

Register

Company Registration No. 1210198 (England and Wales)

SPIROFLOW GROUP LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003



SPIROFLOW GROUP LIMITED

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SPIROFLOW GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

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

Principal activities and review of the business

The principal activity of the company continued to be that of the development, future manufacture and sale of automatic metering, blending and conveying systems.

The directors are satisfied with the results for the year which have been achieved under difficult trading conditions.

The directors look forward to the future with cautious optimism.

Results and dividends

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

No dividends were paid by the company during the year. The company's net profit for the year was £22,707. This amount has been added to the surplus brought forward.

Directors

The following directors have held office since 1 January 2003:

M Podevyn
C Podevyn
D Heys
M Ranson

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2003	1 January 2003
M Podevyn	36,600	36,600
C Podevyn	13,200	13,200
D Heys	1,000	1,000
M Ranson	-	-

Auditors

Pierce C.A. Limited were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

SPIROFLOW GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR 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



D Heys

Director

23 September 2004

SPIROFLOW GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO SPIROFLOW GROUP 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 year 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.

Pierce CA Ltd

Pierce C.A. Limited

23 September 2004

Registered Auditor

Thompson House
3-6 Richmond Terrace
Blackburn
Lancashire
BB1 7AU

SPIROFLOW GROUP LIMITED

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

	Notes	2003 £	2002 £
Gross profit		300,520	218,512
Distribution costs		(57,927)	(102,085)
Administrative expenses		(139,765)	(129,727)
Operating profit/(loss)	2	102,828	(13,300)
Amounts written off investments	3	(75,000)	-
Interest payable and similar charges	4	(5,121)	(4,325)
Profit/(loss) on ordinary activities before taxation		22,707	(17,625)
Tax on profit/(loss) on ordinary activities	5	-	(1,307)
Profit/(loss) on ordinary activities after taxation	12	22,707	(18,932)

SPIROFLOW GROUP LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6	545,846		481,704	
Investments	7	165,004		240,004	
		<u>710,850</u>		<u>721,708</u>	
Current assets					
Debtors	8	162,739		102,360	
Cash at bank and in hand		1,510		2,024	
		<u>164,249</u>		<u>104,384</u>	
Creditors: amounts falling due within one year	9	<u>(295,415)</u>		<u>(397,195)</u>	
Net current liabilities			<u>(131,166)</u>		<u>(292,811)</u>
Total assets less current liabilities			<u>579,684</u>		<u>428,897</u>
Capital and reserves					
Called up share capital	11	100,000		100,000	
Revaluation reserve	12	236,617		110,753	
Profit and loss account	12	243,067		218,144	
Shareholders' funds - equity interests	13	<u>579,684</u>		<u>428,897</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 23 September 2004


D Heys
Director

SPIROFLOW GROUP LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(8,913)		29,505
Returns on investments and servicing of finance				
Interest paid	(5,121)		(4,325)	
	<hr/>		<hr/>	
Net cash outflow for returns on investments and servicing of finance		(5,121)		(4,325)
Taxation		-		(1,685)
Capital expenditure				
Payments to acquire tangible assets	-		(80,379)	
Receipts from sales of tangible assets	-		11,444	
	<hr/>		<hr/>	
Net cash outflow for capital expenditure		-		(68,935)
		<hr/>		<hr/>
Net cash outflow before management of liquid resources and financing		(14,034)		(45,440)
		<hr/>		<hr/>
Decrease in cash in the year		(14,034)		(45,440)
		<hr/>		<hr/>

SPIROFLOW GROUP LIMITED

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

1	Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2003	2002
		£	£
	Operating profit/(loss)	102,828	(13,300)
	Depreciation of tangible assets	63,938	56,516
	Loss on disposal of tangible assets	-	1,432
	(Increase)/decrease in debtors	(60,379)	373,277
	Decrease in creditors within one year	(115,300)	(388,420)
	Net cash (outflow)/inflow from operating activities	(8,913)	29,505

2	Analysis of net debt	1 January 2003	Cash flow	Other non-cash changes	31 December 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,024	(514)	-	1,510
	Bank overdrafts	(96,696)	(13,520)	-	(110,216)
		(94,672)	(14,034)	-	(108,706)
	Net debt	(94,672)	(14,034)	-	(108,706)

3	Reconciliation of net cash flow to movement in net debt	2003	2002
		£	£
	Decrease in cash in the year	(14,034)	(45,440)
	Movement in net debt in the year	(14,034)	(45,440)
	Opening net debt	(94,672)	(49,232)
	Closing net debt	(108,706)	(94,672)

SPIROFLOW GROUP LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

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 other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% on valuation
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	15% reducing balance/ 25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Pensions

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

1.6 Foreign currency translation

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

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit/(loss)	2003 £	2002 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	63,938	56,516
Loss on disposal of tangible assets	-	1,432
Loss on foreign exchange transactions	906	-
Auditors' remuneration	6,000	6,000

SPIROFLOW GROUP LIMITED

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

3	Amounts written off investments	2003	2002
		£	£
	Amounts written off fixed asset investments:		
	- temporary diminution in value	75,000	-
4	Interest payable	2003	2002
		£	£
	On bank loans and overdrafts	5,121	4,325
5	Taxation	2003	2002
		£	£
	Domestic current year tax		
	Adjustment for prior years	-	1,307
	Current tax charge	-	1,307
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	22,707	(17,625)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 20.00%)	4,314	(3,525)
	Effects of:		
	Non deductible expenses	479	1,232
	Depreciation add back	11,272	11,303
	Capital allowances	(6,652)	(9,541)
	Tax losses utilised	(23,663)	235
	Adjustments to previous periods	-	1,307
	Other tax adjustments	14,250	296
		(4,314)	4,832
	Current tax charge	-	1,307

On the basis of these financial statements no provision has been made for corporation tax.

SPIROFLOW GROUP LIMITED

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

6 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2003	460,377	318,155	15,648	167,046	961,226
Revaluation	14,623	-	-	-	14,623
At 31 December 2003	475,000	318,155	15,648	167,046	975,849
Depreciation					
At 1 January 2003	104,249	287,111	13,135	75,027	479,522
Revaluation	(113,457)	-	-	-	(113,457)
Charge for the year	9,208	16,087	820	37,823	63,938
At 31 December 2003	-	303,198	13,955	112,850	430,003
Net book value					
At 31 December 2003	475,000	14,957	1,693	54,196	545,846
At 31 December 2002	356,128	31,044	2,513	92,019	481,704

The company's freehold premises at Lincoln Way, Clitheroe were valued at a current market value of £475,000 in April 2003. This valuation has been incorporated into the financial statements.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 January 2003 & at 31 December 2003	349,624
Depreciation based on cost	
At 1 January 2003	79,170
Charge for the year	6,992
At 31 December 2003	86,162
Net book value	
At 31 December 2003	263,462
At 31 December 2002	270,454

SPIROFLOW GROUP LIMITED

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

7 Fixed asset investments

	Unlisted investments £	Shares in group undertakings £	Total £
Cost or valuation			
At 1 January 2003 & at 31 December 2003	165,000	396,430	561,430
Provisions for diminution in value			
At 1 January 2003	-	321,426	321,426
Charge for the year	-	75,000	75,000
At 31 December 2003	-	396,426	396,426
Net book value			
At 31 December 2003	165,000	4	165,004
At 31 December 2002	165,000	75,004	240,004
	Directors' valuation £		Directors' valuation £
At 31 December 2003	165,000		165,000
At 31 December 2002	165,000		165,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Spiroflow Limited	United Kingdom	Ordinary	100
Spiroflow Powder Handling Limited	United Kingdom	Ordinary	100
Spiroflow Systems Inc.	USA	Common	64

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2003 £	Profit for the year 2003 £
Spiroflow Limited	(22,384)	(228,296)
Spiroflow Powder Handling Limited	139,774	67,529

SPIROFLOW GROUP LIMITED

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

7 Fixed asset investments (continued)

Spiroflow Systems Inc.	214,206	33,882
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8 Debtors

	2003	2002
	£	£
Trade debtors	-	145
Amounts owed by subsidiary undertakings	151,337	90,033
Other debtors	8,254	9,572
Prepayments and accrued income	3,148	2,610
	162,739	102,360

9 Creditors: amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	110,216	96,696
Trade creditors	15,482	7,881
Amounts owed to subsidiary undertakings	136,541	278,084
Taxes and social security costs	8,201	6,927
Accruals and deferred income	24,975	7,607
	295,415	397,195

The bank overdraft is secured by:

- 1) A first legal charge over the freehold land and buildings,
- 2) A debenture over the company's assets,
- 3) A guarantee supported by debentures over the assets of Spiroflow Limited and Spiroflow Powder Handling Limited.

10 Pension costs

Defined contribution

	2003	2002
	£	£
Contributions payable by the company for the year	10,030	7,282

SPIROFLOW GROUP LIMITED

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

11 Share capital	2003	2002
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
12 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2003	110,753	218,144
Retained profit for the year	-	22,707
Transfer from revaluation reserve to profit and loss account	(2,216)	2,216
Revaluation during the year	128,080	-
	<hr/>	<hr/>
Balance at 31 December 2003	236,617	243,067
	<hr/>	<hr/>
13 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit/(Loss) for the financial year	22,707	(18,932)
Other recognised gains and losses	128,080	-
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	150,787	(18,932)
Opening shareholders' funds	428,897	447,829
	<hr/>	<hr/>
Closing shareholders' funds	579,684	428,897
	<hr/>	<hr/>

14 Contingent liabilities

The company has given a guarantee, supported by a first legal charge over its freehold land and buildings and a debenture over its assets, in respect of a joint overdraft facility of £325,000 provided by the company's bankers to its subsidiary companies; Spiroflow Limited and Spiroflow Powder Handling Limited. At 31 December 2003 the company had a contingent liability of £109,931 in respect of this guarantee.

SPIROFLOW GROUP LIMITED

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

15 Transactions with directors

The following director had an interest free loan during the year. The movement on the loan is as follows:

	Amount outstanding		Maximum
	2003	2002	in year
	£	£	£
M Podevyn	2,639	4,538	4,538

16 Employees

Number of employees

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

	2003 Number	2002 Number
Administration	4	4

Employment costs

	£	£
Wages and salaries	141,369	189,255
Social security costs	23,758	21,705
Other pension costs	10,030	7,282
	175,157	218,242