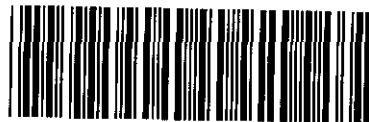


Report of the Directors and
Financial Statements
for the Year Ended 31 August 2006
for
Flotronic Pumps Limited

FRIDAY



A05

AS161NWR

16/03/2007

88

COMPANIES HOUSE

Flotronic Pumps Limited

Contents of the Financial Statements
for the Year Ended 31 August 2006

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	11
Trading and Profit and Loss Account	20

Flotronic Pumps Limited

Company Information
for the Year Ended 31 August 2006

DIRECTORS:

R.G. Partlett
Mrs J B Wheatley
R Q A Tuffin
Mrs S A Stretton
Mrs L B Evans

SECRETARY:

R.G. Partlett

REGISTERED OFFICE:

Ricebridge House
Brighton Road
Bolney
West Sussex
RH17 5NA

REGISTERED NUMBER:

2559708 (England and Wales)

AUDITORS:

SPOFFORTHS LLP
Chartered Accountants
Registered Auditors
One Jubilee Street
Brighton
East Sussex
BN1 1GE

BANKERS:

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

National Westminster Bank plc
24 Church Road
Burgess Hill
West Sussex
RH15 9ZS

The directors present their report with the financial statements of the company for the year ended 31 August 2006.

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

An interim dividend of £750 per share was paid on 26 October 2005. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2006 will be £75,000.

FUTURE DEVELOPMENTS

There are no significant changes expected to the future development of the business.

DIRECTORS

The directors during the year under review were:

R.G. Partlett	
P.C. Dykes	- resigned 24.7.06
Mrs J B Wheatley	
R Q A Tuffin	
Mrs S A Stretton	- appointed 21.8.06
Mrs L B Evans	- appointed 21.8.06

The directors holding office at 31 August 2006 did not hold any beneficial interest in the issued share capital of the company at 1 September 2005 (or date of appointment if later) or 31 August 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Flotronic Pumps Limited

Report of the Directors
for the Year Ended 31 August 2006

AUDITORS

The auditors, SPOFFORTHS LLP, 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

Date: 5th March 2007

Report of the Independent Auditors to the Shareholders of
Flotronic Pumps Limited

We have audited the financial statements of Flotronic Pumps Limited for the year ended 31 August 2006 on pages five to nineteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, 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 auditors' 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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



SPOFFORTHS LLP
Chartered Accountants
Registered Auditors
One Jubilee Street
Brighton
East Sussex
BN1 1GE

Date: 12 March 2007

Flotronic Pumps Limited

Profit and Loss Account
for the Year Ended 31 August 2006

	Notes	31.8.06 £	£	31.8.05 £	£
TURNOVER	2		2,788,176		3,182,986
Cost of sales			<u>1,186,395</u>		<u>1,188,826</u>
GROSS PROFIT			1,601,781		1,994,160
Distribution costs		10,757		1,774	
Administrative expenses		<u>1,675,307</u>		<u>1,921,269</u>	
			<u>1,686,064</u>		<u>1,923,043</u>
OPERATING (LOSS)/PROFIT	4		(84,283)		71,117
Interest receivable and similar income			<u>112</u>		<u>1,497</u>
			(84,171)		72,614
Amounts due by subsidiary written off	5		4,000		33,141
			(88,171)		39,473
Interest payable and similar charges	6		<u>20,886</u>		<u>17,389</u>
			(109,057)		22,084
Amounts written off investments	7		-		49,480
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(109,057)		71,564
Tax on (loss)/profit on ordinary activities	8		<u>(5,593)</u>		<u>52,380</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u>(103,464)</u>		<u>19,184</u>

CONTINUING OPERATIONS

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

The notes form part of these financial statements

Flotronic Pumps Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 August 2006

	31.8.06 £	31.8.05 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(103,464)	19,184
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(103,464)</u>	19,184
Prior year adjustment		<u>50,000</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>69,184</u>

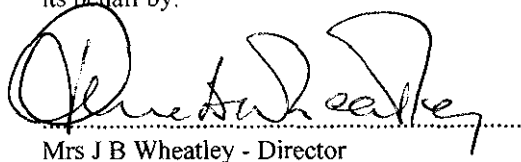
The notes form part of these financial statements

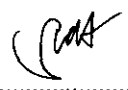
Flotronic Pumps Limited

Balance Sheet
31 August 2006

	Notes	31.8.06 £	£	31.8.05 £	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		<u>233,030</u>		<u>319,339</u>
			233,030		319,339
CURRENT ASSETS					
Stocks	13	436,467		469,798	
Debtors	14	540,340		582,943	
Cash at bank		<u>4,449</u>		<u>92,587</u>	
		981,256		1,145,328	
CREDITORS					
Amounts falling due within one year	15	<u>609,411</u>		<u>682,505</u>	
NET CURRENT ASSETS			<u>371,845</u>		<u>462,823</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			604,875		782,162
CREDITORS					
Amounts falling due after more than one year	16		(36,368)		(52,083)
PROVISIONS FOR LIABILITIES	20		<u>(16,892)</u>		<u>-</u>
NET ASSETS			<u><u>551,615</u></u>		<u><u>730,079</u></u>
CAPITAL AND RESERVES					
Called up share capital	21		100		100
Revaluation reserve	22		99,350		99,350
Profit and loss account	22		<u>452,165</u>		<u>630,629</u>
SHAREHOLDERS' FUNDS	26		<u><u>551,615</u></u>		<u><u>730,079</u></u>

The financial statements were approved by the Board of Directors on 5th March 2007 and were signed on its behalf by:


Mrs J B Wheatley - Director


R.G. Partlett - Director

The notes form part of these financial statements

Flotronic Pumps Limited

Cash Flow Statement

for the Year Ended 31 August 2006

	Notes	31.8.06 £	£	31.8.05 £	£
Net cash (outflow)/inflow from operating activities	1		(62,038)		400,799
Returns on investments and servicing of finance	2		(20,774)		(15,892)
Taxation			(11,501)		(86,043)
Capital expenditure and financial investment	2		(20,380)		2,279
Equity dividends paid			(75,000)		(244,000)
			(189,693)		57,143
Financing	2		(35,695)		(26,724)
(Decrease)/Increase in cash in the period			(225,388)		30,419
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period		(225,388)		30,419	
Cash outflow from decrease in debt and lease financing		35,695		26,724	
Change in net debt resulting from cash flows			(189,693)		57,143
Movement in net debt in the period			(189,693)		57,143
Net debt at 1 September			(26,270)		(83,413)
Net debt at 31 August			(215,963)		(26,270)

The notes form part of these financial statements

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.8.06	31.8.05
	£	£
Operating (loss)/profit	(88,283)	87,456
Depreciation charges	88,048	103,285
Loss/(Profit) on disposal of fixed assets	18,640	(36,112)
Decrease/(Increase) in stocks	33,331	(25,980)
Decrease in debtors	66,265	162,515
(Decrease)/Increase in creditors	(180,039)	109,635
Net cash (outflow)/inflow from operating activities	(62,038)	400,799

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

	31.8.06	31.8.05
	£	£
Returns on investments and servicing of finance		
Interest received	112	1,497
Interest paid	(2,748)	(109)
Interest element of hire purchase payments	(18,138)	(17,280)
Net cash outflow for returns on investments and servicing of finance	(20,774)	(15,892)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(1,774)	(2,956)
Purchase of tangible fixed assets	(44,805)	(66,879)
Sale of tangible fixed assets	26,199	10,090
Sale of fixed asset investments	-	62,024
Net cash (outflow)/inflow for capital expenditure and financial investment	(20,380)	2,279
Financing		
Capital repayments in year	(35,695)	(26,724)
Net cash outflow from financing	(35,695)	(26,724)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.05 £	Cash flow £	At 31.8.06 £
Net cash:			
Cash at bank	92,587	(88,138)	4,449
Bank overdraft	-	(137,250)	(137,250)
	<u>92,587</u>	<u>(225,388)</u>	<u>(132,801)</u>
Debt:			
Hire purchase	(118,857)	35,695	(83,162)
	<u>(118,857)</u>	<u>35,695</u>	<u>(83,162)</u>
Total	<u>(26,270)</u>	<u>(189,693)</u>	<u>(215,963)</u>

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards.

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.

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

Stocks

Stocks 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.

Cost includes the relevant proportion of works overheads assuming normal levels of activity. This represented a change in accounting policy last year, and resulted in a prior year adjustment for the additional cost of stock at the 31st August 2004.

Deferred tax

Deferred tax is recognised in respect of the timing differences relating to accelerated capital allowances. If the company's fixed assets were sold immediately after the balance sheet date at their net book value, which exceeds their tax written down value by £56,307 at that date, the tax payable on the balance would be £16,892 (assuming a tax rate of 30%).

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.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

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

2. TURNOVER

The turnover and loss (2005 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.8.06	31.8.05
	£	£
UK Sales	2,028,106	2,523,996
Export Sales	760,070	658,990
	<u>2,788,176</u>	<u>3,182,986</u>

3. STAFF COSTS

	31.8.06	31.8.05
	£	£
Wages and salaries	1,088,420	1,377,260
Social security costs	9,732	24,056
Directors pensions	9,118	10,325
Other pension costs	24,830	31,580
Compensation re loss of office	34,000	40,000
	<u>1,166,100</u>	<u>1,483,221</u>

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

	31.8.06	31.8.05
Works operatives	13	14
Engineering	2	2
Purchasing	-	1
Sales	10	13
Computer	1	1
Administration	5	6
	<u>31</u>	<u>37</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2005 - operating profit) is stated after charging/(crediting):

	31.8.06	31.8.05
	£	£
Hire of plant and machinery	19,581	21,663
Depreciation - owned assets	59,459	64,344
Depreciation - assets on hire purchase contracts	26,815	35,985
Loss/(Profit) on disposal of fixed assets	18,640	13,368
Gain on disposal of investment	-	(49,480)
Patents and licences amortisation	1,774	2,956
Auditors' remuneration	13,817	5,795
Foreign exchange loss	8,183	8,799
Pension costs	24,830	31,580
Compensation for loss of office	34,000	-
	<u>80,569</u>	<u>190,408</u>
Directors' emoluments	9,118	10,325
Directors' pension contributions	-	40,000
Compensation to director for loss of office	-	-

5. **EXCEPTIONAL ITEMS**

Last year, Flotronic Pumps Limited wrote off, as irrecoverable, amounts due from Process & Control Today Limited totalling £33,141. These amounts related to the funding of expenditure by Flotronic Pumps Limited on behalf of Process & Control Today Limited. This year the amount written off was £4,000.

Flotronic Pumps Limited originally owned 65% of Process & Control Today Limited's issued share capital but, in August 2005, the company sold its shareholding to Mr C H Dykes (a former director).

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.8.06	31.8.05
	£	£
Bank interest	2,748	109
Hire purchase	18,138	17,280
	<u>20,886</u>	<u>17,389</u>

7. **AMOUNTS WRITTEN OFF INVESTMENTS**

	31.8.06	31.8.05
	£	£
Gain on disposal of investments	-	49,480
	<u>=====</u>	<u>=====</u>

8. **TAXATION**

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	31.8.06	31.8.05
	£	£
Current tax:		
UK corporation tax	(22,485)	52,380
Deferred tax	16,892	-
Tax on (loss)/profit on ordinary activities	<u>(5,593)</u>	<u>52,380</u>

Factors affecting the tax (credit)/charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.8.06	31.8.05
	£	£
(Loss)/profit on ordinary activities before tax	<u>(109,057)</u>	<u>71,564</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 – 30%)	(32,717)	21,469
Effects of:		
Excess of capital allowances over depreciation/gain & loss on disposal	-	(9,894)
Excess of depreciation/loss on disposal over capital allowances	9,339	-
Disallowable expenditure	1,581	1,934
Amounts due from subsidiary written off	1,200	9,942
Chargeable gains	-	14,254
Prior year adjustment	-	15,000
Marginal relief	(1,888)	(325)
Current tax (credit)/charge	<u>(22,485)</u>	<u>52,380</u>

9. **DIVIDENDS**

	31.8.06	31.8.05
	£	£
Ordinary shares of £1 each		
Interim	<u>75,000</u>	<u>176,000</u>

10. PRIOR YEAR ADJUSTMENT

There was a change in accounting policy last year regarding the valuation of stock. The cost of stock now includes a proportion of works overheads assuming normal levels of activity. This additional cost has been estimated at £50,000 at the 31st August 2006 (2005 £50,000).

A prior year adjustment was made in last years accounts to reflect the change in accounting policy for the previous year. Stock at the 31st August 2004 was increased by £50,000 for the estimated works overheads.

11. INTANGIBLE FIXED ASSETS

	Domain names £
COST	
At 1 September 2005	44,541
Additions	<u>1,774</u>
At 31 August 2006	<u>46,315</u>
AMORTISATION	
At 1 September 2005	44,541
Amortisation for year	<u>1,774</u>
At 31 August 2006	<u>46,315</u>
NET BOOK VALUE	
At 31 August 2006	<u>-</u>
At 31 August 2005	<u>-</u>

12. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 September 2005	766	846,855	340,284	160,450	1,348,355
Additions	-	-	6,893	37,912	44,805
Disposals	<u>-</u>	<u>(29,441)</u>	<u>-</u>	<u>(99,970)</u>	<u>(129,411)</u>
At 31 August 2006	<u>766</u>	<u>817,414</u>	<u>347,177</u>	<u>98,392</u>	<u>1,263,749</u>
DEPRECIATION					
At 1 September 2005	613	655,798	293,729	78,877	1,029,017
Charge for year	77	27,923	38,048	20,226	86,274
Eliminated on disposal	<u>-</u>	<u>(23,185)</u>	<u>-</u>	<u>(61,387)</u>	<u>(84,572)</u>
At 31 August 2006	<u>690</u>	<u>660,536</u>	<u>331,777</u>	<u>37,716</u>	<u>1,030,719</u>
NET BOOK VALUE					
At 31 August 2006	<u>76</u>	<u>156,878</u>	<u>15,400</u>	<u>60,676</u>	<u>233,030</u>
At 31 August 2005	<u>153</u>	<u>191,057</u>	<u>46,555</u>	<u>81,573</u>	<u>319,338</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2006

12. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 August 2006 is represented by:

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 1991	-	233,850	-	-	233,850
Cost	<u>766</u>	<u>583,564</u>	<u>347,177</u>	<u>98,392</u>	<u>1,029,899</u>
	<u>766</u>	<u>817,414</u>	<u>347,177</u>	<u>98,392</u>	<u>1,263,749</u>

If plant and machinery had not been revalued it would have been included at the following historical cost:

	31.8.06	31.8.05
	£	£
Cost	<u>718,064</u>	<u>747,505</u>

Plant and machinery was valued on an open market basis on 31 August 1991 by Edward Symmons & Partners.

The directors are not aware of any material changes to the original valuation of plant and machinery in August 1991.

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

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 September 2005	76,330	10,000	142,410	228,740
Additions	-	-	37,912	37,912
Disposals	-	-	(87,270)	(87,270)
Transfer to ownership	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>
At 31 August 2006	<u>76,330</u>	<u>-</u>	<u>93,052</u>	<u>169,382</u>
DEPRECIATION				
At 1 September 2005	27,392	7,500	67,857	102,749
Charge for year	7,341	-	19,474	26,815
Eliminated on disposal	-	-	(52,704)	(52,704)
Transfer to ownership	<u>-</u>	<u>(7,500)</u>	<u>-</u>	<u>(7,500)</u>
At 31 August 2006	<u>34,733</u>	<u>-</u>	<u>34,627</u>	<u>69,360</u>
NET BOOK VALUE				
At 31 August 2006	<u>41,597</u>	<u>-</u>	<u>58,425</u>	<u>100,022</u>
At 31 August 2005	<u>48,938</u>	<u>2,500</u>	<u>74,553</u>	<u>125,991</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2006

13. **STOCKS**

	31.8.06	31.8.05
	£	£
Raw materials	294,348	347,450
Packaging materials	13,670	3,858
Work-in-progress	109,015	103,667
Finished goods	19,434	14,823
	<u>436,467</u>	<u>469,798</u>

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

	31.8.06	31.8.05
	£	£
Trade debtors	410,318	437,498
Other debtors	-	32,950
Tax	23,661	-
Prepayments and accrued income	106,361	112,495
	<u>540,340</u>	<u>582,943</u>

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

	31.8.06	31.8.05
	£	£
Bank loans and overdrafts (see note 17)	137,250	-
Hire purchase contracts (see note 18)	46,794	66,774
Trade creditors	273,421	297,008
Tax	-	10,325
Social security and other taxes	31,243	77,935
VAT	14,606	50,405
Due to group companies	47,069	46,930
Accrued expenses	59,028	133,128
	<u>609,411</u>	<u>682,505</u>

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

	31.8.06	31.8.05
	£	£
Hire purchase contracts (see note 18)	<u>36,368</u>	<u>52,083</u>

17. **LOANS**

An analysis of the maturity of loans is given below:

	31.8.06	31.8.05
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>137,250</u>	<u>-</u>

18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.8.06	31.8.05
	£	£
Net obligations repayable:		
Within one year	46,794	66,774
Between one and five years	<u>36,368</u>	<u>52,083</u>
	<u>83,162</u>	<u>118,857</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.06	31.8.05
	£	£
Bank overdraft	<u>137,250</u>	<u>-</u>

The bank hold a fixed charge over the book debts of the company and a floating charge over all the other assets.

20. PROVISIONS FOR LIABILITIES

	31.8.06	31.8.05
	£	£
Deferred tax	<u>16,892</u>	<u>-</u>

	Deferred tax £
Provision in year	<u>16,892</u>
Balance at 31 August 2006	<u>16,892</u>

Deferred tax has been recognised in respect of the timing differences relating to accelerated capital allowances (see note 1).

21. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.8.06	31.8.05
			£	£
1,300	Ordinary	£1	<u>1,300</u>	<u>1,300</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.8.06	31.8.05
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

22. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
As previously reported	580,629	99,350	679,979
Prior year adjustment	50,000		50,000
At 1 September 2005 (restated)	630,629	99,350	729,979
Deficit for the year	(103,464)		(103,464)
Dividends	(75,000)		(75,000)
At 31 August 2006	452,165	99,350	551,515

23. ULTIMATE PARENT COMPANY

Norris Holdings Limited, a company registered in England, owns 75% of the company's issued share capital.

24. POST BALANCE SHEET EVENT

Mr P C Dykes, a former director, was paid £30,000 by the company after the balance sheet date in respect of a compromise agreement dated 13th December 2006.

25. RELATED PARTY DISCLOSURES

The following amounts were payable during the year to group companies under normal commercial terms. These amounts have been charged in the company's profit and loss account for the year ended 31st August 2006:

Detail	2006 £	2005 £	Group company
Management fees	33,600	33,600	Norris Brothers Ltd
Management fees	22,000	22,000	Hunt Norris Ltd
Light and heat	7,631	8,503	Norris Brothers Ltd
Repairs and renewals	14,643	14,069	ditto
Accountancy and secretarial	52,800	52,800	ditto
Rent and rates	99,988	96,978	ditto
Insurance	3,670	4,101	ditto
	234,332	232,051	

At the balance sheet date, Norris Brothers Limited were owed £41,569 by Flotronic Pumps Limited (2005 £41,430) and Hunt Norris Limited were owed £5,500 (2005 £5,500). Fees totalling £35,843 were paid to 'John A Tuffin & Co' during the year, an accountancy firm in which the director, Mr R Tuffin, is a partner.

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.8.06	31.8.05
	£	£
(Loss)/Profit for the financial year	(103,464)	19,184
Dividends	<u>(75,000)</u>	<u>(176,000)</u>
Net reduction of shareholders' funds	(178,464)	(156,816)
Opening shareholders' funds	<u>730,079</u>	<u>886,895</u>
Closing shareholders' funds	<u>551,615</u>	<u>730,079</u>
Equity interests	<u>551,615</u>	<u>730,079</u>