

REGISTERED NUMBER: 2559708 (England and Wales)

Abbreviated Financial Statements
for the Year Ended 31 August 2001
for
Flotronic Pumps Limited



Flotronic Pumps Limited

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for the Year Ended 31 August 2001

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Flotronic Pumps Limited

Company Information
for the Year Ended 31 August 2001

DIRECTORS:

C.H. Dykes
L.H. Norris
R.G. Partlett
P.C. Dykes

SECRETARY:

R.G. Partlett Esq

REGISTERED OFFICE:

Ricebridge House
Brighton Road
Bolney
West Sussex

REGISTERED NUMBER:

2559708 (England and Wales)

AUDITORS:

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

BANKERS:

HSBC Bank plc
153 North Street
Brighton
East Sussex
BN1 1RE

Flotronic Pumps Limited

Report of the Directors for the Year Ended 31 August 2001

The directors present their report with the financial statements of the company for the year ended 31 August 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of researching, developing and manufacturing fluid control equipment.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

Interim dividends per share were paid as follows:

£1200	- 16 October 2000
£1600	- 18 April 2001
<u>2800</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2001 will be £280,000.

DIRECTORS

The directors during the year under review were:

C.H. Dykes
L.H. Norris
R.G. Partlett
P.C. Dykes

The beneficial interests of the directors holding office on 31 August 2001 in the issued share capital of the company were as follows:

	31.8.01	1.9.00
Ordinary £1 shares		
C.H. Dykes	25	25
L.H. Norris	75	75
R.G. Partlett	-	-
P.C. Dykes	-	-

L.H.Norris and P.C.Dykes were appointed directors on 12 December 2000.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 statements, the directors are required to

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

Flotronic Pumps Limited

Report of the Directors
for the Year Ended 31 August 2001

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 statements 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

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

ON BEHALF OF THE BOARD:



R.G.Partlett Esq - SECRETARY

Dated: 20 March 2002

Flotronic Pumps Limited

Report of the Independent Auditors to
Flotronic Pumps Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to eighteen, together with the full financial statements of the company for the year ended 31 August 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

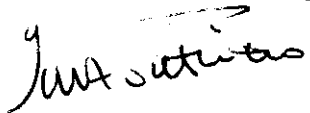
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the 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 consider necessary to confirm, by reference to the 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 purpose of this report did not include examining or dealing with events after the date of our report on the full 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 on pages five to eighteen are properly prepared in accordance with that provision.



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

Dated:  March 2002

Flotronic Pumps Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 August 2001

	Notes	31.8.01 £	£	31.8.00 £	£
GROSS PROFIT			2,096,928		2,168,838
Distribution costs		(6,241)		(4,459)	
Administrative expenses		<u>1,929,600</u>	<u>1,923,359</u>	<u>1,696,650</u>	<u>1,692,191</u>
OPERATING PROFIT	3		173,569		476,647
Interest receivable and similar income			<u>3,315</u>		<u>3,446</u>
			176,884		480,093
Interest payable and similar charges	4		<u>5,080</u>		<u>11,749</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			171,804		468,344
Tax on profit on ordinary activities	5		<u>59,716</u>		<u>148,424</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			112,088		319,920
Extraordinary items after taxation	6		<u>(40,000)</u>		<u>-</u>
PROFIT FOR THE FINANCIAL YEAR			72,088		319,920
Dividends	7		<u>280,000</u>		<u>200,000</u>
			(207,912)		119,920
Retained profit brought forward			<u>1,048,861</u>		<u>928,941</u>
RETAINED PROFIT CARRIED FORWARD			<u>£840,949</u>		<u>£1,048,861</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

Flotronic Pumps Limited

Abbreviated Balance Sheet

31 August 2001

	Notes	31.8.01 £	£	31.8.00 £	£
FIXED ASSETS:					
Intangible assets	8		-		12,390
Tangible assets	9		389,645		410,709
Investments	10		12,544		12,544
			<u>402,189</u>		<u>435,643</u>
CURRENT ASSETS:					
Stocks	11	456,310		390,037	
Debtors	12	520,496		530,367	
Cash at bank		4,491		264,392	
		<u>981,297</u>		<u>1,184,796</u>	
CREDITORS: Amounts falling due within one year	13	<u>396,050</u>		<u>442,793</u>	
NET CURRENT ASSETS:			<u>585,247</u>		<u>742,003</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>987,436</u>		<u>1,177,646</u>
CREDITORS: Amounts falling due after more than one year	14		<u>23,137</u>		<u>5,435</u>
			<u>£964,299</u>		<u>£1,172,211</u>
CAPITAL AND RESERVES:					
Called up share capital	17		100		100
Revaluation reserve	18		123,250		123,250
Profit and loss account			840,949		1,048,861
SHAREHOLDERS' FUNDS:	20		<u>£964,299</u>		<u>£1,172,211</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



C.H. Dykes - DIRECTOR



R.G. Partlett - DIRECTOR

Approved by the Board on 20 March 2002

The notes form part of these financial statements

Flotronic Pumps Limited

**Cash Flow Statement
for the Year Ended 31 August 2001**

		31.8.01	31.8.00
	Notes	£	£
Net cash inflow from operating activities	1	233,703	674,248
Returns on investments and servicing of finance	2	(1,765)	(8,303)
Taxation		(141,230)	(217,877)
Capital expenditure	2	(96,043)	(46,416)
Equity dividends paid		(280,000)	(200,000)
		(285,335)	201,652
Management of liquid resources	2	965	(149,495)
(Decrease)/Increase in cash in the period		£(284,370)	£52,157
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		(284,370)	52,157
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(1,776)	64,149
Change in net funds resulting from cash flows		(286,146)	116,306
Movement in net funds in the period		(286,146)	116,306
Net funds at 1 September		223,630	107,324
Net (debt)/funds at 31 August		£(62,516)	£223,630

The notes form part of these financial statements

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.8.01 £	31.8.00 £
Operating profit	173,569	476,647
Depreciation charges	121,730	120,835
Loss on sale of fixed assets	7,769	2,304
Amount due from subsidiary company w/off as irrecoverable	(40,000)	-
(Increase)/Decrease in stocks	(66,273)	54,337
Decrease in debtors	15,194	149,098
Increase/(Decrease) in creditors	21,714	(128,973)
Net cash inflow from operating activities	233,703	674,248

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.8.01 £	31.8.00 £
Returns on investments and servicing of finance		
Interest received	3,315	3,446
Interest paid	(667)	(4,119)
Interest element of hire purchase or finance lease rentals payments	(4,413)	(7,630)
Net cash outflow for returns on investments and servicing of finance	(1,765)	(8,303)
Capital expenditure		
Purchase of intangible fixed assets	(300)	(24,780)
Purchase of tangible fixed assets	(109,647)	(25,387)
Sale of tangible fixed assets	13,904	3,751
Net cash outflow for capital expenditure	(96,043)	(46,416)
Management of liquid resources		
Purchase of fixed asset investments	-	(650)
Hire purchase repayments - capital only	(40,122)	(64,149)
Hire purchase monies advanced	41,898	-
Bank loan repayments - capital only	(811)	(84,696)
Net cash inflow/(outflow) from management of liquid resources	965	(149,495)

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.00 £	Cash flow £	At 31.8.01 £
Net cash:			
Cash at bank	264,392	(259,901)	4,491
Bank overdraft	-	(24,469)	(24,469)
	<u>264,392</u>	<u>(284,370)</u>	<u>(19,978)</u>
Debt:			
Hire purchase or finance leases	(40,762)	(1,776)	(42,538)
	<u>(40,762)</u>	<u>(1,776)</u>	<u>(42,538)</u>
Total	<u>223,630</u>	<u>(286,146)</u>	<u>(62,516)</u>
Analysed in Balance Sheet			
Cash at bank	264,392		4,491
Bank overdraft	-		(24,469)
Hire purchase or finance leases			
within one year	(35,327)		(19,401)
after one year	(5,435)		(23,137)
	<u>223,630</u>		<u>(62,516)</u>

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Intangible fixed assets

Domain names are depreciated over their estimated useful lives of two years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	- 10% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on reducing balance

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases 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 the lease term, whichever is the 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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. **STAFF COSTS**

	31.8.01	31.8.00
	£	£
Wages and salaries	1,208,983	1,177,074
Social security costs	18,008	9,534
Other pension costs	76,530	73,109
	<u>1,303,521</u>	<u>1,259,717</u>

The average monthly number of employees during the year was as follows:

31.8.01	31.8.00
42	42
<u>42</u>	<u>42</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.8.01	31.8.00
	£	£
Hire of plant and machinery	1,860	3,090
Depreciation - owned assets	88,703	83,682
Depreciation - assets on hire purchase contracts or finance leases	20,337	24,763
Loss on disposal of fixed assets	7,769	2,304
Patents and licences written off	12,690	12,390
Auditors' remuneration	7,800	7,680
	<u>157,990</u>	<u>82,500</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.8.01	31.8.00
	£	£
Bank interest	355	357
Bank loan interest	312	3,762
Hire purchase	4,413	7,630
	<u>5,080</u>	<u>11,749</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.8.01	31.8.00
	£	£
Current tax:		
UK corporation tax	59,983	148,424
Over/under provisions	(267)	-
	<u>59,716</u>	<u>148,424</u>
Total current tax		

6. EXTRAORDINARY ITEMS

Charges:

Amount due by subsidiary w/off
as irrecoverable (see fixed
asset investments note)

31.8.01	31.8.00
£	£
40,000	-
<u>40,000</u>	<u>-</u>

7. DIVIDENDS

Equity shares:

Interim - share type 1

31.8.01	31.8.00
£	£
280,000	200,000
<u>280,000</u>	<u>200,000</u>

8. INTANGIBLE FIXED ASSETS

	Patents and licences
	£
COST:	
At 1 September 2000	24,780
Additions	300
	<u>25,080</u>
At 31 August 2001	
AMORTISATION:	
At 1 September 2000	12,390
Charge for year	12,690
	<u>25,080</u>
At 31 August 2001	
NET BOOK VALUE:	
At 31 August 2001	-
	<u>-</u>
At 31 August 2000	12,390
	<u>12,390</u>

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2001

9. **TANGIBLE FIXED ASSETS**

	Leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 September 2000	48,919	730,004	239,660	260,406	1,278,989
Additions	-	7,605	50,577	51,465	109,647
Disposals	-	-	-	(41,707)	(41,707)
At 31 August 2001	48,919	737,609	290,237	270,164	1,346,929
DEPRECIATION:					
At 1 September 2000	38,083	471,444	201,833	156,918	868,278
Charge for year	3,133	39,924	32,663	33,320	109,040
Eliminated on disposals	-	-	-	(20,034)	(20,034)
At 31 August 2001	41,216	511,368	234,496	170,204	957,284
NET BOOK VALUE:					
At 31 August 2001	7,703	226,241	55,741	99,960	389,645
At 31 August 2000	10,836	258,560	37,826	103,487	410,709

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 September 2000	31,546	118,258	149,804
Additions	-	51,465	51,465
Disposals	-	(12,000)	(12,000)
Transferred to ownership	(9,796)	(69,897)	(79,693)
At 31 August 2001	21,750	87,826	109,576
DEPRECIATION:			
At 1 September 2000	9,816	55,476	65,292
Charge for year	2,357	17,980	20,337
Eliminated on disposals	-	(5,250)	(5,250)
Transferred to ownership	(3,780)	(34,318)	(38,098)
At 31 August 2001	8,393	33,888	42,281
NET BOOK VALUE:			
At 31 August 2001	13,357	53,938	67,295
At 31 August 2000	21,730	62,782	84,512

10. **FIXED ASSET INVESTMENTS**

	£	
COST:		
At 1 September 2000		
and 31 August 2001		12,544
NET BOOK VALUE:		
At 31 August 2001		12,544
At 31 August 2000		12,544
	31.8.01	31.8.00
	£	£
Unlisted investments	12,544	12,544

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Flotronic Pompen Nederland (FPL) B.V.

Country of incorporation: Holland

Nature of business: Pumps and related articles

	%
Class of shares:	holding
Ordinary	100.00

	31.8.01	31.8.00
	£	£
Aggregate capital and reserves	24,736	20,412
Profit/(Loss) for the year	4,324	(4,588)

The loss of Flotronic Pompen Nederland (FPL) B.V. has been translated using the 'middle' rate of exchange between the Dutch Guilder and the Pound Sterling amounting to £1 = DFL 3.51 at 31 August 2001 (3.59 at 31 August 2000). The aggregate capital & reserves at 31 August 2001 were DFL 82,459 (31/8/2000 - DFL 67,280), and the profit for the year was DFL 15,179 (2000 - DFL (16,473) loss), as stated in the Dutch financial statements of Flotronic Pompen Nederland (FPL) B.V. The original cost of the 100% shareholding was £11,894. At the year end, the Dutch subsidiary owed the company £52,405 ie.DFL 184,368 (31.8.00 £22,932 ie.DFL 73,381).

10. **FIXED ASSET INVESTMENTS - continued**

Process and Control Today Limited

Nature of business: Developing and maintaining web sites

Class of shares:	%
Ordinary	holding 65.00

	31.8.01	31.8.00
	£	£
Aggregate capital and reserves	10,772	3,341
(Loss)/Profit for the year	(32,569)	2,341
	<u> </u>	<u> </u>

Website development and maintenance costs totalling £150,000 payable to Process and Control Today Limited are included in the profit and loss account for the year (2000 £55,000). Flotronic Pumps Limited agreed to write off debts due to them by Process and Control Today Limited totalling £40,000. After this write off, the amount owed by the subsidiary at the year end was £7,789 (31.8.00 £(8,023)). The write off resulted in Process and Control Today Limited showing a retained profit of £7,431 in it's financial accounts for the year ended 31st August 2001. The original cost of the 65% shareholding was £650. These financial statements present information about the company as an individual undertaking and not about its group. The group is a medium-sized group and is therefore exempt from preparing group accounts.

11. **STOCKS**

	31.8.01	31.8.00
	£	£
Stock	423,350	364,846
Work in progress	32,960	25,191
	<u> </u>	<u> </u>
	456,310	390,037
	<u> </u>	<u> </u>

12. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.8.01	31.8.00
	£	£
Trade debtors	383,442	442,109
Amounts due from subsidiaries	60,194	22,932
Prepayments & accrued income	71,537	57,673
Amounts due from related co's	-	7,653
Corporation tax	5,323	-
	<u> </u>	<u> </u>
	520,496	530,367
	<u> </u>	<u> </u>

**13. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.8.01	31.8.00
	£	£
Bank loans and overdrafts (see note 15)	24,469	809
Trade creditors	189,529	174,364
Hire purchase	19,401	35,327
Amount owed to related company	17,584	17,998
Amount owed to subsidiary	-	8,023
V.A.T.	60,676	63,145
Social security & other taxes	34,820	34,905
Taxation	-	76,191
Accrued expenses	49,571	32,031
	<u>396,050</u>	<u>442,793</u>

**14. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.8.01	31.8.00
	£	£
Hire purchase	<u>23,137</u>	<u>5,435</u>

15. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.8.01	31.8.00
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	24,469	-
Bank loans	-	809
	<u>24,469</u>	<u>809</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.01	31.8.00
	£	£
Bank overdrafts	24,469	-
Bank loans	-	809
	<u>24,469</u>	<u>809</u>

The bank holds a fixed charge over the company's book debts and a floating charge over all other assets as security on bank loans and overdrafts.

17. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.8.01	31.8.00
		value:	£	£
1,300	Ordinary	£1	<u>1,300</u>	<u>1,300</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.8.01	31.8.00
		value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

18. REVALUATION RESERVE

	31.8.01	31.8.00
	£	£
Brought forward	<u>123,250</u>	<u>123,250</u>

19. OTHER FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating leases will result in rent totalling £17,060 falling due in the year to the 31st August 2002. The lease expires 31st January 2002.

20. RELATED PARTY DISCLOSURES

The following amounts were payable during the year to companies controlled by the company director, Mr L.H.Norris, under normal commercial terms. These amounts have been charged in the company's profit and loss account for the year ended 31st August 2001 :

Detail	2001 £	Related company
Management fees	22,000	Hunt Norris Ltd
Research and development	33,600	Advanced Intellectual Prods Ltd
Repairs and renewals	10,800	Norris Brothers Ltd
Accountancy and secretarial	52,800	ditto
Consultancy fees	85,000	Advanced Intellectual Prods Ltd
Rent and rates	66,027	Norris Brothers Ltd
Insurance	954	ditto
	<u>271,181</u>	

At the balance sheet date, Norris Brothers Limited were owed £17,584 by Flotronic Pumps Limited (2000 £17,998).

21. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.8.01	31.8.00
	£	£
Profit for the financial year	72,088	319,920
Dividends	(280,000)	(200,000)
Net (reduction)/addition to shareholders' funds	(207,912)	119,920
Opening shareholders' funds	1,172,211	1,052,291
Closing shareholders' funds	964,299	1,172,211
Equity interests	964,299	1,172,211