tangible assets

	Leasehold improvements £	Test Plant £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 January 2004	70,451	30,900	123,242	274,019	498,612
Additions	-	3,856	3,830	27,863	35,549
Items re-instated (previously written off)	-	34,773	31,562	58,173	124,508
Disposals	-	-	-	(158,374)	(158,374)
At 31 December 2004	70,451	69,529	158,634	201,681	500,295
Depreciation					
At 1 January 2004	70,451	10,260	74,435	250,560	405,706
Charge for the year	-	5,378	13,823	21,409	40,610
Depreciation re-instated on items previously written off	-	34,773	31,562	58,173	124,508
Disposals	-	-	-	(158,374)	(158,374)
At 31 December 2004	70,451	50,411	119,820	171,768	412,450
Net book value					
At 31 December 2004	-	19,118	38,814	29,913	87,845
At 31 December 2003	-	20,640	48,807	23,459	92,906

Included in the net book value of computer equipment is £1,175 (2003: £5,469) relating to assets held under a finance lease

10 Stocks

	2004 £	2003 £
Stocks of goods for resale	600,296	631,437

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

11 Debtors

Amounts falling due within one year	2004 £	2003 £
Trade debtors	1,455,236	1,474,048
Prepayments and accrued income	35,629	34,431
	1,490,865	1,508,479

12 Creditors - Amounts falling due within one year

Amounts falling due within one year	2004 £	2003 £
Trade creditors	39,278	122,236
Amounts owed to parent company	1,277,969	1,595,245
Finance lease	1,199	5,462
Corporation tax	1,844	-
Other taxation and social security costs	308,741	298,723
Accruals and deferred income	72,727	75,364
	1,701,758	2,097,030

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 £96,924 for the year (2003: £103,593).

14 Called up share capital

	2004 £	2003 £
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

Notes to the financial statements for the year ended 31 December 2004 (continued)

15 Profit and loss account

	£
At 1 January 2004	102,191
Retained profit for the year	303,361
At 31 December 2004	405,552

16 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Opening shareholders' funds	602,191	724,596
Profit/(loss) for the financial year	303,361	(122,405)
Closing shareholders' funds	905,552	602,191

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

	2004 £	2003 £
Continuing operations		
Operating profit/(loss)	301,494	(125,525)
Depreciation on tangible fixed assets	40,610	53,050
Loss on sale of fixed assets	-	5,655
Decrease/(increase) in stocks	31,141	(1,536)
Decrease/(increase) in trade debtors	18,812	(222,887)
(Increase) in prepayments and accrued income	(1,198)	(9,890)
(Decrease)/increase in trade creditors	(82,958)	103,430
(Decrease)/increase in amounts owed to group undertakings	(317,276)	310,392
Increase in other taxation and social security costs	10,018	15,947
(Decrease)/increase in accruals and deferred income	(2,637)	48,764
Net cash (outflow)/inflow from operating activities	(1,994)	177,400

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

18 Reconciliation of net cash flow to movement in net funds

	2004 £	2003 £
(Decrease)/Increase in cash in the year	(38,095)	240,196
New finance leases	-	-
Capital element of finance lease repayments	4,263	4,263
Movement in net funds in the year	(33,832)	244,459
Net funds at 1 January 2004	460,937	216,478
Net funds at 31 December 2004	427,105	460,937

19 Analysis of changes in net funds

	1 January 2004 £	Cash flow £	31 December 2004 £
Net funds			
Cash at bank and in hand	466,399	(38,095)	428,304
Finance leases	(5,462)	4,263	(1,199)
Net funds	460,937	(33,832)	427,105

20 Capital commitments

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

Burkert Contromatic Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

21 Deferred taxation

The potential deferred taxation not provided for in the financial statements is comprised as follows:

	2004	2003
	£	£
Tax effect of timing differences due to		
- excess of tax allowances over depreciation	(12,514)	(10,822)
- trading losses	(87,346)	(184,241)
Deferred tax asset (unprovided)	(99,860)	(195,063)

22 Financial commitments

At 31 December 2004, the company had annual commitments under non-cancellable operating leases as follows:

	2004	2004	2003	2003
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases				
Operating leases which expire:				
- within one year	-	9,673	52,362	20,540
- in the second to fifth years inclusive	-	53,202	-	51,293
- over five years	51,900	-	-	-
	51,900	62,875	52,362	71,833

2003 figures have been re-stated to reflect the true position at 31 December 2003.

23 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 2004 totalled £4,201,571 (2003: £4,047,456). Total charges for marketing, sales, engineering, IT support and other specified services support of £212,317 (2003: £199,944), being 3% of turnover, were also paid to Burkert Contromatic AG. The balance outstanding at the year end is £1,277,969 (2003: £1,595,245) and is included within amounts owed to parent company.

24 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 Ltd.