

248695

# **Sterling Fluid Systems Limited**

## **Report and Financial Statements**

30 November 2002

**ERNST & YOUNG**



# Sterling Fluid Systems Limited

Registered No: 248695

## Directors

C D Johnson  
P B O'Kelly  
P Garner  
G G Terry  
A Lukes  
M J Patridge  
J B Davies  
B Millward  
T Newby

## Secretary

C D Johnson

## Auditors

Ernst & Young LLP  
Apex Plaza  
Reading  
RG1 1YE

## Bankers

Barclays  
54 Lambart Street  
London  
EC3V 9EX

## Solicitors

Collyer-Bristow  
4 Bedford Row  
London  
WC1R 4DF

## Registered office

Sterling Fluid Systems Limited  
Theale Cross  
Reading  
Berkshire  
RG31 7SP

## Directors' report

The directors present their report and financial statements for the year ended 30 November 2002.

### Results and dividends

The loss for the year amounted to £1,843,000. The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The principal activity of the company during the year was the manufacture, design and supply of pumps and fluid handling systems.

### Events since the balance sheet date

Subsequent to 30 November 2002 the immediate parent undertaking, Sterling Fluid Systems (UK Group) Limited, entered into an agreement to dispose of Sterling Fluid Systems Limited to a company controlled by the ultimate shareholder, TBG Holdings NV.

As a result of this sale, the £8,380,000 loan payable to a group undertaking will be written off.

### Disabled employees

The Company gives full and fair consideration to applications for employment from disabled persons. Within the limitation of their aptitudes and abilities, disabled persons are given the same training, career development and promotion as are available to all Company employees. If an employee becomes disabled the Company endeavours to continue his or her employment in the same or similar capacity.

### Employee involvement

It is the Company policy to inform and consult employees concerning the performance and future prospects of the Company by regular meetings with staff consultancy committees.

### Directors

The directors who served the company during the year were as follows:

C D Johnson	
P B O'Kelly	
P Garner	
G G Terry	
A Lukes	
M J Patridge	
J B Davies	
B Millward	
T Newby	(Appointed 17 December 2001)
O Shevlin	(Resigned 31 March 2002)
K Auld	(Resigned 14 October 2002)

No director had any interest required to be disclosed under Schedule 7 of the Companies Act 1985 during the year ended 30 November 2002 apart from P B O'Kelly who holds 1 share.

## Directors' report

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



C D Johnson  
Secretary

2 July 2003

## Statement of directors' responsibilities in respect of 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 year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **Independent auditors' report**

**to the members of Sterling Fluid Systems Limited**

We have audited the company's financial statements for the year ended 30 November 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 23. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 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 auditors' 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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.

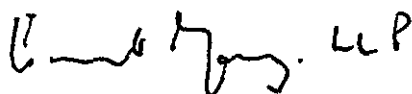
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report**

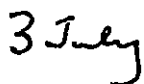
**to the members of Sterling Fluid Systems Limited (continued)**

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Apex Plaza  
Reading  
RG1 1YE

 2003

## Profit and loss account

for the year ended 30 November 2002

	Notes	2002 £000	2001 £000
<b>Turnover</b>	2	33,446	31,627
Cost of sales		28,198	24,942
<b>Gross profit</b>		5,248	6,685
Distribution costs		3,671	2,952
Administrative expenses		3,425	3,924
Other operating income		634	(19)
<b>Operating loss</b>	3	(2,482)	(172)
Bank interest receivable	6	12	18
Interest payable	7	(784)	(716)
		(772)	(698)
<b>Loss on ordinary activities before taxation</b>		(3,254)	(870)
Tax on loss on ordinary activities	8	(1,411)	307
<b>Loss for the financial year</b>		(1,843)	(1,177)

## Statement of total recognised gains and losses

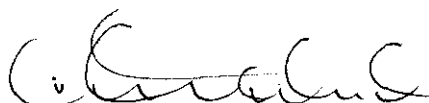
There are no recognised gains or losses other than the loss of £1,843,000 attributable to the shareholders for the year ended 30 November 2002 (2001 - loss of £1,177,000).



# Balance sheet

at 30 November 2002

	Notes	2002 £000	2001 £000
<b>Fixed assets</b>			
Tangible assets	9	4,582	5,293
Investments	10	15	15
		<u>4,597</u>	<u>5,308</u>
<b>Current assets</b>			
Stocks	11	3,660	7,115
Debtors	12	15,151	14,607
Cash at bank		19	17
		<u>18,830</u>	<u>21,739</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>15,743</u>	<u>17,759</u>
<b>Net current assets</b>		<u>3,087</u>	<u>3,980</u>
<b>Total assets less current liabilities</b>		<u>7,684</u>	<u>9,288</u>
<b>Creditors: amounts falling due after more than one year</b>	14	8,412	8,439
<b>Provisions for liabilities and charges</b>			
Deferred taxation	8	123	307
Provisions for liabilities and charges	16	450	-
		<u>(1,301)</u>	<u>542</u>
<b>Capital and reserves</b>			
Called up share capital	19	30	30
Profit and loss account	20	(1,331)	512
<b>Equity shareholders' funds</b>	20	<u>(1,301)</u>	<u>542</u>



C D Johnson  
Director

2 July 2003

## Notes to the financial statements

at 30 November 2002

### 1. Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### **Cash flow statement**

Sterling Fluid Systems BV, an intermediate parent company, publishes a consolidated cash flow statement which includes the cash flows of the Company. The Company has therefore taken advantage of the exemption granted by FRS1 (revised) "Cash Flow Statements" to not present a cash flow statement.

#### **Related parties transactions**

The company is a wholly owned subsidiary of Sterling Fluid Systems BV the consolidated accounts of which are publicly available.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold Property	-	2% to 3%
Short leasehold buildings	-	4%
Plant & Machinery	-	5% to 20%
Motor Vehicles	-	25%
Tooling and patterns	-	16 2/3% to 33 1/3%

The carrying value of tangible fixed assets is reviewed for impairment in periods when events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding

## Notes to the financial statements

at 30 November 2002

### 1. Accounting policies (continued)

agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currencies**

Assets and liabilities denominated in foreign currencies for which forward exchange contracts are held are translated at the rate of the forward contract.

Other assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies entered into during the year are translated at the rate ruling at the date of the transaction.

All differences in exchange arising from translation of foreign currencies are taken to the profit and loss account.

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### **Operating lease agreements**

Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term.

#### **Pension costs**

The company operates a defined benefit pension scheme, which requires contributions to be made to separately administered funds. Contributions are charged in the profit and loss account so as to spread the cost of pensions over the employees' working lives within the company. The regular cost is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged in the profit and loss account are treated as either provisions or prepayments in the balance sheet.

## Notes to the financial statements

at 30 November 2002

### 2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties for goods supplied.

The total turnover of the company has been derived from its principal activity for which a geographical analysis is given below:

An analysis of turnover by geographical market is given below:

	2002 £000	2001 £000
United Kingdom	14,815	17,541
Other Western Europe	2,592	2,824
North America	4,392	2,774
South America	6	12
South East Asia and Australasia	2,580	2,214
Middle East	7,187	4,510
Eastern Europe	1,508	863
Near East	21	63
Africa	345	826
	<u>33,446</u>	<u>31,627</u>

### 3. Operating loss

This is stated after charging/(crediting):

	2002 £000	2001 £000
Auditors' remuneration - audit services	20	19
- non-audit services	50	55
	<u>70</u>	<u>74</u>
Depreciation of owned fixed assets	854	984
Depreciation of assets held under finance leases	23	23
	<u>877</u>	<u>1,007</u>
Profit on disposal of fixed assets	(23)	(8)
Operating lease rentals - land and buildings	728	739
- plant and machinery	478	633
	<u>478</u>	<u>633</u>

## Notes to the financial statements

at 30 November 2002

### 4. Staff costs

	2002 £000	2001 £000
Wages and salaries	7,622	7,602
Social security costs	586	593
Pension costs (note 22)	690	614
	<u>8,898</u>	<u>8,809</u>

The monthly average number of employees during the year was as follows:

	2002 No.	2001 No.
Administrative staff	33	36
Manufacturing	195	199
Sales and distribution	77	79
	<u>305</u>	<u>314</u>

### 5. Directors' emoluments

	2002 £000	2001 £000
Emoluments	<u>934</u>	<u>829</u>

The amounts in respect of the highest paid director are as follows:

	2002 £000	2001 £000
Emoluments	<u>169</u>	<u>164</u>

Benefits are accruing under a defined benefits pension scheme and, at the year end the accrued pension amounted to £13 (2001 - £3).

### 6. Interest receivable

	2002 £000	2001 £000
Bank interest receivable	<u>12</u>	<u>18</u>

### 7. Interest payable

	2002 £000	2001 £000
Bank interest payable	265	592
Finance charges payable under finance leases	4	5
Interest on other loans	515	119
	<u>784</u>	<u>716</u>

## Notes to the financial statements

at 30 November 2002

### 8. Tax

(a) Tax on loss on ordinary activities

The tax (credit)/charge is made up as follows:

	2002 £000	2001 £000
<i>Current tax:</i>		
UK corporation tax	(820)	—
Tax (over)/under provided in previous years	(407)	—
Total current tax (note 8(b))	<u>(1,227)</u>	<u>—</u>

*Deferred tax:*

Origination and reversal of timing differences	(184)	307
Tax on loss on ordinary activities	<u>(1,411)</u>	<u>307</u>

(b) Factors affecting current tax charge

The differences are reconciled below:

	2002 £000	2001 £000
Loss on ordinary activities before taxation	<u>(3,254)</u>	<u>(870)</u>
Profit/(loss) on ordinary activities at UK rate of tax	(976)	(242)
Expenses not deductible for tax purposes	17	15
Decrease in pension provision	(29)	—
Adjustment relating to prior years' group relief surrendered	(407)	—
Depreciation in excess of capital allowances	36	5
Group relief surrendered for nil payment	—	222
Current year tax losses carried forward not recognised	132	—
Total current tax (note 8(a))	<u>(1,227)</u>	<u>—</u>

(c) Deferred tax

	2002 £000	2001 £000
Capital allowances in advance of depreciation	(311)	(486)
Tax losses available	164	179
Other timing differences	24	—
Provision for deferred taxation	<u>(123)</u>	<u>(307)</u>

	£000
At 1 December 2001	(307)
Profit and Loss Account movement arising during the year	184
At 30 November 2002	<u>(123)</u>

## Notes to the financial statements

at 30 November 2002

### 8. Tax (continued)

It is the group's policy to pay for tax losses surrendered to mitigate the profits and chargeable gains of group members for compensation equal to the value of the tax benefit. Charges in respect of 2001 losses were made in 2002.

### 9. Tangible fixed assets

	<i>Land and Buildings</i>		<i>Plant &amp;</i>	<i>Motor</i>	<i>Tooling &amp;</i>	
	<i>Freehold</i>	<i>Leasehold</i>	<i>Machinery</i>	<i>Vehicles</i>	<i>Patterns</i>	<i>Total</i>
	<i>Property</i>	<i>Property</i>	<i></i>	<i></i>	<i></i>	<i></i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:						
At 1 Dec 2001	4,162	367	6,440	175	719	11,863
Additions	–	–	313	–	87	400
Disposals	(107)	–	(84)	(106)	(163)	(460)
At 30 Nov 2002	<u>4,055</u>	<u>367</u>	<u>6,669</u>	<u>69</u>	<u>643</u>	<u>11,803</u>
Depreciation:						
At 1 Dec 2001	967	180	4,894	100	429	6,570
Provided during the year	81	26	629	32	109	877
Disposals	–	–	(37)	(84)	(105)	(226)
At 30 Nov 2002	<u>1,048</u>	<u>206</u>	<u>5,486</u>	<u>48</u>	<u>433</u>	<u>7,221</u>
Net book value:						
At 30 Nov 2002	<u>3,007</u>	<u>161</u>	<u>1,183</u>	<u>21</u>	<u>210</u>	<u>4,582</u>
At 1 Dec 2001	<u>3,195</u>	<u>187</u>	<u>1,546</u>	<u>75</u>	<u>290</u>	<u>5,293</u>

The net book value of assets above includes an amount of £55,000 (2001 - £78,000) in respect of assets held under finance leases.

### 10. Investments

*Unlisted  
investments  
£000*

Cost:

At 1 December 2001 & 30 November 2002

15

## Notes to the financial statements

at 30 November 2002

### 10. Investments (continued)

Details of the investment in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of Company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>
Sterling Fluid Systems Middle East LLC	Ordinary shares	49%
Incorporated in Abu Dhabi, UAE		

### 11. Stocks

	<i>2002 £000</i>	<i>2001 £000</i>
Raw materials	2,815	4,204
Work in progress	762	1,667
Finished goods	83	1,244
	<u>3,660</u>	<u>7,115</u>

### 12. Debtors

	<i>2002 £000</i>	<i>2001 £000</i>
Trade debtors	9,409	10,464
Amounts owed by group undertakings	4,114	3,909
Amounts owed by companies in which the company has a participating interest	1,296	—
Other debtors	57	41
Prepayments and accrued income	275	193
	<u>15,151</u>	<u>14,607</u>

### 13. Creditors: amounts falling due within one year

	<i>2002 £000</i>	<i>2001 £000</i>
Bank loans and overdrafts	3,072	2,199
Obligations under finance leases (note 15)	23	23
Trade creditors	6,533	7,589
Amounts owed to group undertakings	4,842	6,029
Other taxation and social security	201	448
Accruals and deferred income	1,072	1,471
	<u>15,743</u>	<u>17,759</u>



## Notes to the financial statements

at 30 November 2002

### 14. Creditors: amounts falling due after more than one year

	2002 £000	2001 £000
Obligations under finance leases (note 15)	32	59
Amounts owed to group undertakings	8,380	8,380
	<u>8,412</u>	<u>8,439</u>

As a result of the sale of Sterling Fluid Systems Limited to a company controlled by the ultimate shareholder, TBG Holdings NV, the £8,380,000 loan payable to a group undertaking will be written off subsequent to the year end.

### 15. Obligations under finance leases

The maturity of these amounts is as follows:

	2002 £000	2001 £000
Amounts payable:		
Within one year	23	23
In one to two years	32	59
	<u>55</u>	<u>82</u>

### 16. Provisions for liabilities and charges

	2002 £000
<i>Provision for onerous contract:</i>	
Movement for year	<u>450</u>

This provision, for an onerous contract in respect of lease obligations, is expected to be released evenly over the next 2 years.

### 17. Commitments under operating leases

At 30 November 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	2002		2001	
	<i>Land and buildings</i> £000	<i>Other</i> £000	<i>Land and buildings</i> £000	<i>Other</i> £000
Operating leases which expire:				
Within one year	30	50	—	163
In two to five years	77	310	144	291
In over five years	556	—	532	—
	<u>663</u>	<u>360</u>	<u>676</u>	<u>454</u>

### 18. Contingent liability

Performance bonds and guarantees remain outstanding at 30 November 2002. These arose in the normal course of business and amount to £1,205,000 (2001: £718,000).

## Notes to the financial statements

at 30 November 2002

### 19. Share capital

	<i>Authorised</i>	
	<i>2002</i>	<i>2001</i>
	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	30	30

	<i>Allotted, called up and fully paid</i>	
	<i>2002</i>	<i>2001</i>
	<i>No.</i>	<i>No.</i>
	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	30,000	30,000

### 20. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total share-</i>
	<i>£000</i>	<i>account</i>	<i>holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 December 2000	30	1,689	1,719
Loss for the year	—	(1,177)	(1,177)
At 30 November 2001	30	512	542
Loss for the year	—	(1,843)	(1,843)
At 30 November 2002	30	(1,331)	(1,301)

### 21. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £- (2001 - £21,000).

### 22. Pension commitments

#### (a) Pensions SSAP 24 disclosures

The Company participates in the Sterling Fluid Systems Limited defined benefit pension scheme. Pension costs are assessed on the advice of an independent qualified actuary. Actuarial valuations are prepared at least triennially, using the attained age method.

The latest valuation of the SFS scheme was carried out at 6 April 2000. The main assumption is that the investment return of 7% would exceed salary escalation by 2% per annum and price inflation by 4% per annum.

The contribution rate of the company was increased from 10.3% to 13% with effect from 1 June 2001. The employee contribution rate was increased from 5% to 6% per annum with effect from 1 June 2002.

The actuarial review at 6 April 2000 indicated that the market value of the assets of £23,000,000 was sufficient to cover 118% of accrued benefits to members after allowing for expected future increases in earnings. The resulting surplus is not recognised in the balance sheet as it is spread over a number of Sterling companies. The element of the asset relating solely to Sterling Fluid Systems Limited would not have a material impact on the results and therefore not recognised in the statutory accounts.

## Notes to the financial statements

at 30 November 2002

### FRS17 disclosures

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation as at 30 November 2002 and updated by Entegria Limited to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 30 November 2002 and 30 November 2001. Scheme assets are stated at their market value at the respective balance sheet dates.

	2002 %	2001 %
Main assumptions:		
Rate of increase in salaries	4.0	4.0
Rate of increase in pensions in payment	2.5	2.5
Discount rate	5.5	5.5
Inflation assumption	2.5	2.5

The assets and liabilities of the scheme and the expected rate of return at 30 November are:

	Long-term rate of return expected %	2002 Value £000	Long-term rate of return expected %	2001 Value £000
Equities	7.5	13,430	7.5	14,800
Bonds	5.5	2,100	5.5	2,800
Properties	6.0	740	6.0	800
Others	—	3,720	—	3,800
Total market value of assets		19,990		22,200
Present value of scheme liabilities		(26,486)		(26,300)
Pension liability before deferred tax		(6,496)		(4,100)
Related deferred tax asset		1,949		1,230
Net pension liability		(4,547)		(2,870)

An analysis of the defined benefit cost for the year ended 30 November 2002 is as follows:

	£000
Current service cost	(1,200)
Total operating charge	(1,200)
Other finance costs: Expected return on pension scheme assets	1,560
Other finance costs: Interest on pension scheme liabilities	(1,447)
Total other finance income	113
Actual return less expected return on pension scheme assets	(4,128)
Experience losses arising on scheme liabilities	1,919
Actuarial loss recognised in the statement of total recognised gains and losses	(2,209)

## Notes to the financial statements

at 30 November 2002

### 22. Pension commitments (continued)

Analysis of movements in deficit during the year

	£000
At 1 December 2001	(4,100)
Total operating charge	(1,200)
Total other finance income	113
Actuarial loss recognised in the statement of total recognised gains and losses	(2,209)
Contributions	900
At 30 November 2002	<u>(6,496)</u>

History of experience gains and losses:

	2002
Difference between expected return and actual return on pension scheme assets	
- amount (£000)	(4,128)
- % of scheme assets	(20.7)
Experience gain arising on scheme liabilities	
- amount (£000)	1,919
- % of the present value of scheme liabilities	7.2
Total actuarial loss recognised in the statement of total recognised gains and losses	
- amount (£000)	(2,209)
- % of the present value of scheme liabilities	(8.3)

### 23. Ultimate parent company

The immediate parent undertaking for which group financial statements are prepared is Sterling Fluid Systems BV which is a subsidiary undertaking of TBG Holdings NV, the ultimate parent. Sterling Fluid Systems BV is incorporated in the Netherlands. A copy of the financial statements of the parent can be obtained from Bavinckstaete. Prof. Baincklaan, 1183 AT, Amstelveen, Netherlands.

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Sterling group.