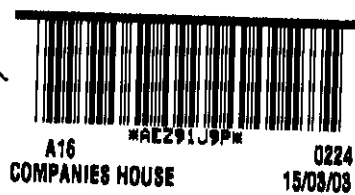


Abbreviated Financial Statements
for the Year Ended 31 August 2002
for
Flotronic Pumps Limited



Flotronic Pumps Limited

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for the Year Ended 31 August 2002

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Flotronic Pumps Limited

Company Information
for the Year Ended 31 August 2002

DIRECTORS:	C.H. Dykes L.H. Norris R.G. Partlett P.C. Dykes
SECRETARY:	R G Partlett
REGISTERED OFFICE:	Ricebridge House Brighton Road Bolney WEST SUSSEX
REGISTERED NUMBER:	2559708 (England and Wales)
AUDITORS:	JOHN A TUFFIN & CO REGISTERED AUDITOR 12/13 Ship Street Brighton East 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 2002

The directors present their report with the financial statements of the company for the year ended 31 August 2002.

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

No dividends will be distributed for the year ended 31 August 2002.

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 2002 in the issued share capital of the company were as follows:

	31.8.02	1.9.01
Ordinary £1 shares		
C.H. Dykes	25	25
L.H. Norris	75	75
R.G. Partlett	-	-
P.C. Dykes	-	-

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.

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.

Flotronic Pumps Limited

Report of the Directors
for the Year Ended 31 August 2002

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 - SECRETARY

Dated: 10.03.03

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 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's members, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

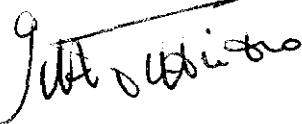
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance 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 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 AUDITOR
12/13 Ship Street
Brighton
East Sussex
BN1 1AD

Dated: 11th March 2003

Flotronic Pumps Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 August 2002

	Notes	31.8.02 £	£	31.8.01 £	£
GROSS PROFIT			1,990,919		2,096,928
Distribution costs		(5,487)		(6,241)	
Administrative expenses		<u>1,924,589</u>	<u>1,919,102</u>	<u>1,929,600</u>	<u>1,923,359</u>
OPERATING PROFIT	3		71,817		173,569
Interest receivable and similar income			<u>1,355</u>		<u>3,315</u>
			73,172		176,884
Interest payable and similar charges	4		<u>7,194</u>		<u>5,080</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			65,978		171,804
Tax on profit on ordinary activities	5		<u>20,375</u>		<u>59,716</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			45,603		112,088
Extraordinary items after taxation	6		<u>63,900</u>		<u>(40,000)</u>
PROFIT FOR THE FINANCIAL YEAR			109,503		72,088
Dividends	7		<u>-</u>		<u>280,000</u>
			109,503		(207,912)
Retained profit brought forward			<u>840,949</u>		<u>1,048,861</u>
RETAINED PROFIT CARRIED FORWARD			<u>£950,452</u>		<u>£840,949</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.

The notes form part of these financial statements

Flotronic Pumps Limited

Abbreviated Balance Sheet

31 August 2002

	Notes	31.8.02 £	£	31.8.01 £	£
FIXED ASSETS:					
Intangible assets	8		-		-
Tangible assets	9		387,231		389,645
Investments	10		12,544		12,544
			<u>399,775</u>		<u>402,189</u>
CURRENT ASSETS:					
Stocks	11	407,005		456,310	
Debtors	12	636,767		520,496	
Cash at bank		170,238		4,491	
		<u>1,214,010</u>		<u>981,297</u>	
CREDITORS: Amounts falling due within one year	13	499,017		396,050	
		<u>499,017</u>		<u>396,050</u>	
NET CURRENT ASSETS:			<u>714,993</u>		<u>585,247</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>1,114,768</u>		<u>987,436</u>
CREDITORS: Amounts falling due after more than one year	14		64,866		23,137
			<u>£1,049,902</u>		<u>£964,299</u>
CAPITAL AND RESERVES:					
Called up share capital	17		100		100
Revaluation reserve	18		99,350		123,250
Profit and loss account			950,452		840,949
			<u>1,049,902</u>		<u>964,299</u>
SHAREHOLDERS' FUNDS:	20		<u>£1,049,902</u>		<u>£964,299</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 10.03.03

The notes form part of these financial statements

Flotronic Pumps Limited

Cash Flow Statement
for the Year Ended 31 August 2002

	Notes	31.8.02 £	£	31.8.01 £	£
Net cash inflow from operating activities	1		246,242		233,703
Returns on investments and servicing of finance	2		(5,839)		(1,765)
Taxation			5,322		(141,230)
Capital expenditure	2		(124,729)		(96,043)
Equity dividends paid			-		(280,000)
			<u>120,996</u>		<u>(285,335)</u>
Management of liquid resources	2		69,220		965
Increase/(Decrease) in cash in the period			<u>£190,216</u>		<u>£(284,370)</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period			190,216		(284,370)
Cash inflow from increase in debt and lease financing			<u>(69,220)</u>		<u>(1,776)</u>
Change in net debt resulting from cash flows			<u>120,996</u>		<u>(286,146)</u>
Movement in net debt in the period			120,996		(286,146)
Net (debt)/funds at 1 September			<u>(62,516)</u>		<u>223,630</u>
Net funds/(debt) at 31 August			<u>£58,480</u>		<u>£(62,516)</u>

The notes form part of these financial statements

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

	31.8.02 £	31.8.01 £
Operating profit	71,817	173,569
Depreciation charges	114,400	121,730
Loss on sale of fixed assets	12,743	7,769
Amount due from subsidiary company written off as irrecoverable	-	(40,000)
Amount due from subsidiary company written back as payable	40,000	-
Decrease in creditors re closing hire purchase balance	(111,758)	-
Decrease/(Increase) in stocks	49,305	(66,273)
(Increase)/Decrease in debtors	(121,594)	15,194
Increase in creditors	191,329	21,714
Net cash inflow from operating activities	246,242	233,703

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

	31.8.02 £	31.8.01 £
Returns on investments and servicing of finance		
Interest received	1,355	3,315
Interest paid	(1,981)	(667)
Interest element of hire purchase or finance lease rentals payments	(5,213)	(4,413)
Net cash outflow for returns on investments and servicing of finance	(5,839)	(1,765)
Capital expenditure		
Purchase of intangible fixed assets	(4,869)	(300)
Purchase of tangible fixed assets	(133,185)	(109,647)
Sale of tangible fixed assets	13,325	13,904
Net cash outflow for capital expenditure	(124,729)	(96,043)

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

	31.8.02 £	31.8.01 £
Management of liquid resources		
Hire purchase repayments - capital only	(37,320)	(40,122)
Hire purchase monies advanced	106,540	41,898
Bank loan repayments - capital only	-	(811)
Net cash inflow from management of liquid resources	<u>69,220</u>	<u>965</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.01 £	Cash flow £	At 31.8.02 £
Net cash:			
Cash at bank	4,491	165,747	170,238
Bank overdraft	(24,469)	24,469	-
	<u>(19,978)</u>	<u>190,216</u>	<u>170,238</u>
Debt:			
Hire purchase or finance leases	(42,538)	(69,220)	(111,758)
	<u>(42,538)</u>	<u>(69,220)</u>	<u>(111,758)</u>
Total	<u>(62,516)</u>	<u>120,996</u>	<u>58,480</u>
Analysed in Balance Sheet			
Cash at bank	4,491		170,238
Bank overdraft	(24,469)		-
Hire purchase or finance leases			
within one year	(19,401)		(46,892)
after one year	(23,137)		(64,866)
	<u>(62,516)</u>		<u>58,480</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 in full in the year of expenditure.

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 is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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.

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2002

2. **STAFF COSTS**

	31.8.02	31.8.01
	£	£
Wages and salaries	1,247,990	1,208,983
Social security costs	16,641	18,008
Other pension costs	70,383	76,530
	<u>1,335,014</u>	<u>1,303,521</u>

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

31.8.02	31.8.01
<u>36</u>	<u>42</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.8.02	31.8.01
	£	£
Hire of plant and machinery	-	1,860
Depreciation - owned assets	76,035	88,703
Depreciation - assets on hire purchase contracts or finance leases	33,496	20,337
Loss on disposal of fixed assets	12,743	7,769
Patents and licences written off	4,869	12,690
Auditors' remuneration	<u>7,950</u>	<u>7,800</u>
Directors' emoluments	<u>149,579</u>	<u>157,990</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.8.02	31.8.01
	£	£
Bank interest	1,981	355
Bank loan interest	-	312
Hire purchase	<u>5,213</u>	<u>4,413</u>
	<u>7,194</u>	<u>5,080</u>

5. **TAXATION**

Analysis of the tax charge

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

	31.8.02 £	31.8.01 £
Current tax:		
UK corporation tax	20,374	59,983
Over/under provisions	1	(267)
Total current tax	20,375	59,716
 Tax on profit on ordinary activities	 20,375	 59,716

6. **EXTRAORDINARY ITEMS**

	31.8.02 £	31.8.01 £
Income:		
Revaluation reserve adjustment	23,900	-
Amount due by subsidiary written back as payable (see fixed asset investments note)	40,000	-
	63,900	-
 Charges:		
Amount due by subsidiary w/off as irrecoverable (see fixed asset investments note)	-	40,000
Extraordinary income after taxation	63,900	(40,000)

7. **DIVIDENDS**

	31.8.02 £	31.8.01 £
Equity shares:		
Interim dividends paid	-	280,000

8. INTANGIBLE FIXED ASSETS

	Patents and licences
	£
COST:	
At 1 September 2001	25,080
Additions	4,869
At 31 August 2002	29,949
AMORTISATION:	
At 1 September 2001	25,080
Charge for year	4,869
At 31 August 2002	29,949
NET BOOK VALUE:	
At 31 August 2002	-

9. TANGIBLE FIXED ASSETS

	Leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 September 2001	48,919	737,609	290,238	270,164	1,346,930
Additions	-	51,532	13,808	67,845	133,185
Disposals	-	-	(17,769)	(114,278)	(132,047)
At 31 August 2002	48,919	789,141	286,277	223,731	1,348,068
DEPRECIATION:					
At 1 September 2001	41,217	511,368	234,496	170,204	957,285
Charge for year	4,410	41,666	28,021	35,434	109,531
Eliminated on disposals	-	-	(17,769)	(88,210)	(105,979)
At 31 August 2002	45,627	553,034	244,748	117,428	960,837
NET BOOK VALUE:					
At 31 August 2002	3,292	236,107	41,529	106,303	387,231
At 31 August 2001	7,703	226,241	55,741	99,960	389,645

9. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 September 2001	21,750	-	87,826	109,576
Additions	39,140	4,054	67,845	111,039
Disposals	-	-	(12,000)	(12,000)
Transferred to ownership	(21,750)	-	(24,361)	(46,111)
At 31 August 2002	39,140	4,054	119,310	162,504
DEPRECIATION:				
At 1 September 2001	8,393	-	33,888	42,281
Charge for year	5,871	1,014	26,611	33,496
Eliminated on disposals	-	-	(6,938)	(6,938)
Transferred to ownership	(8,393)	-	(14,084)	(22,477)
At 31 August 2002	5,871	1,014	39,477	46,362
NET BOOK VALUE:				
At 31 August 2002	33,269	3,040	79,833	116,142
At 31 August 2001	13,357	-	53,938	67,295

10. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 September 2001 and 31 August 2002	12,544
NET BOOK VALUE:	
At 31 August 2002	12,544
At 31 August 2001	12,544
	31.8.02
	£
Unlisted investments	12,544

10. **FIXED ASSET INVESTMENTS - continued**

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:	%
Ordinary	holding 100.00

	31.8.02	31.8.01
	£	£
Aggregate capital and reserves	41,582	23,713
Profit for the year	17,869	4,324

The profit of Flotronic Pompen Nederland (FPL) B.V. has been translated using the 'middle' rate of exchange between the Euro and the Pound Sterling amounting to £1 = Euro 1.578 at 31 August 2002.

The aggregate capital & reserves at 31 August 2002 were Euros 65,616 (31/8/2001 - Euros 37,418), and the profit for the year was Euros 28,198 (2001 - Euros 6,888), 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 £88,874 ie.Euros 137,966 (31.8.01 £52,405 ie.Euros 84,141).

Process and Control Today Limited

Nature of business: Developing and maintaining web sites

Class of shares:	%
Ordinary	holding 65.00

	31.8.02	31.8.01
	£	£
Aggregate capital and reserves	14,820	10,772
Profit/(Loss) for the year	44,048	(32,569)

Website development and maintenance costs totalling £127,500 (2001 £150,000), and advertising costs totalling £21,000 (2001 nil) payable to Process and Control Today Limited are included in the profit and loss account for the year. Flotronic Pumps Limited reinstated debts due to them by Process and Control Today Limited totalling £40,000 during the year. The amount owed by the subsidiary at the year end was £793 (31.8.01 £7,789). Process and Control Today Limited are showing a retained profit of £4,048 in it's financial accounts for the year ended 31st August 2002 (31.8.01 £7,431).

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.

Flotronic Pumps Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2002

11. **STOCKS**

	31.8.02	31.8.01
	£	£
Stock	407,005	423,350
Work in progress	-	32,960
	<u>407,005</u>	<u>456,310</u>

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

	31.8.02	31.8.01
	£	£
Trade debtors	482,861	383,442
Amounts due from subsidiaries	89,667	60,194
Prepayments & accrued income	64,239	71,537
Corporation tax	-	5,323
	<u>636,767</u>	<u>520,496</u>

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

	31.8.02	31.8.01
	£	£
Bank loans and overdrafts (see note 15)	-	24,469
Trade creditors	241,999	189,529
Hire purchase	46,892	19,401
Amount owed to related company	33,310	17,584
V.A.T.	54,497	60,676
Social security & other taxes	38,432	34,820
Taxation	20,374	-
Accrued expenses	63,513	49,571
	<u>499,017</u>	<u>396,050</u>

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

	31.8.02	31.8.01
	£	£
Hire purchase	<u>64,866</u>	<u>23,137</u>

15. **LOANS AND OVERDRAFTS**

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

	31.8.02 £	31.8.01 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	24,469

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.8.02 £	31.8.01 £
Bank overdrafts	-	24,469

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 value:	31.8.02 £	31.8.01 £
1,300	Ordinary	£1	1,300	1,300

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.8.02 £	31.8.01 £
100	Ordinary	£1	100	100

18. **REVALUATION RESERVE**

	31.8.02 £	31.8.01 £
Brought forward	123,250	123,250
Decrease in revaluation	(23,900)	-
	99,350	123,250

19. 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 2002 :

Detail	2002 £	2001 £	Related company
Management fees	22,000	22,000	Hunt Norris Ltd
Research and development	56,000	33,600	Advanced Intellectual Products Ltd
Consultancy fees	-	85,000	ditto
Repairs and renewals	12,109	10,800	Norris Brothers Ltd
Accountancy and secretarial	52,800	52,800	ditto
Rent and rates	77,341	66,027	ditto
Insurance	1,833	954	ditto
	<u>222,083</u>	<u>271,181</u>	

At the balance sheet date, Norris Brothers Limited were owed £27,810 by Flotronic Pumps Limited (2001 £17,584) and Hunt Norris Limited were owed £5,500 (2001 Nil).

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.8.02 £	31.8.01 £
Profit for the financial year	109,503	72,088
Dividends	-	(280,000)
	<u>109,503</u>	<u>(207,912)</u>
Decrease to revaluation reserve	(23,900)	-
Net addition/(reduction) to shareholders' funds	85,603	(207,912)
Opening shareholders' funds	964,299	1,172,211
Closing shareholders' funds	<u>1,049,902</u>	<u>964,299</u>
Equity interests	<u>1,049,902</u>	<u>964,299</u>