PRIMARY FLOWPOINTS LIMITED

FINANCIAL STATEMENTS

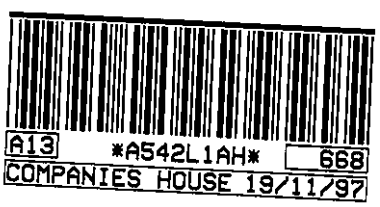
30TH SEPTEMBER 1997

Registered number: 2640992

Adkins Gorham Richardson Limited

Chartered Accountants

Rayleigh



PRIMARY FLOWPOINTS LIMITED

FINANCIAL STATEMENTS

for the year ended 30th September 1997

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The following page does not form part of the statutory accounts

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PRIMARY FLOWPOINTS LIMITED

COMPANY INFORMATION

30th September 1997

NUMBER	2640992
DIRECTORS	H. Wildy R. P. Adams
SECRETARY	R. P. Adams
REGISTERED OFFICE	Garfield House 165/167 High Street Rayleigh Essex
BANKERS	Lloyds Bank Plc. 211 London Road Hadleigh Benfleet Essex
ACCOUNTANTS	Adkins Gorham Richardson Limited Chartered Accountants Garfield House 165/167 High Street Rayleigh Essex

PRIMARY FLOWPOINTS LIMITED

DIRECTORS' REPORT

30th September 1997

The directors present their report and the financial statements for the year ended 30th September 1997.

Principal activity

The principal activity of the company is the manufacture and distribution of industrial flow indicators.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30th September 1997 Ordinary shares	1st October 1996 Ordinary shares
H. Wildy	500	500
R. P. Adams	100	100

Reporting Accountants

The directors consider that for the year ended 30th September 1997 the company was entitled to exemption from a statutory audit under section 249A of the Companies Act 1985. Under the provisions of the Act, the directors have appointed Adkins Gorham Richardson Limited as Reporting Accountants. Their report is shown on page 3 of the financial statements.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

R. P. Adams
Secretary

Garfield House
165/167 High Street
Rayleigh
Essex

14th November 1997

PRIMARY FLOWPOINTS LIMITED

ACCOUNTANTS' REPORT

Accountants' report to the members on the unaudited financial statements of Primary Flowpoints Limited

We report on the financial statements for the year ended 30th September 1997 set out on pages 4 to 9.

Respective responsibilities of directors and reporting accountants
As described on page 5 the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion
In our opinion:

(a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;

(b) having regard only to, and on the basis of, the information contained in those accounting records:

(i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

(ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Adkins Gorham Richardson Ltd.

Rayleigh
14th November 1997

Adkins Gorham Richardson Limited
Reporting Accountants

PRIMARY FLOWPOINTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30th September 1997

	Note	1997 £	1996 £
Turnover	2	113,401	116,688
Cost of sales		(49,265)	(53,675)
Gross profit		64,136	63,013
Net operating expenses			
Administrative expenses		(40,908)	(37,227)
Other operating income		269	351
Profit on ordinary activities before taxation		23,497	26,137
Taxation	5	(5,125)	(7,578)
Profit on ordinary activities after taxation		18,372	18,559
Dividends	6	(4,000)	(2,000)
Retained profit for the year	14	14,372	16,559

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

PRIMARY FLOWPOINTS LIMITED

BALANCE SHEET

at 30th September 1997

	Note	1997 £	1997 £	1996 £	1996 £
Fixed assets					
Tangible assets	7		8,236		8,407
Current assets					
Stocks	8	32,340		30,646	
Debtors	9	26,485		31,240	
Cash at bank and in hand		12,245		14,045	
		71,070		75,931	
Creditors: amounts falling due within one year	10	(26,933)		(41,135)	
Net current assets			44,137		34,796
Total assets less current liabilities			52,373		43,203
Creditors: amounts falling due after more than one year	11		-		(5,200)
			52,373		38,003
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		51,373		37,003
Total shareholders' funds	12		52,373		38,003

continued .....

PRIMARY FLOWPOINTS LIMITED

BALANCE SHEET
(continued)

at 30th September 1997

The directors consider that for the year ended 30th September 1997 the company was entitled to exemption under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

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 financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 9 were approved by the board of directors on 14th November 1997 and signed on its behalf by:

H. Wildy
Director

PRIMARY FLOWPOINTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30th September 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	25% per annum on cost
Motor vehicles	25% per annum on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

In the opinion of the directors, 6% of the turnover of the company is attributable to geographical markets outside the UK. (1996 14%)

3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Interest receivable	269	351
and after charging		
Depreciation of tangible fixed assets (note 7) owned assets	3,350	8,361

PRIMARY FLOWPOINTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30th September 1997

4 Directors

	1997 £	1996 £
Directors' emoluments	16,420	12,150

5 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 24% and 21% (1996 24% and 25%)	5,125	7,578

6 Dividends

	1997 £	1996 £
Equity - ordinary/final	4,000	2,000

7 Tangible fixed assets

	Motor Vehicles £	Plant and Machinery £	Total £
Cost			
1st October 1996	6,150	27,296	33,446
Additions	-	3,180	3,180
30th September 1997	6,150	30,476	36,626
Depreciation			
1st October 1996	1,537	23,502	25,039
Charge for year	1,537	1,813	3,350
30th September 1997	3,074	25,315	28,389
Net book amount			
30th September 1997	3,075	5,161	8,236
1st October 1996	4,613	3,794	8,407

8 Stocks

	1997 £	1996 £
Stocks	32,340	30,646

PRIMARY FLOWPOINTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30th September 1997

9 **Debtors**

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	26,099	31,010
Prepayments and accrued income	386	230
	26,485	31,240

10 **Creditors:** amounts falling due within one year

	1997 £	1996 £
Trade creditors	12,870	14,804
Other loans	-	12,000
Corporation tax	5,125	7,578
Other taxation and social security	4,438	2,441
Other creditors	4,000	2,000
Accruals and deferred income	500	2,312
	26,933	41,135

11 **Creditors:** amounts falling due after more than one year

	1997 £	1996 £
Other creditors	-	5,200
	-	5,200
Maturity of debt included above		
In one year or less, or on demand	-	12,000
Between one and two years	-	5,200

12 **Reconciliation of movements in shareholders' funds**

	1997 £	1996 £
Profit for the financial year	18,372	18,559
Dividends	(4,000)	(2,000)
Net addition to shareholders' funds	14,372	16,559
Opening shareholders' funds	38,001	21,444
Closing shareholders' funds	52,373	38,003

PRIMARY FLOWPOINTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30th September 1997

13 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
£1 Ordinary shares	1,000	1,000	1,000	1,000
Allotted called up and fully paid				
£1 Ordinary shares	1,000	1,000	1,000	1,000

14 Profit and loss account

	1997 £
1st October 1996	37,001
Retained profit for the year	14,372
30th September 1997	51,373