

Company Registration No. 4586521 (England and Wales)

CAMOZZI PNEUMATICS LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2003



CAMOZZI PNEUMATICS LIMITED

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CAMOZZI PNEUMATICS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the period ended 31 December 2003.

Principal activities and review of the business

The principal activity of the company is that of the sale of pneumatic components and related products.

The company was incorporated on 11 November 2002. On 31 December 2002, following a group reorganisation, the company acquired the trade and net assets of the former Camozzi Pneumatics Limited (Registration number 2717374).

Results and dividends

The results for the period are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 11 November 2002:

C. J. Clear	(Appointed 13 November 2002)
N. P. Chappell	(Appointed 13 November 2002)
D. K. Snow	(Appointed 5 December 2002)
A. Camozzi	(Appointed 10 December 2002)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each 31 December 2003
C. J. Clear (including family interests)	80,000
N. P. Chappell	-
D. K. Snow	-
A. Camozzi	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Clear & Lane be reappointed as auditors of the company will be put to the Annual General Meeting.

CAMOZZI PNEUMATICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

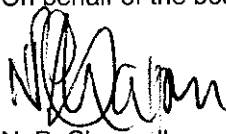
Directors' responsibilities

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.

On behalf of the board



N. P. Chappell

Director

14 April 2004

CAMOZZI PNEUMATICS LIMITED

INDEPENDENT AUDITORS' REPORT TO CAMOZZI PNEUMATICS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the period ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B 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

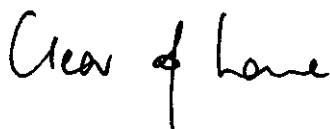
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts 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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.



Clear & Lane
Chartered Accountants
Registered Auditor
340 Melton Road
Leicester
LE4 7SL

14 April 2004

CAMOZZI PNEUMATICS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2003

		Period ended 31 December 2003 £
	Notes	
Gross profit		1,870,690
Distribution costs		(787,421)
Administrative expenses		(972,148)
Operating profit	2	111,121
Interest payable and similar charges	3	(23,411)
Profit on ordinary activities before taxation		87,710
Tax on profit on ordinary activities	4	(45,322)
Profit on ordinary activities after taxation	12	<u>42,388</u>

CAMOZZI PNEUMATICS LIMITED

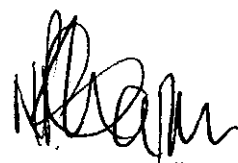
ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£
Fixed assets			
Tangible assets	5		224,411
Current assets			
Stocks	6	468,245	
Debtors	7	917,956	
Cash at bank and in hand		32,605	
		<u>1,418,806</u>	
Creditors: amounts falling due within one year	8	<u>(1,051,742)</u>	
Net current assets			<u>367,064</u>
Total assets less current liabilities			<u>591,475</u>
Creditors: amounts falling due after more than one year	9		<u>(22,352)</u>
			<u>569,123</u>
Capital and reserves			
Called up share capital	11		100,000
Profit and loss account	12		469,123
Shareholders' funds - equity interests	13		<u>569,123</u>

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

The financial statements were approved by the Board on 14 April 2004.


C. J. Clear
Director


N. P. Chappell
Director

CAMOZZI PNEUMATICS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2003

		Period ended 31 December 2003 £
Net cash inflow from operating activities		218,614
Returns on investments and servicing of finance		
Interest paid	(23,411)	
Net cash outflow for returns on investments and servicing of finance		(23,411)
Taxation		(19,202)
Capital expenditure		
Payments to acquire tangible assets	(63,590)	
Receipts from sales of tangible assets	23,684	
Net cash outflow for capital expenditure		(39,906)
Net cash inflow before management of liquid resources and financing		136,095
Financing		
New hire purchase agreements	37,491	
Repayment of bank loan	(90,000)	
Capital element of hire purchase contracts	(71,255)	
Net cash outflow from financing		(123,764)
Increase in cash in the period		12,331

CAMOZZI PNEUMATICS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2003

1	Reconciliation of operating profit to net cash inflow from operating activities	2003
		£
	Operating profit	111,121
	Depreciation of tangible assets	121,355
	Profit on disposal of tangible assets	(3,492)
	Increase in stocks	(30,485)
	Increase in debtors	(30,026)
	Increase in creditors within one year	50,141
	Net cash inflow from operating activities	218,614
2	Analysis of net debt	
	1 January 2003	Cash flow
		31 December 2003
	£	£
	£	£
	Net cash:	
	Cash at bank and in hand	36,134
	Bank overdrafts	(306,405)
		(270,271)
	Debt:	
	Finance leases	(79,501)
	Debts falling due within one year	(60,000)
	Debts falling due after one year	(30,000)
		(169,501)
	Net debt	(439,772)
3	Reconciliation of net cash flow to movement in net debt	2003
		£
	Increase in cash in the period	12,331
	Cash outflow from decrease in debt and lease financing	123,764
	Movement in net debt in the period	136,095
	Opening net debt	(439,772)
	Closing net debt	(303,677)

CAMOZZI PNEUMATICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	Over the length of the lease
Fixtures and fittings	15% straight line basis
Plant and machinery	15% straight line basis
Computers	25% straight line basis
Motor vehicles	33.3% straight line basis

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stock

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

2003

£

Operating profit is stated after charging:

Depreciation of tangible assets	121,355
Auditors remuneration for non audit work	2,410
Auditors' remuneration	4,500

and after crediting:

Profit on disposal of tangible assets	(3,492)
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CAMOZZI PNEUMATICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

3	Interest payable	2003
		£
	On bank overdraft	2,297
	Hire purchase interest	6,050
	On loans from associate	15,064
		<u>23,411</u>
4	Taxation	2003
		£
	Domestic current year tax	
	U.K. corporation tax	45,322
	Current tax charge	<u>45,322</u>
	Factors affecting the tax charge for the period	
	Profit on ordinary activities before taxation	<u>87,710</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.97%	<u>25,410</u>
	Effects of:	
	Non deductible expenses	5,403
	Depreciation add back	35,157
	Capital allowances	(19,642)
	Other tax adjustments	(1,006)
		<u>19,912</u>
	Current tax charge	<u>45,322</u>

CAMOZZI PNEUMATICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

5 Tangible fixed assets

	Leasehold property	Fixtures & fittings £	Plant and machinery £	Computers £	Motor vehicles £	Total £
Cost						
Transfers on 31 December 2002	64,442	134,725	101,118	52,807	208,325	561,417
Additions	-	975	2,200	10,397	50,018	63,590
Disposals	-	-	-	-	(40,411)	(40,411)
At 31 December 2003	64,442	135,700	103,318	63,204	217,932	584,596
Depreciation						
Transfers on 31 December 2002	-	76,178	79,872	35,083	67,916	259,049
On disposals	-	-	-	-	(20,219)	(20,219)
Charge for the period	12,888	20,268	9,694	12,183	66,322	121,355
At 31 December 2003	12,888	96,446	89,566	47,266	114,019	360,185
Net book value						
At 31 December 2003	51,554	39,254	13,752	15,938	103,913	224,411

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures & fittings £	Motor vehicles £	Total £
Net book values			
At 31 December 2003	20,530	52,127	72,657
Depreciation charge for the period			
31 December 2003	3,732	18,222	21,954

6 Stocks

	2003 £
Finished goods and goods for resale	468,245

CAMOZZI PNEUMATICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

7 Debtors	2003
	£
Trade debtors	888,591
Other debtors	4,696
Prepayments and accrued income	24,669
	<u>917,956</u>

8 Creditors: amounts falling due within one year	2003
	£
Bank overdraft	290,545
Net obligations under hire purchase contracts	23,385
Trade creditors	522,816
Corporation tax	45,322
Other taxes and social security costs	138,299
Other creditors	8,003
Accruals and deferred income	23,372
	<u>1,051,742</u>

The bank overdraft is secured by a Mortgage Debenture dated 17 December 2002.

Amounts due under hire purchase contracts are secured on the assets concerned.

9 Creditors: amounts falling due after more than one year	2003
	£
Net obligations under hire purchase contracts	<u>22,352</u>
Net obligations under hire purchase contracts	
Repayable within one year	25,868
Repayable between one and five years	31,919
	<u>57,787</u>
Finance charges and interest allocated to future accounting periods	<u>(12,050)</u>
	45,737
Included in liabilities falling due within one year	<u>(23,385)</u>
	<u>22,352</u>

CAMOZZI PNEUMATICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

10 Pension costs

Defined contribution

	2003 £
Contributions payable by the company for the period	85,229

11 Share capital

Authorised

1,000,000 Ordinary shares of £1 each	1,000,000
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Allotted, called up and fully paid

100,000 Ordinary shares of £1 each	100,000
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During the year 25,000 ordinary shares of £1 each were issued as part of the group reorganisation. In addition to this the company processed a bonus issue of 75,000 ordinary £1 shares.

12 Statement of movements on profit and loss account

	Profit and loss account £
Transfer upon reorganisation	501,735
Retained profit for the period	42,388
Bonus issue of shares	(75,000)
Balance at 31 December 2003	469,123

13 Reconciliation of movements in shareholders' funds

	2003 £
Profit for the financial period	42,388
Proceeds from issue of shares	25,000
Transfer upon reorganisation	501,735
Net addition to shareholders' funds	569,123

CAMOZZI PNEUMATICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

14 Contingent liabilities

The company had entered into foreign exchange contracts in the normal course of business amounting to £779,084 at 31 December 2003.

15 Directors' emoluments

	2003 £
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Emoluments for qualifying services	137,671
Company pension contributions to money purchase schemes	54,025
	<u>191,696</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3.

16 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2003 Number
Office and administration	10
Sales	13
Distribution and production	12
	<u>35</u>

Employment costs

	£
Wages and salaries	761,162
Social security costs	90,303
Other pension costs	85,229
	<u>936,694</u>

CAMOZZI PNEUMATICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

17 Related party transactions

The company is controlled by C.J. Clear and family interests by virtue of their control of 80% of the company's issued share capital. The following material transactions have been carried out with companies with common directors and shareholders during the year:

	Transactions during the year £	Amounts due from/(to) at 31/12/2003 £
AVS (Holdings) Limited		(8,000)
Charges by them for management, establishment and other costs	340,400	
Advanced Vacuum Services Limited		-
Purchases from them	5,861	
Sales to them	2,097	
Bonomi (UK) Limited		-
Purchases from them	64,347	
Sales to them	14,107	
Charges to them for services provided	20,200	
Avalco Limited		-
Purchases from them	26,347	
Sales to them	4,111	
Charges to them for services provided	10,200	
CNE (UK) Limited		-
Purchases from them	38,101	
Sales to them	1,481	
MLS Investments (UK) Limited		-
Loan repayment to the associated company	185,000	