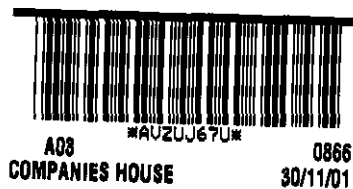


ABACUS VALVES MANUFACTURING LIMITED
DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 2001



Company No. 2654516

ABACUS VALVES MANUFACTURING LIMITED

COMPANY INFORMATION

Director	Mr J R M Hogg
Secretary	Mrs C J P Hogg
Company number	2654516
Registered office	Charwell House Wilsom Road Alton Hampshire GU34 2TJ
Accountants	Taylor & Co 76 Collingworth Rise Park Gate Southampton Hampshire SO31 1DB

ABACUS VALVES MANUFACTURING LIMITED

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ABACUS VALVES MANUFACTURING LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST JANUARY 2001

The director presents his report and the accounts for the company for the year ended 31st January 2001.

Principal activities and review of business

The company's principal activity during the year was the supply of valves. It ceased to trade in October 2000.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The director considers the profit achieved on ordinary activities before taxation to be as anticipated.

The director considers the state of the company's affairs to be satisfactory.

The director does not recommend a dividend.

Director and his interests

The director who held office during the year and his beneficial interest in the company's issued share capital are given below:

Name of director	Share type	At 31st January 2001	At 1st February 2000
Mr J R M Hogg	Ordinary	70	70

Statement of director's responsibilities

Company law requires the director to prepare accounts 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 for that year. In preparing those accounts the director is 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 accounts;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

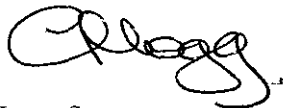
The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABACUS VALVES MANUFACTURING LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST JANUARY 2001

By order of the Board



Mrs C J P Hogg, Secretary
Charwell House
Wilsom Road
Alton
Hampshire
GU34 2TJ
27th November 2001

ACCOUNTANTS' REPORT TO THE DIRECTORS
ON THE UNAUDITED ACCOUNTS OF
ABACUS VALVES MANUFACTURING LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st January 2001, set out on pages 4 to 12, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Taylor & Co

Taylor & Co
Chartered Accountants
76 Collingworth Rise
Park Gate
Southampton
Hampshire
SO31 1DB
Date: 27th November 2001

ABACUS VALVES MANUFACTURING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST JANUARY 2001

	Notes	2001 £	2000 £
Turnover	2	671,476	780,039
Cost of sales		(341,605)	(397,287)
Gross profit		329,871	382,752
Distribution costs		(14,585)	(12,835)
Administrative expenses		(262,114)	(301,043)
		53,172	68,874
Other operating income		31,873	-
Operating profit	3	85,045	68,874
Loss on sale of fixed assets	7	(13,486)	-
		71,559	68,874
Interest payable and similar charges	4	(70,268)	(67,465)
Profit on ordinary activities before taxation		1,291	1,409
Tax on profit on ordinary activities	6	(4,000)	(900)
Loss/Profit for the financial year	17	(2,709)	509
Retained profit brought forward		52,099	51,589
Retained profit carried forward		49,390	52,098

All amounts relate to continuing activities.

There were no recognised gains or losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 7 to 12 form part of these accounts.

ABACUS VALVES MANUFACTURING LIMITED

BALANCE SHEET

AS AT 31ST JANUARY 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	8		359,218		401,764
Investments	9		126		126
			<u>359,344</u>		<u>401,890</u>
Current assets					
Stocks	10	-		104,756	
Debtors	11	254,994		347,933	
Cash at bank and in hand		357		(52,860)	
		<u>255,351</u>		<u>399,829</u>	
Creditors: amounts falling due within one year	12	<u>(252,937)</u>		<u>(375,652)</u>	
Net current assets			<u>2,414</u>		<u>24,177</u>
Total assets less current liabilities			<u>361,758</u>		<u>426,067</u>
Creditors: amounts falling due after more than one year	13		<u>(228,298)</u>		<u>(289,899)</u>
			<u>133,460</u>		<u>136,168</u>
Capital and reserves					
Share capital	16		82		82
Share premium account	17		83,988		83,988
Profit and loss account	17		49,390		52,098
Shareholders' funds	18		<u>133,460</u>		<u>136,168</u>

For the financial year ended 31st January 2001, the company was entitled to exemption from audit under Section 249A(1) Companies Act 1985.

No notice has been deposited under Section 249B(2) Companies Act 1985.

ABACUS VALVES MANUFACTURING LIMITED

BALANCE SHEET

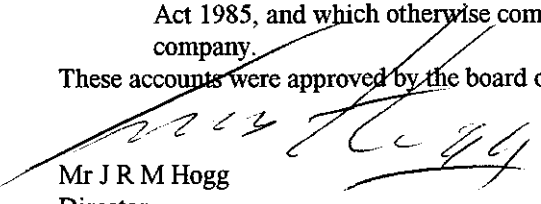
AS AT 31ST JANUARY 2001

The director acknowledges his responsibility for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These accounts were approved by the board on 27th November 2001 and signed on its behalf by:



Mr J R M Hogg
Director

ABACUS VALVES MANUFACTURING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2001

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, with the exception of freehold land, by equal annual instalments over their expected useful lives:

- Freehold properties
- Plant and machinery - 15%
- Motor vehicles - 25%
- Furniture and equipment - 15%

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to crystallise.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance 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.

ABACUS VALVES MANUFACTURING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2001

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

The operating profit is stated after charging or crediting:

	2001 £	2000 £
Depreciation of tangible fixed assets: -owned assets	-	14,417

4 Interest payable and similar charges

	2001 £	2000 £
Interest payable on bank loans and overdrafts	32,098	33,602
Finance leases and hire purchase contracts	-	367
Interest payable on other loans	38,170	33,496
	<u>70,268</u>	<u>67,465</u>

5 Director and employees

Staff costs, including director's remuneration, were as follows:

	2001 £	2000 £
Wages and salaries	100,744	151,900
Social security costs	8,690	12,144
Other pension costs	19,482	22,450
Other costs	944	4,116
	<u>129,860</u>	<u>190,610</u>

Director's emoluments

	2001 £	2000 £
Aggregate emoluments	44,419	50,407
	<u>44,419</u>	<u>50,407</u>

ABACUS VALVES MANUFACTURING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2001

6 Taxation

	2001 £	2000 £
Based on the profit for the year:		
UK corporation tax at 20% (2000: 20%)	4,000	900
	<u>4,000</u>	<u>900</u>

7 Exceptional items

	2001 £	2000 £
Loss on sale of fixed assets	(13,486)	-
	<u>(13,486)</u>	<u>-</u>

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Furniture and equipment £	Total £
Cost					
At 1st February 2000	358,701	-	35,215	37,425	431,341
Additions	-	517	-	-	517
Disposals	-	-	(35,215)	(37,425)	(72,640)
At 31st January 2001	<u>358,701</u>	<u>517</u>	<u>-</u>	<u>-</u>	<u>359,218</u>
Depreciation					
At 1st February 2000	-	-	14,065	15,512	29,577
Disposals	-	-	(14,065)	(15,512)	(29,577)
At 31st January 2001	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value					
At 31st January 2001	<u>358,701</u>	<u>517</u>	<u>-</u>	<u>-</u>	<u>359,218</u>
<i>At 31st January 2000</i>	<u>358,701</u>	<u>-</u>	<u>21,150</u>	<u>21,913</u>	<u>401,764</u>

ABACUS VALVES MANUFACTURING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2001

9 Fixed asset investments

	Other investments other than loans £	Total £
Cost		
At 1st February 2000	126	126
At 31st January 2001	126	126
Net book value		
At 31st January 2001	126	126
At 31st January 2000	126	126

10 Stocks

	2001 £	2000 £
Goods for Resale	-	104,756
	-	104,756

11 Debtors

	2001 £	2000 £
Trade Debtors	8,322	158,682
Other Debtors	246,672	189,251
	254,994	347,933

12 Creditors: amounts falling due within one year

	2001 £	2000 £
Obligations under hire purchase and finance lease (Note 15)	-	33,832
Trade creditors	154,305	257,715
Corporation tax	2,030	982
Other taxes and social security	498	24,247
Other creditors	21,600	11,376
Director's loan	74,504	47,500
	252,937	375,652

ABACUS VALVES MANUFACTURING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2001

13	Creditors: amounts falling due after more than one year	2001	2000
		£	£
	Other loans (Note 14)	228,298	289,899
		228,298	289,899
14	Loans and borrowings	2001	2000
		£	£
	Analysis of loans		
	Other loans	228,298	289,899
	Director's loan	74,504	47,500
	Obligations under hire purchase and finance lease	-	33,832
		302,802	371,231
	Maturity of debt		
	In one year or less, or on demand	74,504	47,500
	In more than two years, but not more than five years	34,144	51,223
	In more than five years	194,154	238,676
		302,802	337,399
15	Obligations under hire purchase and finance leases	2001	2000
		£	£
	Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
	In the next year	-	33,832
		-	33,832

ABACUS VALVES MANUFACTURING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2001

16	Share capital	2001	2000
		£	£
	Authorised		
	Equity shares		
	1,000,000 Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>
		<u>1,000,000</u>	<u>1,000,000</u>
	Allotted		
	Equity shares		
	82 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>82</u>	<u>82</u>
		<u>82</u>	<u>82</u>
17	Reserves		
		Share	Profit
		premium	and loss
		account	account
		£	£
	At 17th February 1999	83,988	51,589
	Profit for the year	-	509
		<u>83,988</u>	<u>52,099</u>
	At 1st February 2000	-	(2,709)
	Loss for the year	-	(2,709)
		<u>83,988</u>	<u>49,390</u>
18	Reconciliation of movement in shareholders' funds	2001	2000
		£	£
	Loss/Profit for the financial year	(2,709)	509
	Issue of share capital	-	12
		<u>(2,709)</u>	<u>521</u>
	Decrease in the shareholders' funds	<u>136,169</u>	<u>135,647</u>
	Opening shareholders' funds	<u>133,460</u>	<u>136,168</u>
	Closing shareholders' funds	<u>133,460</u>	<u>136,168</u>

19 Pension scheme

The company operates a defined benefit pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.