ANDERSEN

Cleco Systems Limited

Annual report and financial statements
for the year ended 31 March 2002

Registered number: 00334189

Directors' report

For the year ended 31 March 2002

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 March 2002.

Results and dividends

The retained loss for the year after taxation amounted to £3,348,000 and has been deducted from the profit and loss account reserve.

The directors recommended a final ordinary dividend amounting to £nil (2001: £nil).

Principal activities and business review

On 29 November 2001, Cleco Group Plc, the former ultimate parent undertaking, was acquired by FKI plc, a company registered in England and Wales.

The principal activity of the company is the design and manufacture of Integrated Materials Handling Systems.

The directors are satisfied with the year under review and are confident of future prospects.

Charitable and political contributions

During the year, the company made charitable donations of £2,000 (2001: £1,775).

Research and development

Research and development is undertaken by the company to provide technology advancements ensuring that the company's products are continually improved and updated.

Directors and their interests

The directors who served during the year were as follows:

DM Jinks	(resigned 28 November 2001)
TA Pemberton	
MC Jinks	
AJ Smith	
JCA Wright	
SD Jones	(appointed 28 November 2001)
W McClure	(appointed 28 November 2001)
JA Biles	(appointed 28 November 2001)
MJR Porter	(appointed 28 November 2001)
E Laursen	(appointed 28 November 2001)

The directors have no interests in the shares of the company.

Directors and their interests (continued)

JA Biles and SD Jones are also directors of the ultimate parent company, and their interests in the shares of that company are disclosed in that company's financial statements.

The interests of the other directors who held office at 31 March 2002 in the share capital of the ultimate parent company, were as follows:

Ordinary 10p shares

	Number	
	2002	On appointment
MJR Porter	417	7,283

Executive share option scheme

	Number				
	On appointment	Granted	Exercised	Lapsed	31 March 2002
MJR Porter	-	31,050	-	-	31,050
W McClure	200,000	39,490	(50,000)	-	189,490
E Laursen	100,000	-	-	-	100,000

Options were exercised in the year at 75 pence per share. The market price of the shares on the date of exercise was 170.25 pence per share.

All the options granted in the year were at an option price of 186.75 pence per share.

Options in existence at 31 March 2002 are exercisable between 2002 and 2011 at option prices of 133 pence, 162 pence, 172 pence, 173.75 pence, 186.75 pence and 211 pence per share.

SAYE share option scheme

	Number				
	On appointment	Granted	Exercised	Lapsed	31 March 2002
MJR Porter	5,152	-	-	-	5,152
W McClure	12,147	-	-	-	12,147

Directors and their interests (continued)

Options in existence at 31 March 2002 are exercisable between 2002 and 2004 at option prices of 142 pence and 188 pence per share.

The market price of the shares of FKI plc at 31 March 2002 was 192.5 pence (2001: 191.25 pence) and the range during the year was 122 pence to 288.25 pence.

All interests shown above are beneficial.

Long term incentive plan (LTIP)

The ultimate parent company, FKI plc, operates a LTIP under which participants receive provisional awards of shares in the company of up to 70% of basic salary per annum, which may vest only after the achievement of certain performance conditions. Participants may receive up to the maximum number of shares, three years after the award, provided performance criteria are met. Until then, the shares are held in a trust, which is administered by a trustee company.

The level of vesting of awards under the LTIP is determined by the performance of FKI plc's total shareholder return ("TSR") against a comparator group of other companies within the engineering sector. No awards vest for below median performance and 50% of an award will vest for median performance. Full vesting occurs only at upper quartile performance, and the level of vesting for above median performance is determined by a sliding scale based upon the quartile within which TSR performance falls.

Those participating in the LTIP are expected to retain part of their vested LTIP awards, so that they build up a minimum shareholding in FKI plc of one times basic salary over five years.

Directors and their interests (continued)

The maximum number of ordinary shares that the directors could receive under the LTIP is detailed below:

	Shares allocated on appoint-ment	Shares allocated during year	Shares vested during year	Shares lapsed during year	Shares transferred during year	Value of award at date of grant £	Shares allocated at 31 March 2002	Earliest date for transfer	Value of shares vested*	Market Value**
M J R Porter	28,716	-	-	-	28,716	42,500	-	n/a	-	n/a
	29,037	-	29,037	-	-	46,750	29,037	28/7/02	57,203	n/a
	26,110	-	-	-	-	50,000	26,110	12/8/03	-	50,784
	22,345	-	-	-	-	54,075	22,345	13/6/04	-	43,461
	-	21,740	-	-	-	40,600	21,740	4/12/04	-	42,284
W McClure	30,405	-	-	-	30,405	45,000	-	n/a	-	n/a
	32,609	-	32,609	-	-	52,500	32,609	28/07/2002	64,240	n/a
	30,809	-	-	-	-	59,000	30,809	12/08/2003	-	59,307
	27,479	-	-	-	-	66,499	27,479	13/06/2004	-	53,447
	-	27,640	-	-	-	51,617	27,640	04/12/2004	-	53,760

* The value of the shares that vested during the year is calculated at 197 pence, the market value on the date on which the shares were first transferable to the directors.

** Market value of LTIP shares as yet unvested at 192.5 pence, the closing mid-market price on 31 March 2002.

There are no other interests required to be disclosed under Section 234 of the Companies Act 1985.

Auditors

During the year BDO Stoy Hayward resigned as auditors and Arthur Andersen were appointed to fill the casual vacancy.

Arthur Andersen have indicated their intention not to seek reappointment at the forthcoming annual general meeting on July 24 2002. A resolution will be proposed at the annual general meeting for the appointment of Ernst & Young LLP as the company's auditors and a separate resolution will be proposed seeking shareholders' authority for Ernst & Young LLP's remuneration to be determined by the directors.

15-19 New Fetter Lane
London
EC4A 1LY

By order of the Board

MJR Porter
Secretary

18 June 2002

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 year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

ANDERSEN

To the Shareholders of Cleco Systems Limited:

We have audited the financial statements of Cleco Systems Limited for the year ended 31 March 2002 which comprise the Profit and loss account, Balance sheet and the related notes numbered 1 to 22. These financial statements have been prepared under the accounting policies set out in the Statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' report 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 United Kingdom Auditing Standards 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 circumstances of the company, 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 of the state of affairs of the company at 31 March 2002 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen.

Arthur Andersen
Chartered Accountants and Registered Auditors

1 City Square
Leeds
LS1 2AL

18 June 2002

Profit and loss account

For the year ended 31 March 2002

	Note	2002 £'000	2001 £'000
Turnover	1	22,591	28,670
Cost of sales		(23,973)	(25,900)
Gross (loss)/profit		(1,382)	2,770
Administrative expenses		(1,937)	(2,004)
Operating (loss)/profit	4	(3,319)	766
Interest receivable	5	3	22
Interest payable	6	(32)	(44)
(Loss)/profit on ordinary activities before taxation		(3,348)	744
Tax on (loss)/profit on ordinary activities	7	-	(276)
Retained (loss)/profit for the year	18	(3,348)	468

The accompanying notes are an integral part of this profit and loss account.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

All recognised gains and losses are included in the profit and loss account. All amounts relate to continuing operations.

Balance sheet
31 March 2002

	Notes	2002 £'000	2001 £'000
Fixed assets			
Intangible assets	8	-	45
Tangible assets	9	2,066	2,346
Investments	10	922	124
		2,988	2,515
Current assets			
Stocks	11	1,321	2,314
Debtors: amounts due within one year	12	9,174	8,817
Debtors: amounts due after more than one year	12	3,785	3,785
Cash at bank and in hand		-	652
		14,280	15,568
Creditors: amounts falling due within one year			
	13	(6,788)	(7,260)
Net current assets		7,492	8,308
Total assets less current liabilities		10,480	10,823
Creditors: amounts falling due after more than one year	14	(2,133)	(41)
Provision for liabilities and charges	15	(1,223)	(310)
		7,124	10,472
Capital and reserves – equity			
Called-up share capital	17	954	954
Share premium account	18	3,356	3,356
Revaluation reserve	18	458	458
Capital redemption reserve	18	251	251
Profit and loss account	18	2,105	5,453
Shareholders' funds	19	7,124	10,472

The financial statements on pages 8 to 23 were approved by the board of directors on 18 June 2002 and signed on its behalf by:

T A Pemberton Director

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies
31 March 2002

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified for the revaluation of land and buildings, and are in accordance with applicable accounting standards. The company has adopted FRS 18 "Accounting Policies" with effect from 1 April 2001.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of FKI plc which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirement of FRS 1 to present a cash flow statement.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax. Turnover in respect of long term contracts represents the value of work done.

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

Property held for resale is stated at the lower of cost and net realisable value and included within current asset investments.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Development expenditure

Development expenditure relating to specific identifiable projects intended for commercial exploitation is carried forward and amortised over the period expected to benefit from such expenditure. Expenditure on pure and applied research is written off as incurred to the profit and loss account.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	2% per annum
Plant and machinery	-	15-20% per annum
Fixtures, fittings, tools and equipment	-	20-33% per annum
Motor vehicles	-	25% per annum
Patents and development costs	-	20% per annum

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Cost includes all direct expenditure and production overheads based on normal levels of activity. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Long term contracts

Turnover on long term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts. The costs on long term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks as long term contract balances.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined benefit contribution pension scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees of the schemes. Variations from regular costs are spread over the remaining service lives of current employees in the schemes in accordance with the advice of qualified actuaries.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated into sterling at the rates ruling at the balance sheet date. Exchange differences are taken to the profit and loss account.

1 Turnover

Turnover is attributable to the principal activity. The analysis of turnover by geographical area is as follows:

	2002 £'000	2001 £'000
United Kingdom	21,877	23,468
Rest of Europe	514	1,493
Asia	-	816
North America	91	2,822
Africa	14	4
Rest of World	95	67
	22,591	28,670

2 Employees

Staff costs consist of:

	2002 £'000	2001 £'000
Wages and salaries	8,946	8,545
Social security costs	538	763
Other pension costs	611	702
	10,095	10,010

The average monthly number of employees, including directors, during the year was:

	2002 Number	2001 Number
Administration and management	19	22
Production and sales	292	293
	311	315

3 Directors

Directors' remuneration consists of:

	2002 £'000	2001 £'000
Emoluments	649	643
Company contributions to money purchase pension schemes	164	-
	813	643

Emoluments (excluding pension contributions) of highest paid director:

	2002	2001
Remuneration for management services	203	200

Two directors (2001: two) are active members of the company's defined benefit pension scheme. At 31 March 2001, the accrued pension entitlement of the highest paid director was £nil (2001: £nil).

4 Operating profit

This has been arrived at after charging/(crediting):

	2002 £'000	2001 £'000
Depreciation - on owned assets	324	366
- on assets held under finance leases	31	18
Profit on sale of fixed assets	-	(3)
Auditors' remuneration - audit	24	20
Operating leases - other	414	430

5 Interest receivable

	2002 £'000	2001 £'000
Other interest receivable	3	22

6 Interest payable

	2002 £'000	2001 £'000
Finance lease charges	5	-
Bank overdraft	27	44
	32	44

7 Taxation on profit on ordinary activities

	2002 £'000	2001 £'000
UK corporation tax	-	250
Adjustment in respect of prior year	-	26
	-	276

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

	Year ended 31 March 2002 £'000	Year ended 31 March 2001 £'000
(Loss)/profit on ordinary activities before tax	(3,348)	744
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	(1,004)	223
Effects of:		
non-deductible expenses	-	27
group relief surrendered for nil consideration	1,004	-
Current tax charge for the year	-	250

8 Intangible fixed assets

	Development costs £'000	Patents £'000	Total £'000
Cost			
At 1 April 2001	442	19	461
Additions	12	-	12
At 31 March 2002	454	19	473
Amortisation			
At 1 April 2001	398	18	416
Charge for the year	56	1	57
At 31 March 2002	454	19	473
Net book value			
At 31 March 2002	-	-	-
At 31 March 2001	44	1	45

All intangible fixed assets were written down to a nil carrying value in the current year.

9 Tangible fixed assets

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2001	1,603	891	3,213	71	5,778
Additions	-	1	75	-	76
Disposals	-	(1)	-	-	(1)
At 31 March 2002	1,603	891	3,288	71	5,853
Depreciation					
At 1 April 2001	32	794	2,536	70	3,432
Provided for the year	15	47	293	-	355
At 31 March 2002	47	841	2,829	70	3,787
Net book value					
At 31 March 2002	1,556	50	459	1	2,066
At 31 March 2001	1,571	97	677	1	2,346

9 Tangible fixed assets (continued)

The net book value of tangible fixed assets includes an amount of £33,000 (2001: £97,000) in respect of assets held under finance leases.

Freehold land and buildings are included at an open market value on an existing use basis. On an historical cost basis, freehold land and buildings would be disclosed as follows:

	2002 £'000	2001 £'000
Cost	773	773
Depreciation	(30)	(20)
Net book value	743	753

10 Fixed asset Investments

	Interests in subsidiary undertakings £'000
Cost	
At 1 April 2001	394
Additions	798
At 31 March 2002	1,192
Amounts written off	
At 1 April 2001 and at 31 March 2002	270
Net book value	
At 31 March 2002	922
At 31 March 2001	124

10 Fixed asset Investments (continued)

Interests in subsidiary undertakings

Name of undertaking	Country of incorporation or registration	Nature of holding	% owned
Cleco Services Limited	England and Wales	Ordinary shares	100
Bison Handling Services Limited	England and Wales	Ordinary shares	100
Cleco (Scotland) Limited	Scotland	Ordinary shares	100
Cleco Systems BV	Holland	Ordinary shares	100

Cleco Services Limited, Bison Handling Services Limited and Cleco (Scotland) Limited are dormant companies.

11 Stocks

	2002 £'000	2001 £'000
Raw materials and consumables	944	1,764
Work in progress	377	470
Finished goods and goods held for resale	-	80
	1,321	2,314

Long term contracts (included in work in progress above)

	2002	2001
Net cost less foreseeable losses	110	318
Less: applicable payments on account	-	(104)
	110	214

12 Debtors

Amounts due within one year

	2002 £'000	2001 £'000
Trade debtors	5,566	5,349
Amounts recoverable on contracts	278	1,574
Amounts owed by subsidiary undertakings	2,966	1,572
Other debtors	219	23
Prepayments and accrued income	96	299
Corporation tax	49	-
	9,174	8,817

Amounts due after more than one year

	2002 £'000	2001 £'000
Amounts owed by fellow group undertakings	3,785	3,785

Included within other debtors are amounts of £nil (2001: £8,286) in respect of loans to directors (note 21).

13 Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Bank overdraft	1,184	-
Payments received on account	1,111	1,108
Trade creditors	1,743	4,029
Amounts owed to subsidiary undertakings	-	274
Taxation and social security	827	830
Corporation tax	-	147
Obligations under finance leases	21	34
Accruals and deferred income	1,902	723
Other creditors	-	115
	6,788	7,260

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

14 Creditors: amounts falling due after more than one year

	£'000	£'000
Obligations under finance leases	20	41
Amounts owed to fellow group undertakings	2,113	-
	2,133	41

15 Provisions for liabilities and charges

	Pension obligations £'000	Other £'000	Total £'000
At 1 April 2001	310	-	310
Transferred (to)/from profit and loss account	(87)	1,000	913
At 31 March 2002	223	1,000	1,223

The company has no intention to dispose of its freehold property and consequently no deferred taxation liability has been provided on potential capital gains arising on disposal.

16 Pensions

The company has annual pension commitments payable to a past director amounting to £11,556 (2001: £11,556).

Staff pension

The company together with other certain associated companies operates the Cleco Combined Pension Scheme which is a defined benefit scheme. The scheme funds are administered by trustees and are independent of the company's finances.

The latest independent actuarial valuation was at 5 April 2000 using the attained age method. The main assumptions used were that the future rate of investment return would be 7% per annum, salaries would increase in future by 5% per annum and, to value the assets, the dividends would increase by 5.0% per annum and that Limited Price Indexation, increasing certain pensions in payment, would be 2.7% per annum. The valuation showed that the rate of contribution needed to provide for future service benefits, over and above member contributions, was 10.65% per annum of pensionable salaries, plus the cost of premiums to cover the death in service benefits.

At the date of the actuarial valuation, the market value of the assets of the scheme was £6,171,102 (2001: £6,171,102), the actuarial value of which was equal to 93% of the benefits which had accrued to members.

Directors' pension scheme

In addition, the group operates a defined benefit pension scheme for certain directors. The scheme funds are administered by the trustees and are independent of the company's finances.

16 Pensions (continued)

The latest independent actuarial valuation was at 31 March 2001 using the ongoing valuation basis. The main assumptions used were that future rate of investment return would be 5% per annum, salaries would increase in future by 5% per annum and inflation, increasing certain pensions in payment, would be 5% per annum for pensions earned after 31 March 1997 and 0% for pensions earned prior to this date.

At the date of the actuarial valuation, the market value of the assets of the scheme was £1,438,839, the actuarial value of which was equal to 66% of the benefits which had accrued to members.

The directors have made provision to account for the deficiency over the period of the revised contribution schedule.

Additional disclosures regarding the company's defined benefit pension scheme are required under the transitional provisions of FRS 17 "Retirement benefits" and these are set out below. The disclosures relate to the first year of the transitional provisions. They provide information which will be necessary for full implementation of FRS 17 in the year ending 31 March 2004.

The actuarial valuation described above has been updated at 31 March 2002 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value.

The major assumptions used for the actuarial valuation were:

	2002
Rate of increase in salaries	4.25% p.a.
Discount rate	6.00% p.a.
Inflation assumption	2.75% p.a.

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2002 %	2001 £'000
Equities	7.0	5,650
Bonds	5.0	999
Cash	5.0	344
Total fair value of assets		6,993
Present value of scheme liabilities		(8,907)
Deficit in the scheme		(1,914)
Related deferred tax asset		574
Net pension deficit		(1,340)

17 Share capital

	2002 £'000	2001 £'000
Authorised		
Ordinary shares of £1 each	954	954
Allotted, called-up and fully paid		
Ordinary shares of £1 each	954	954

18 Reserves

	Share premium account £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 April 2001	3,356	251	458	5,453
Retained loss for the year	-	-	-	(3,348)
At 31 March 2002	3,356	251	458	2,105

19 Reconciliation of movement in shareholders' funds

	2002 £'000	2001 £'000
Retained (loss)/profit for the financial year	(3,348)	468
Opening shareholders' funds	10,472	10,004
Closing shareholders' funds	7,124	10,472

20 Commitments under operating leases

As at 31 March 2002, the group had annual commitments under non-cancellable operating leases as set out below:

	Plant and machinery	
	2002 £'000	2001 £'000
Operating leases which expire:		
Within one year	65	65
Between two and five years	307	307
	372	372

21 Related party transactions

During the year other debtors has included amounts due from T Pemberton and D Jinks. The maximum amounts outstanding during the year were £4,982 and £3,785 respectively. These balances have been repaid by the year end. These transactions were carried out on an arms length basis under normal commercial terms. No interest was charged on these amounts.

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with any parties within the FKI plc group.

22 Ultimate parent company

The directors regard FKI plc, a company incorporated in Great Britain and registered in England and Wales, as the company's ultimate parent company.

FKI plc is the parent undertaking of the only group of which Cleco Systems Limited is a member and for which group financial statements are drawn up. Copies of these financial statements are available to the public from the Company Secretary, FKI plc, 15-19 New Fetter Lane, London EC4A 1LY.