

**SPIROFLOW LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1998

**Company Number : 1210198**



**SPIROFLOW LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

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Company registration number: 1210198

Registered office: Upbrooks  
Clitheroe  
Lancashire  
BB7 1QG

Directors: M J G F Podevyn  
C A M Podevyn  
R Halliwell  
D Heys

Secretary: D Heys

Bankers: Lloyds Bank plc

Solicitors: Taylors  
Harrison Drury

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
Manchester

**SPIROFLOW LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

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<b>INDEX</b>	<b>PAGE</b>
Report of the directors	1 - 3
Report of the auditors	4
Accounting policies	5 - 6
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 - 17

# **SPIROFLOW LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report together with financial statements for the year ended 31 December 1998.

### **Principal activity**

The company is principally engaged in the development, manufacture and sale of automatic metering, blending and conveying systems.

### **Business review**

There was a profit for the year after taxation amounting to £110,363 (1997 : £111,619). Dividends absorbing £40,000 have been paid leaving £70,363 retained.

The directors are satisfied with the results for the year and the prospects for the future.

### **Directors**

The present membership of the board is set out below. All directors served throughout the year.

M J G F Podevyn  
C A M Podevyn  
R Halliwell  
D Heys

The interests of the directors in the shares of the company as at 1 January 1998 and 31 December 1998, were as follows:

	<b>Ordinary shares of £1 each</b>	
	<b>31 December 1998</b>	<b>1 January 1998</b>
M J G F Podevyn	36,600	36,600
C A M Podevyn	13,200	13,200
R Halliwell	19,600	19,600
D Heys	1,000	1,000

In addition to the interests shown above, M J G F Podevyn, C A M Podevyn and R Halliwell are trustees and members of the Spiroflow Pension Fund 1986 which holds 25,000 ordinary shares in the company.

# **SPIROFLOW LIMITED**

## **REPORT OF THE DIRECTORS**

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### **Directors' responsibilities for the financial statements**

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 :

- i select suitable accounting policies and then apply them consistently
- ii make judgements and estimates that are reasonable and prudent
- iii 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Charitable contributions**

Donations to charitable organisations amounted to £1,590.

### **Year 2000**

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of our customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates.

The company has requested from major customers, suppliers and other trading partners with whom information is exchanged electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

### **The Euro**

The potential impact of the introduction of the euro is significant to the company to the extent of European customers and suppliers opting to receive and issue invoices for goods supplied in euros rather than other currencies. The company has opened a new euro bank account and transactions will remain open to foreign currency market fluctuations with exchange differences continuing to be dealt with through the profit and loss account.

**SPIROFLOW LIMITED**

**REPORT OF THE DIRECTORS**

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**Auditors**

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'D Heys', is written over a horizontal line.

D Heys  
Secretary

21 July 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
SPIROFLOW LIMITED**

We have audited the financial statements on pages 5 to 17 which have been prepared under the accounting policies set out on pages 5 and 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

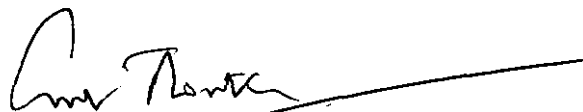
**Basis of opinion**

We conducted our audit in accordance with 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 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 of the state of the company's affairs at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
MANCHESTER**

**21 July 1999**

## **SPIROFLOW LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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The financial statements have been prepared under the historical cost convention except that freehold land and buildings are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

#### **GROUP ACCOUNTS**

The directors have taken advantage of Section 248 of the Companies Act 1985 in not preparing group accounts on the basis that the group qualifies as medium sized.

#### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

#### **DEPRECIATION**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives.

The rates generally applicable are :

Freehold land and buildings	2% on valuation
Demonstration equipment	15% on reducing balance
Plant and machinery	15% on reducing balance
Fixtures and fittings	15% on reducing balance
Motor vehicles	25% on reducing balance
Office equipment	15% on reducing balance and 25% on cost

#### **INVESTMENTS**

Investments are included at cost less amounts written off.

#### **GOODWILL**

As a matter of accounting policy, purchased goodwill first accounted for in accounting periods ending before 23 December 1998, the implementation date of Financial Reporting Standard No 10, was eliminated from the financial statements by immediate write-off on acquisition against reserves. Such goodwill will be charged or credited to the profit and loss account on the subsequent disposal of the business to which it relates.

#### **STOCKS**

Stocks and work in progress are valued at the lower of cost and net realisable value.



## **SPIROFLOW LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

#### **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. *Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets (including equity investments) they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.*

#### **PENSIONS**

##### *Defined contribution scheme*

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

#### **LEASED ASSETS**

Assets held under hire purchase contracts or finance leases are capitalised in the balance sheet and depreciated over their expected useful lives. *The interest element of leasing payments represents a constant proportion of the capital outstanding and is charged to the profit and loss account over the period of the lease.*

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

**SPIROFLOW LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1998**

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	Note	1998 £	1997 £
Turnover	1	3,109,192	3,193,109
Cost of sales		<u>1,604,494</u>	<u>1,712,447</u>
<b>Gross profit</b>		1,504,698	1,480,662
Other operating income and charges	2	<u>1,328,376</u>	<u>1,307,787</u>
<b>Operating profit</b>		176,322	172,875
Amounts written off investments	8	<u>201</u>	<u>2,235</u>
		176,121	170,640
Net interest	3	<u>(8,245)</u>	<u>(7,365)</u>
<b>Profit on ordinary activities before taxation</b>	1	167,876	163,275
Tax on profit on ordinary activities	5	<u>57,513</u>	<u>51,656</u>
<b>Profit on ordinary activities after taxation</b>		110,363	111,619
Dividends	6	40,000	40,000
<b>Profit retained</b>	14	<u><u>70,363</u></u>	<u><u>71,619</u></u>

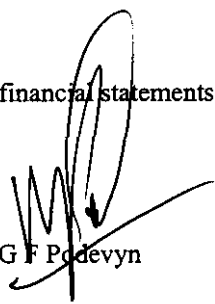
There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

**SPIROFLOW LIMITED****BALANCE SHEET AT 31 DECEMBER 1998**

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	7	511,084	533,489
Investments	8	396,424	326,074
		<u>907,508</u>	<u>859,563</u>
<b>Current assets</b>			
Stocks	9	336,105	378,517
Debtors	10	455,130	548,064
Cash at bank		2,549	5,522
		<u>793,784</u>	<u>932,103</u>
<b>Creditors : amounts falling due within one year</b>	11	<u>810,493</u>	<u>963,541</u>
<b>Net current liabilities</b>		<u>(16,709)</u>	<u>(31,438)</u>
<b>Total asset less current liabilities</b>		890,799	828,125
<b>Provisions for liabilities and charges</b>	12	-	7,689
		<u>890,799</u>	<u>820,436</u>
<b>Capital and reserves</b>			
Called up share capital	13	100,000	100,000
Revaluation reserve	14	113,521	116,289
Profit and loss account	14	677,278	604,147
<b>Shareholders' funds</b>	15	<u>890,799</u>	<u>820,436</u>

The financial statements were approved by the Board on 21 July 1999.

  
M J G F Podedvyn

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

**SPIROFLOW LIMITED****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 1998**

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	<b>Note</b>	<b>1998 £</b>	<b>1997 £</b>
<b>Net cash inflow from operating activities</b>	<b>16</b>	<u><b>145,098</b></u>	<u><b>321,557</b></u>
<b>Returns on investments and servicing of finance</b>			
Interest received		201	1,110
Interest paid		<u>(8,446)</u>	<u>(8,475)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u><b>(8,245)</b></u>	<u><b>(7,365)</b></u>
<b>Taxation</b>		<b>(51,288)</b>	<b>(60,968)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(63,095)	(127,633)
Sale of tangible fixed assets		3,628	53,800
Purchase of investments		<u>(70,551)</u>	<u>-</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<u><b>(130,018)</b></u>	<u><b>(73,833)</b></u>
Equity dividends paid		(40,000)	(40,000)
<b>(Decrease)/increase in cash</b>	<b>17</b>	<u><u><b>(84,453)</b></u></u>	<u><u><b>139,391</b></u></u>

The accompanying accounting policies and notes for an integral part of these financial statements.

**SPIROFLOW LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 1998**

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**1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The turnover is attributable to the company's principal activity.

An analysis of turnover by geographical market is given below :

	1998 £	1997 £
United Kingdom	2,420,713	2,575,199
Rest of World	688,479	617,910
	<u>3,109,192</u>	<u>3,193,109</u>

	1998 £	1997 £
The profit on ordinary activities is stated after :		
Depreciation, owned assets	82,080	83,720
Auditors' remuneration	<u>4,500</u>	<u>4,250</u>

**2 OTHER OPERATING INCOME AND CHARGES**

	1998 £	1997 £
Distribution costs	359,270	362,724
Administrative expenses	996,202	962,220
Other operating income	(27,096)	(17,157)
	<u>1,328,376</u>	<u>1,307,787</u>

**3 NET INTEREST**

	1998 £	1997 £
On bank overdrafts	(8,446)	(8,475)
Other interest receivable	201	1,110
	<u>(8,245)</u>	<u>(7,365)</u>

# **SPIROFLOW LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

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### **4 DIRECTORS AND EMPLOYEES**

	<b>1998</b>	<b>1997</b>
Staff costs during the year were as follows :	<b>£</b>	<b>£</b>
Wages and salaries	816,982	791,367
Social security costs	80,967	72,838
Other pension costs	36,377	48,285
	<u>934,326</u>	<u>912,490</u>

The average number of employees of the company during the year was 44 (1997 : 41).

	<b>1998</b>	<b>1997</b>
Remuneration in respect of directors was as follows :	<b>£</b>	<b>£</b>
Emoluments	178,936	182,376
Compensation for loss of office	-	30,000
Pension contributions	21,801	31,583
	<u>200,737</u>	<u>243,959</u>

During the year 4 directors (1997 : 5 directors) participated in money purchase pension schemes.

### **5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>1998</b>	<b>1997</b>
The tax charge represents :	<b>£</b>	<b>£</b>
Corporation tax @ 25.68 % (1997 : 24.59%)	61,585	48,148
Deferred tax	(7,689)	3,985
Adjustment in respect of prior year	3,617	(477)
	<u>57,513</u>	<u>51,656</u>

### **6 DIVIDENDS**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Interim dividend of 40p per share paid 17 December 1998 (1997 : 40p)	<u>40,000</u>	<u>40,000</u>

# SPIROFLOW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

### 7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Demonstration equipment £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Office equipment £	Totals £
<b>Cost or valuation</b>							
At 1 January 1998	379,235	60,801	39,432	14,420	223,237	187,549	904,674
Additions	-	-	2,551	-	49,214	11,330	63,095
Disposals	-	-	-	-	(10,810)	-	(10,810)
At 31 December 1998	<u>379,235</u>	<u>60,801</u>	<u>41,983</u>	<u>14,420</u>	<u>261,641</u>	<u>198,879</u>	<u>956,959</u>
<b>Depreciation</b>							
At 1 January 1998	63,262	40,146	28,689	11,202	89,679	138,207	371,185
Provided in the year	7,584	3,098	1,994	483	44,838	24,083	82,080
Disposals	-	-	-	-	(7,390)	-	(7,390)
At 31 December 1998	<u>70,846</u>	<u>43,244</u>	<u>30,683</u>	<u>11,685</u>	<u>127,127</u>	<u>162,290</u>	<u>445,875</u>
<b>Net book amount</b>							
At 31 December 1998	<u>308,389</u>	<u>17,557</u>	<u>11,300</u>	<u>2,735</u>	<u>134,514</u>	<u>36,589</u>	<u>511,084</u>
<b>Net book amount</b>							
At 31 December 1997	<u>315,973</u>	<u>20,655</u>	<u>10,743</u>	<u>3,218</u>	<u>133,558</u>	<u>49,342</u>	<u>533,489</u>

The figures stated above for cost or valuation include a valuation as follows :

	Freehold land and buildings £
At cost	54,235
At 1990 valuation	<u>325,000</u>
	<u>379,235</u>

If freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amounts :

	£
Cost	240,800
Accumulated depreciation	<u>41,116</u>
Net book amount at 31 December 1998	<u>199,684</u>
Net book amount at 31 December 1997	<u>204,500</u>

**SPIROFLOW LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 1998****8 FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £	Shares in associated undertakings £	Total £
<b>Cost</b>			
At 1 January 1998	325,873	24,809	350,682
Additions	68,856	-	68,856
Exchange adjustment	1,695	-	1,695
At 31 December 1998	<u>396,424</u>	<u>24,809</u>	<u>421,233</u>
<b>Amounts written off</b>			
At 1 January 1998	-	24,608	24,608
Provided in the year	-	201	201
At 31 December 1998	<u>-</u>	<u>24,809</u>	<u>24,809</u>
<b>Net book amount</b>			
At 31 December 1998	<u>396,424</u>	<u>-</u>	<u>396,424</u>
At 31 December 1997	<u>325,873</u>	<u>201</u>	<u>326,074</u>

**Interests in associated undertakings**

At 31 December 1998 the company had interests in the following associated undertakings :

Company name	Country of incorporation	Class of share capital held	Holding by company %	Nature of business
Schutte-Spiroflow GmbH	Germany	Ordinary	49.50	Development, manufacture and sale of automatic metering, blending and conveying systems
Spiroflow SA (Proprietary) Limited	South Africa	Ordinary	24.00	Development, manufacture and sale of automatic metering, blending and conveying systems
Spiroflow System Australia Pty Limited	Australia	Ordinary	49.00	Development, manufacture and sale of automatic metering, blending and conveying systems
Spiroflow NZ Limited	New Zealand	Ordinary	49.00	Development, manufacture and sale of automatic metering, blending and conveying systems



# SPIROFLOW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

### FIXED ASSET INVESTMENTS (continued)

#### Interests in subsidiary undertakings

At 31 December 1998 the company had interests in the following subsidiary undertakings :

Company name	Country of incorporation	Class of share capital held	Holding by company %	Nature of business
Spiroflow Orthos Systems Incorporated	USA	Ordinary	76.19	Development, manufacture and sale of automatic metering, blending and conveying systems

The aggregate of the capital and reserves of the undertaking at 31 March 1998 (being the relevant year ending in the year ended 31 December 1998) was £229,568 and its profit for the year ended 31 March 1998 was £31,026.

In the opinion of the directors, the aggregate value of the company's interests in shares in, and amounts owing to, its subsidiary undertaking is not less than the amount at which it is included in the balance sheet.

#### 9 STOCKS

	1998 £	1997 £
Raw materials	311,390	279,774
Work in progress	24,715	98,743
	<u>336,105</u>	<u>378,517</u>

#### 10 DEBTORS

	1998 £	1997 £
Trade debtors	421,823	435,314
Other debtors	7,666	5,297
Amounts owed by group companies	-	48,564
Amounts owed by associated companies	-	39,402
Prepayments and accrued income	25,641	19,487
	<u>455,130</u>	<u>548,064</u>

# SPIROFLOW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

### 11 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank overdraft	81,480	-
Payments received on account	183,304	324,509
Trade creditors	313,758	489,888
Amount owed to group undertaking	64,136	-
Amounts owed to associated company	3,335	201
Corporation tax	51,585	37,671
Social security and other taxes	52,326	49,508
Other creditors	12,000	24,000
Accruals and deferred income	48,569	37,764
	<u>810,493</u>	<u>963,541</u>

The bank overdraft is secured by a fixed and floating charge over the company's assets and first mortgage over land off Taylor Street, Clitheroe.

### 12 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows :

	Deferred taxation £
At 1 January 1998	7,689
Provided during year	(7,689)
At 31 December 1998	<u>-</u>

Deferred taxation represents the full potential liability for the company on the difference between the capital allowances claimed on fixed assets for taxation purposes compared to those amounts charged in the financial statements for depreciation. Deferred tax of £4,500 (1997 : £6,738) has not been provided in respect of unrealised capital gains arising from the revaluation of the land and buildings because it is unlikely that the land and buildings will be disposed of in the foreseeable future.

### 13 SHARE CAPITAL

	1998 £	1997 £
Authorised, allotted, issued and fully paid		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

# SPIROFLOW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

### 14 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 1998	116,289	604,147
Retained profit for the year	-	70,363
Transfer from revaluation reserve to profit and loss account	(2,768)	2,768
At 31 December 1998	<u>113,521</u>	<u>677,278</u>

The cumulative amount of goodwill arising from acquisitions accounted for in years ending before 23 December 1998 which has been written off to reserves is £100,000 (1997 : £100,000).

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	110,363	111,619
Dividends and other appropriations	(40,000)	(40,000)
Net increase in shareholders' funds	<u>70,363</u>	<u>71,619</u>
Shareholders' funds at 1 January 1998	820,436	748,817
Shareholders' funds at 31 December 1998	<u>890,799</u>	<u>820,436</u>

### 16 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £	1997 £
Operating profit	176,322	172,875
Depreciation	82,080	83,720
Profit on sale of tangible fixed assets	(208)	(479)
Decrease/(increase) in stock	42,412	(80,369)
Decrease/(increase) in debtors	92,934	(79,153)
(Decrease)/increase in creditors	(248,442)	224,963
Net cash inflow from operating activities	<u>145,098</u>	<u>321,557</u>

### 17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1998 £	1997 £
(Decrease)/increase in cash in year	(84,453)	139,391
Net funds/(debt) at 1 January 1998	5,522	(133,869)
Net (debt)/funds at 31 December 1998	<u>(78,931)</u>	<u>5,522</u>

# **SPIROFLOW LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

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### **18 ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS**

	At 1 January 1998 £	Cashflow £	At 31 December 1998 £
Cash in hand and at bank	5,522	(2,973)	2,549
Overdrafts	-	(81,480)	(81,480)
	<u>5,522</u>	<u>(84,453)</u>	<u>(78,931)</u>

### **19 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 1998 or 31 December 1997.

### **20 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 1998 or 31 December 1997 except in respect of deferred taxation (see note 12)

### **21 PENSIONS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £36,377 (1997 : £48,285).

### **22 TRANSACTIONS WITH RELATED PARTIES**

Transactions with Spiroflow Orthos Systems Incorporated (a subsidiary undertaking of Spiroflow Limited) include £19,495 within turnover and include within other operating income and charges £31,200 and £17,557 relating to management charges and expense recharges respectively made by Spiroflow Limited to Spiroflow Orthos Systems Incorporated. Within costs of sales is £23,422 relating to purchases from Spiroflow Orthos Systems Incorporated.

Transactions with Spiroflow System Australia Pty Limited (an associated undertaking of Spiroflow Limited) include £25,205 within turnover and include within cost of sales £3,335 relating to purchases from Spiroflow Systems Australia Pty Limited.

The company paid rent to M J G F Podevyn (a director) for the use of an export office of £4,620. The company also paid amounts of £16,374 and £1,985 to Acre Hill Farm, a business in which M J G F Podevyn is a partner, for the provision of research and development facilities and labour, and fuel oil/derv respectively.

All of the above transactions were at normal commercial rates.