

FLOTRONIC PUMPS LIMITED  
ABBREVIATED STATUTORY ACCOUNTS FOR THE  
YEAR ENDED 31ST AUGUST 1998

Company Number : 2559708

JOHN A TUFFIN & CO  
CHARTERED ACCOUNTANTS



FLOTRONIC PUMPS LIMITED  
ABBREVIATED STATUTORY ACCOUNTS FOR THE  
YEAR ENDED 31ST AUGUST 1998

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FLOTRONIC PUMPS LIMITED

DIRECTORS:

C.H.Dykes  
R.G.Partlett

REGISTERED NUMBER:

2559708

AUDITORS:

John A Tuffin & Co  
Chartered Accountants  
12/13 Ship Street  
Brighton  
BN1 1AD

FLOTRONIC PUMPS LIMITEDREPORT OF THE DIRECTORS

The directors present their report and abbreviated accounts for the year ended 31st August 1998.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was that of research, development and manufacture of fluid control equipment.

REVIEW OF THE BUSINESS

A summary of the results of the trading for the year is given on page 4 of the accounts.

The directors consider the state of affairs to be satisfactory.

RESULTS AND DIVIDENDS

The retained profit of the company for the year was £375,748, (1997 - £137,217 profit).

Details of dividends paid and proposed are given in note 8.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were as follows:

|              | <u>31st August 1998</u> | <u>31st August 1997</u> |
|--------------|-------------------------|-------------------------|
| C.H.Dykes    | 25                      | 25                      |
| R.G.Partlett | Nil                     | Nil                     |

POLITICAL AND CHARITABLE CONTRIBUTIONS

There were no political or charitable contributions made during the year.

AUDITORS

The auditors, John A Tuffin & Co, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board of directors:

  
 \_\_\_\_\_  
 R.G.Partlett  
 Secretary

25.02.99  
 \_\_\_\_\_  
 Date

FLOTRONIC PUMPS LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial accounts for each financial year which 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 those financial accounts, the directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial accounts comply with the Companies Act 1985. 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.

AUDITORS' REPORT TOFLOTRONIC PUMPS LIMITEDUNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial accounts set out on pages 4 to 7, together with the financial accounts of the company for the year ended 31st August 1998 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

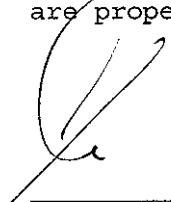
The directors are responsible for preparing the abbreviated financial accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial accounts prepared in accordance with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

**Basis of opinion**

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

**Opinion**

In our opinion the company is entitled to deliver abbreviated financial accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial accounts on pages 4 to 7 are properly prepared in accordance with those provisions.

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John A Tuffin & Co  
Registered Auditors  
Chartered Accountants

3<sup>rd</sup> March 1999  
Date

12/13 Ship Street  
Brighton  
BN1 1AD

FLOTRONIC PUMPS LIMITEDABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST AUGUST 1998

|                                                                | Note | <u>1998</u><br>£ | <u>1997</u><br>£ |
|----------------------------------------------------------------|------|------------------|------------------|
| <u>GROSS PROFIT</u>                                            |      | 2,350,800        | 2,083,837        |
| <u>NET OPERATING EXPENSES</u>                                  |      |                  |                  |
| Administrative Expenses                                        |      | (1,458,636)      | (1,259,572)      |
| Other Operating Income                                         |      | 3,895            | 2,214            |
| <u>OPERATING PROFIT</u>                                        | 3    | 896,059          | 826,479          |
| Interest Payable                                               | 6    | (32,371)         | (41,323)         |
| <u>PROFIT ON ORDINARY ACTIVITIES</u><br><u>BEFORE TAXATION</u> |      | 863,688          | 785,156          |
| Taxation                                                       | 7    | (267,940)        | (256,302)        |
| <u>PROFIT ON ORDINARY ACTIVITIES</u><br><u>AFTER TAXATION</u>  |      | 595,748          | 528,854          |
| Extraordinary Items                                            |      | -                | (31,637)         |
| <u>PROFIT FOR THE FINANCIAL YEAR</u>                           |      | 595,748          | 497,217          |
| Dividends                                                      | 8    | (220,000)        | (360,000)        |
| <u>RETAINED PROFIT FOR THE YEAR</u>                            | 17   | 375,748          | 137,217          |

Movements in reserves are shown in note 17.

The company acquired a wholly owned Dutch subsidiary company, Flotronic Pompen Nederland B.V., in April 1998. There were no other acquisitions or discontinued activities during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the profit for the year.

FLOTRONIC PUMPS LIMITEDABBREVIATED BALANCE SHEET  
AS AT 31ST AUGUST 1998

|                                                                | Note | £       | <u>1998</u> | £ | £         | <u>1997</u> | £ |
|----------------------------------------------------------------|------|---------|-------------|---|-----------|-------------|---|
| <b>FIXED ASSETS</b>                                            |      |         |             |   |           |             |   |
| Tangible Assets                                                | 9    |         | 507,542     |   |           | 516,005     |   |
| <b>CURRENT ASSETS</b>                                          |      |         |             |   |           |             |   |
| Stock                                                          | 10   | 416,414 |             |   | 326,427   |             |   |
| Debtors                                                        | 11   | 801,861 |             |   | 781,309   |             |   |
| Investments                                                    | 12   | 11,894  |             |   | -         |             |   |
| Cash at Bank and in Hand                                       |      | 98,222  |             |   | 987       |             |   |
|                                                                |      |         | 1,328,391   |   | 1,108,723 |             |   |
| <b>CREDITORS: Amounts Falling Due Within One Year</b>          | 13   | 857,085 |             |   | 972,943   |             |   |
| <b>NET CURRENT ASSETS</b>                                      |      |         | 471,306     |   | 135,780   |             |   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |         | 978,848     |   | 651,785   |             |   |
| <b>CREDITORS: Amounts Falling Due After More Than One Year</b> | 14   |         | 29,883      |   | 78,568    |             |   |
|                                                                |      |         | £ 948,965   |   | £ 573,217 |             |   |
| <b>CAPITAL AND RESERVES</b>                                    |      |         |             |   |           |             |   |
| Called Up Share Capital                                        | 16   |         | 100         |   | 100       |             |   |
| Revaluation Reserve                                            | 17   |         | 123,250     |   | 123,250   |             |   |
| Profit and Loss Account                                        | 17   |         | 825,615     |   | 449,867   |             |   |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>                               | 15   |         | £ 948,965   |   | £ 573,217 |             |   |

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Signed on behalf of the  
board of directors

C.H.Dykes  
Director

R.G.Partlett  
Director

Approved by the board:

25.02.99

Date

The notes on pages 7a to 7f form part of these accounts.

FLOTRONIC PUMPS LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 31ST AUGUST 1998

|                                                        | Note | £         | 1998           | £         | 1997            | £ |
|--------------------------------------------------------|------|-----------|----------------|-----------|-----------------|---|
| <b>NET CASH INFLOW</b>                                 |      |           |                |           |                 |   |
| <b>FROM OPERATING ACTIVITIES</b>                       | 18   |           | 804,073        |           | 790,051         |   |
| <b>Returns on Investments and Servicing of Finance</b> |      |           |                |           |                 |   |
| Interest Paid                                          |      | (7,484)   |                | (14,067)  |                 |   |
| Hire Purchase Account                                  |      | (24,887)  |                | (27,256)  |                 |   |
|                                                        |      |           | (32,371)       |           | (41,323)        |   |
| <b>Taxation</b>                                        |      |           |                |           |                 |   |
| Corporation Tax Paid                                   |      |           | (261,264)      |           | (183,342)       |   |
| <b>Capital Expenditure and Financial Investment</b>    |      |           |                |           |                 |   |
| Purchase of Tangible Fixed Assets                      |      | (132,059) |                | (170,394) |                 |   |
| Sale of Tangible Fixed Assets                          |      | 8,250     |                | 44,123    |                 |   |
|                                                        |      |           | (123,809)      |           | (126,271)       |   |
|                                                        |      |           | 386,629        |           | 439,115         |   |
| Equity Dividends Paid                                  |      |           | (220,000)      |           | (360,000)       |   |
|                                                        |      |           | 166,629        |           | 79,115          |   |
| <b>Management of Liquid Resources</b>                  |      |           |                |           |                 |   |
| Purchase of current asset investments                  |      | (11,894)  |                | -         |                 |   |
| Compensation for loss of office                        |      | -         |                | (31,637)  |                 |   |
|                                                        |      |           | (11,894)       |           | (31,637)        |   |
| <b>Financing</b>                                       |      |           |                |           |                 |   |
| Debt Due Beyond a Year:                                |      |           |                |           |                 |   |
| Bank Loan Repayments                                   |      | (17,500)  |                | (90,000)  |                 |   |
| Capital Element of Hire Purchase Repays                |      | (31,185)  |                | (48,979)  |                 |   |
|                                                        |      |           | (48,685)       |           | (138,979)       |   |
| <b><u>INCREASE/(DECREASE) IN CASH</u></b>              | 18   |           | <u>106,050</u> |           | <u>(91,501)</u> |   |

FLOTRONIC PUMPS LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST AUGUST 1998**1. ACCOUNTING POLICIES****a. Basis of Accounting**

These financial accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

**b. Turnover**

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

**c. Tangible Fixed Assets**

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

|                          |                      |
|--------------------------|----------------------|
| Short Leasehold Property | 10% on cost          |
| Plant and Equipment      | 15% reducing balance |
| Fixtures and Fittings    | 25% on cost          |
| Motor Vehicles           | 25% reducing balance |

**d. Stocks and Work in Progress**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

**e. Research and Development**

Research and development expenditure is written off in the year in which it is incurred.

**f. Leased Assets**

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

**g. Pensions**

The company operates a defined contribution pension scheme. Contributions are charged against profits as the contributions are made.

**2. TURNOVER**

The turnover and profit before taxation is attributable to the principal activity of the company.

FLOTRONIC PUMPS LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST AUGUST 19983. OPERATING PROFIT

|                                            | <u>1998</u>       | <u>1997</u>       |
|--------------------------------------------|-------------------|-------------------|
|                                            | £                 | £                 |
| Operating Profit is stated after charging: |                   |                   |
| Depreciation of Tangible Assets            | 132,273           | 129,064           |
| Operating Lease Rentals:                   |                   |                   |
| Hire of Equipment                          | 1,555             | -                 |
| Staff Costs - note 4                       | 1,109,993         | 928,374           |
| Auditors' Remuneration                     | 6,550             | 8,310             |
|                                            | <u>          </u> | <u>          </u> |

4. STAFF COSTS

|                                                                | <u>1998</u>       | <u>1997</u>       |
|----------------------------------------------------------------|-------------------|-------------------|
|                                                                | £                 | £                 |
| Staff Costs including Directors' Emoluments                    |                   |                   |
| Direct Wages                                                   | 378,129           | 354,271           |
| Wages and Salaries                                             | 590,193           | 454,678           |
| Staff Pension Scheme                                           | 26,423            | 5,331             |
| Directors' Emoluments (note 5)                                 | 115,248           | 114,094           |
|                                                                | <u>          </u> | <u>          </u> |
|                                                                | 1,109,993         | 928,374           |
|                                                                | <u>          </u> | <u>          </u> |
| Average monthly number employed including executive directors: | <u>          </u> | <u>          </u> |
|                                                                | 39                | 35                |
|                                                                | <u>          </u> | <u>          </u> |

5. DIRECTORS

|                                  | <u>1998</u>       | <u>1997</u>       |
|----------------------------------|-------------------|-------------------|
|                                  | £                 | £                 |
| Directors' Remuneration          | 70,000            | 59,354            |
| Directors' NIC (Employers Share) | 8,565             | 7,579             |
| Directors' Pension Scheme        | 33,600            | 44,473            |
| Directors' Health Insurance      | 3,083             | 2,688             |
|                                  | <u>          </u> | <u>          </u> |
|                                  | 115,248           | 114,094           |
|                                  | <u>          </u> | <u>          </u> |

6. INTEREST PAYABLE

|                                 | <u>1998</u>       | <u>1997</u>       |
|---------------------------------|-------------------|-------------------|
|                                 | £                 | £                 |
| Bank Interest                   | 1,575             | 587               |
| Bank Loan Interest              | 5,871             | 13,480            |
| Hire Purchase Interest          | 24,887            | 27,256            |
| Interest on Late Payment of Tax | 38                | -                 |
|                                 | <u>          </u> | <u>          </u> |
|                                 | 32,371            | 41,323            |
|                                 | <u>          </u> | <u>          </u> |

FLOTRONIC PUMPS LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST AUGUST 19987. TAXATION

|                                                             | <u>1998</u>    | <u>1997</u>    |
|-------------------------------------------------------------|----------------|----------------|
|                                                             | £              | £              |
| Taxation is based on the Profit for the year and comprises: |                |                |
| U.K. Corporation Taxation at 31% (1997 33%/31%)             | 267,980        | 256,302        |
| Overprovision in previous year                              | (40)           | -              |
|                                                             | <u>267,940</u> | <u>256,302</u> |

8. DIVIDENDS

|                | <u>1998</u>    | <u>1997</u>    |
|----------------|----------------|----------------|
|                | £              | £              |
| Dividends Paid | <u>220,000</u> | <u>360,000</u> |

9. TANGIBLE FIXED ASSETS

|                          | <u>Motor Vehicles</u> | <u>Plant and Equipment</u> | <u>Fixtures and Fittings</u> | <u>Short Term Leasehold Property</u> | <u>Total</u>     |
|--------------------------|-----------------------|----------------------------|------------------------------|--------------------------------------|------------------|
|                          | £                     | £                          | £                            | £                                    | £                |
| <b>COST OR VALUATION</b> |                       |                            |                              |                                      |                  |
| 1st September 1997       | 191,297               | 657,700                    | 165,773                      | 43,274                               | 1,058,044        |
| Additions                | 67,337                | 37,733                     | 26,223                       | 766                                  | 132,059          |
| Disposals                | (23,860)              | -                          | -                            | -                                    | (23,860)         |
| 31st August 1998         | <u>234,774</u>        | <u>695,433</u>             | <u>191,996</u>               | <u>44,040</u>                        | <u>1,166,243</u> |
| <b>DEPRECIATION</b>      |                       |                            |                              |                                      |                  |
| 1st September 1997       | 83,665                | 315,550                    | 117,394                      | 25,429                               | 542,038          |
| Charge for the year      | 41,519                | 56,982                     | 28,860                       | 4,270                                | 131,631          |
| Disposals                | (14,968)              | -                          | -                            | -                                    | (14,968)         |
| 31st August 1998         | <u>110,216</u>        | <u>372,532</u>             | <u>146,254</u>               | <u>29,699</u>                        | <u>658,701</u>   |
| <b>NET BOOK VALUE</b>    |                       |                            |                              |                                      |                  |
| 31st August 1998         | <u>124,558</u>        | <u>322,901</u>             | <u>45,742</u>                | <u>14,341</u>                        | <u>507,542</u>   |
| 31st August 1997         | <u>107,632</u>        | <u>342,149</u>             | <u>48,379</u>                | <u>17,845</u>                        | <u>516,005</u>   |

Tangible Fixed Assets includes, in respect of assets held under finance leases and hire purchase contracts, net book value £217,232 (1997 £323,872), cumulative depreciation £150,056 (1997 £244,025) and charge for the year £56,341 (1997 £81,252).

10. STOCKS

|                            | <u>1998</u>    | <u>1997</u>    |
|----------------------------|----------------|----------------|
|                            | £              | £              |
| Stock and Work In Progress | <u>416,414</u> | <u>326,427</u> |

**FLOTRONIC PUMPS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31ST AUGUST 1998**

7d.

**11. DEBTORS**

|                                             | <u>1998</u>    | <u>1997</u>    |
|---------------------------------------------|----------------|----------------|
|                                             | £              | £              |
| <b>Amounts falling due within one year:</b> |                |                |
| Trade Debtors                               | 671,125        | 636,277        |
| Sundry Debtors                              | 60,787         | 55,032         |
| ACT Recoverable                             | 55,000         | 90,000         |
| Amounts Owed By Related Company             | 925            | -              |
| Amounts Owed By Subsidiary Company          | 14,024         | -              |
|                                             | <u>801,861</u> | <u>781,309</u> |

**12. CURRENT ASSET INVESTMENTS**

|                              | <u>1998</u> | <u>1997</u> |
|------------------------------|-------------|-------------|
|                              | £           | £           |
| Shares in Group Undertakings | 11,894      | -           |

The company acquired a 100% shareholding in the share capital of Flotronic Pompen Nederland B.V., a company which was incorporated in Holland on the 12th June 1998.

As at the 31st August 1998 :

|                     |                   |           |
|---------------------|-------------------|-----------|
| Share Capital - DFL | 40,000            | (£11,894) |
| Reserves - DFL      | 4,261             | (£1,280)  |
|                     | <u>DFL 44,261</u> |           |

The directors have taken advantage of Sections 228 and 248 of the Companies Act 1985 in that they have not prepared group accounts.

**13. CREDITORS - Amounts Falling Due  
Within One Year**

|                                     | <u>1998</u>    | <u>1997</u>    |
|-------------------------------------|----------------|----------------|
|                                     | £              | £              |
| Loans and Overdrafts (see below)    | 37,043         | 118,359        |
| Trade Creditors                     | 270,668        | 306,054        |
| Amounts Owed to Related Companies   | 22,603         | 18,147         |
| Sundry Creditors                    | 39,607         | 30,162         |
| Corporation Tax                     | 267,980        | 256,302        |
| ACT Payable                         | 25,000         | 30,000         |
| PAYE/NI Reserve                     | 30,202         | 23,939         |
| Hire Purchase Account               | 80,620         | 118,765        |
| Value Added Tax                     | 83,362         | 71,215         |
|                                     | <u>857,085</u> | <u>972,943</u> |
| <br>Loans and Overdrafts comprises: |                |                |
| Bank Overdraft                      | 19,543         | 28,359         |
| Bank Loan                           | 17,500         | 90,000         |
|                                     | <u>37,043</u>  | <u>118,359</u> |

The bank overdraft is secured by a fixed charge over book debts and a floating charge over all other assets of the company.

FLOTRONIC PUMPS LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST AUGUST 199814. CREDITORS - Amounts Falling Due  
After More Than One Year

|                       | <u>1998</u>   | <u>1997</u>   |
|-----------------------|---------------|---------------|
|                       | £             | £             |
| Bank Loan             | -             | 17,500        |
| Hire Purchase Account | 29,883        | 61,068        |
|                       | <u>29,883</u> | <u>78,568</u> |

The Bank Loan is repayable by monthly instalments of £7,500, with interest chargeable at 3% above Midland Bank Plc base rate, and is secured by a fixed charge over book debts and a floating charge over all other assets of the company.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                                        | <u>1998</u>    | <u>1997</u>    |
|----------------------------------------|----------------|----------------|
|                                        | £              | £              |
| PROFIT FOR THE FINANCIAL YEAR          | 595,748        | 497,217        |
| Dividends                              | (220,000)      | (360,000)      |
|                                        | <u>375,748</u> | <u>137,217</u> |
| NET ADDITION TO<br>SHAREHOLDERS' FUNDS | 375,748        | 137,217        |
| Opening shareholders' funds            | 573,217        | 436,000        |
|                                        | <u>948,965</u> | <u>573,217</u> |
| <u>CLOSING SHAREHOLDERS' FUNDS</u>     |                |                |

16. SHARE CAPITAL

|                                 | <u>1998</u> | <u>1997</u> |
|---------------------------------|-------------|-------------|
|                                 | £           | £           |
| Ordinary Shares of £1 each      |             |             |
| Authorised                      | 1,300       | 1,300       |
| Allotted, Issued and Fully Paid | 100         | 100         |

17. RESERVES

|                               | Profit<br>and Loss<br>Account<br>£ | Revaluation<br>Reserve<br>£ |
|-------------------------------|------------------------------------|-----------------------------|
| Balance at 1st September 1997 | 449,867                            | 123,250                     |
| Retained Profit for the Year  | 375,748                            | -                           |
|                               | <u>825,615</u>                     | <u>123,250</u>              |
| Balance at 31st August 1998   |                                    |                             |

FLOTRONIC PUMPS LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST AUGUST 199818. NOTES TO THE CASH FLOW STATEMENTRECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

|                                              | 1998<br>£ | 1997<br>£ |
|----------------------------------------------|-----------|-----------|
| Operating Profit                             | 896,059   | 826,479   |
| Depreciation Charges                         | 131,631   | 135,665   |
| Loss/(Profit) on Sale of Fixed Assets        | 642       | (6,601)   |
| Increase in Stocks                           | (89,987)  | (51,979)  |
| Increase in Debtors                          | (20,552)  | (185,388) |
| (Decrease)/Increase in Creditors             | (113,720) | 71,875    |
| Net Cash Inflow From<br>Operating Activities | 804,073   | 790,051   |

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

|                       | At Start<br>of Year<br>£ | Cash<br>Flows<br>£ | At End<br>of Year<br>£ |
|-----------------------|--------------------------|--------------------|------------------------|
| Cash in Hand, at Bank | 987                      | 97,234             | 98,221                 |
| Overdrafts            | (28,359)                 | 8,816              | (19,543)               |
| TOTAL                 | (27,372)                 | 106,050            | 78,678                 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH AND CASH EQUIVALENTS

|                                         | 1998<br>£ | 1997<br>£ |
|-----------------------------------------|-----------|-----------|
| Increase/(Decrease) in Cash in the year | 106,050   | (91,501)  |
| Balance at 1st September 1997           | (27,372)  | 64,129    |
| Balance at 31st August 1998             | 78,678    | (27,372)  |