

BOREFLEX LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2002

Company No. 03201075



BOREFLEX LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr R. C. Fox Mrs D Fox |
| Secretary | Mr R.C. Fox |
| Company number | 03201075 |
| Registered office | Unit 8 & 9 Gateway Court Gateway Industrial Estate Parkgate, Rotherham S62 6JL |
| Accountants | Townends 7/9 Cornmarket Pontefract West Yorkshire WF8 1AN |
| Bankers | Lloyds TSB Plc 75 Commercial Street Batley West Yorkshire WF17 5EQ |

BOREFLEX LIMITED

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BOREFLEX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

The directors present their report and the accounts for the company for the year ended 31st March 2002.

Principal activities

The company's principal activity during the year was the manufacture of sewn bellows and the supply of rubber gaskets, hoses, seals and other consumables.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

| Name of director | Share type | At 31st March 2002 | At 1st April 2001 |
|------------------|----------------------------|--------------------|-------------------|
| Mr R. C. Fox | Ordinary shares of £1 each | 350 | 350 |
| Mrs D Fox | Ordinary shares of £1 each | 350 | 350 |

Statement of directors' responsibilities

Company law requires the directors 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 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 accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

BOREFLEX LIMITED

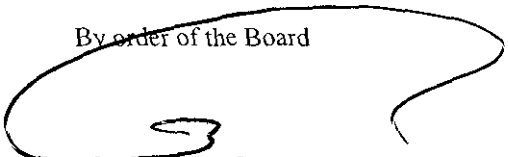
DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board



Mr R.C. Fox, Secretary
Unit 8 & 9
Gateway Court
Gateway Industrial Estate
Parkgate, Rotherham
S62 6JL
14th May 2002

BOREFLEX LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2002**

| | Notes | 2002 £ | 2001 £ |
|--|-------|-----------|-----------|
| Turnover | 2 | 492,124 | 418,617 |
| Cost of sales | | (267,350) | (225,291) |
| Gross profit | | 224,774 | 193,326 |
| Administrative expenses | | (185,562) | (176,202) |
| Operating profit | 3 | 39,212 | 17,124 |
| Interest payable and similar charges | | (2,136) | (1,982) |
| Profit on ordinary activities before taxation | | 37,076 | 15,142 |
| Tax on profit on ordinary activities | 4 | (6,590) | (2,004) |
| Profit for the financial year | | 30,486 | 13,138 |
| Dividends | 5 | (24,000) | (12,000) |
| Retained profit for the year | | 6,486 | 1,138 |
| Retained profit brought forward | | 17,572 | 16,434 |
| Retained profit carried forward | | 24,058 | 17,572 |

BOREFLEX LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2002

| | Notes | £ | 2002 £ | £ | 2001 £ |
|--|-------|-----------|----------------|----------------|---------------|
| Fixed assets | | | | | |
| Intangible assets | 6 | | 2,804 | | 3,070 |
| Tangible assets | 7 | | 24,275 | | 11,310 |
| | | | <u>27,079</u> | | <u>14,380</u> |
| Current assets | | | | | |
| Stocks | | 23,802 | | 14,487 | |
| Debtors | 8 | 138,573 | | 107,125 | |
| Cash at bank and in hand | | 1,458 | | 749 | |
| | | | <u>163,833</u> | <u>122,361</u> | |
| Creditors: amounts falling due within one year | 9 | (150,047) | | (103,440) | |
| Net current assets | | | <u>13,786</u> | | <u>18,921</u> |
| Total assets less current liabilities | | | <u>40,865</u> | | <u>33,301</u> |
| Creditors: amounts falling due after more than one year | 10 | | (15,807) | | (14,729) |
| | | | <u>25,058</u> | | <u>18,572</u> |
| Capital and reserves | | | | | |
| Share capital | 11 | | 700 | | 700 |
| Capital redemption reserve | | | 300 | | 300 |
| Profit and loss account | | | 24,058 | | 17,572 |
| Shareholders' funds | | | <u>25,058</u> | | <u>18,572</u> |

For the financial year ended 31st March 2002, 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.

The directors acknowledge their responsibilities for:

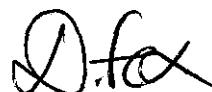
ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

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 have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000)

These accounts were approved by the board on 14th May 2002 and signed on its behalf by:

Mrs D Fox
Director



BOREFLEX LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

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

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

| | |
|-------------------------|---------------------------------|
| Plant and machinery | 25% on a reducing balance basis |
| Motor vehicles | 25% on a reducing balance basis |
| Furniture and equipment | 25% on a reducing balance basis |

Goodwill

Goodwill, being the amount paid in connection with the acquisition of the business this year is being written off evenly over its estimated economic life of fifteen years.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Contribution to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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.

2 Turnover

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

BOREFLEX LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002

3 Operating profit

The operating profit is stated after charging or crediting:

| | 2002 | 2001 |
|---|--------|--------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| -owned assets | 4,337 | 2,171 |
| -assets held under finance leases and hire purchase | 1,599 | 1,599 |
| Amortisation of intangible fixed assets | 266 | 264 |
| Directors' remuneration | 41,374 | 56,747 |

4 Taxation

| | 2002 | 2001 |
|---------------------------------------|-------|-------|
| | £ | £ |
| Based on the profit for the year: | | |
| UK corporation tax at 20% (2001: 21%) | 6,590 | 2,009 |
| Over provision in previous year | - | (5) |
| | 6,590 | 2,004 |

5 Dividends

| | 2002 | 2001 |
|-------------------------------|--------|--------|
| | £ | £ |
| Ordinary dividends - paid | 24,000 | 6,000 |
| Ordinary dividends - proposed | - | 6,000 |
| Total equity dividends | 24,000 | 12,000 |

6 Intangible fixed assets

| | Goodwill | Total |
|--------------------------|----------|-------|
| Cost | £ | £ |
| At 1st April 2001 | 3,998 | 3,998 |
| At 31st March 2002 | 3,998 | 3,998 |
| Amortisation | | |
| At 1st April 2001 | 928 | 928 |
| Provided during the year | 266 | 266 |
| At 31st March 2002 | 1,194 | 1,194 |
| Net book value | | |
| At 31st March 2002 | 2,804 | 2,804 |
| At 31st March 2001 | 3,070 | 3,070 |

BOREFLEX LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002

7 Tangible fixed assets

| | Plant and machinery | Motor vehicles | Furniture and equipment | Total |
|---------------------|------------------------|-------------------|-------------------------------|--------|
| Cost | £ | £ | £ | £ |
| At 1st April 2001 | 7,037 | 4,495 | 10,475 | 22,007 |
| Additions | 850 | 17,382 | 669 | 18,901 |
| At 31st March 2002 | 7,887 | 21,877 | 11,144 | 40,908 |
| Depreciation | | | | |
| At 1st April 2001 | 4,961 | 1,124 | 4,612 | 10,697 |
| Charge for the year | 622 | 3,740 | 1,574 | 5,936 |
| At 31st March 2002 | 5,583 | 4,864 | 6,186 | 16,633 |
| Net book value | | | | |
| At 31st March 2002 | 2,304 | 17,013 | 4,958 | 24,275 |
| At 31st March 2001 | 2,076 | 3,371 | 5,863 | 11,310 |

8 Debtors

| | 2002 | 2001 |
|---------------|---------|---------|
| | £ | £ |
| Trade debtors | 133,944 | 103,007 |
| Prepayments | 4,629 | 4,118 |
| | 138,573 | 107,125 |

9 Creditors: amounts falling due within one year

| | 2002 | 2001 |
|---|---------|---------|
| | £ | £ |
| Bank loans and overdrafts | 51,546 | 19,621 |
| Obligations under hire purchase and finance lease | 5,191 | 1,477 |
| Trade creditors | 67,486 | 61,143 |
| Other creditors | 25,824 | 15,199 |
| Proposed dividend | - | 6,000 |
| | 150,047 | 103,440 |

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

'Other creditors' include £17,061 (2001: £11,182) in respect of taxation and social security.

BOREFLEX LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002

| 10 | Creditors: amounts falling due after more than one year | 2002 | 2001 |
|----|---|---------------|---------------|
| | | £ | £ |
| | Bank loans and overdrafts | 6,394 | 12,041 |
| | Obligations under hire purchase and finance lease | 9,413 | 2,688 |
| | | <u>15,807</u> | <u>14,729</u> |

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

| 11 | Share capital | 2002 | 2001 |
|----|--|--------------|--------------|
| | | £ | £ |
| | Authorised | | |
| | 1,000 Ordinary shares of £1.00 each | <u>1,000</u> | <u>1,000</u> |
| | Allotted | | |
| | 700 Allotted, called up and fully paid ordinary shares of £1.00 each | <u>700</u> | <u>700</u> |