

The Hymatic Engineering Company Limited

Directors' report and financial
statements

Registered number 331969
2 March 2002



A04
COMPANIES HOUSE

AUCG0251

0079
27/05/02

Contents

| | |
|--|---|
| Advisors | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities | 4 |
| Report of the independent auditors to the members of The Hymatic Engineering Company Limited | 5 |
| Profit and loss account | 6 |
| Balance sheet | 7 |
| Reconciliation of movements in shareholders' funds | 8 |
| Notes | 9 |

Advisors

Auditors

KPMG
2 Cornwall Street
Birmingham
B3 2DL

Bankers

Lloyds TSB
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Registered Office

Burnt Meadow Road
North Moons Moat
Redditch
Worcestershire
B98 9HJ

Directors' report

The directors present their annual report and the audited financial statements for the year ended 2 March 2002.

Principal activities and business review

The company's principal activities are the design, manufacture and overhaul of components and systems for the aerospace, defence, industrial and telecommunications markets worldwide.

On 10 September 2001 under a group restructuring, the ownership of the company was transferred from The Hymatic Group Limited to Hymatic Aerospace Limited.

Results for the year

The company's results for the year are set out in the profit and loss account on page 6. A dividend of £4,063,000 was paid during the year (*year ended 3 March 2001: £6,000,000*). The directors do not recommend payment of a final dividend.

The retained profit for the year of £710,000 has been transferred to reserves (*year ended 3 March 2001: loss of £791,000*).

Directors and directors' interests

The directors who served during the year were:

A J Jan-Janin
R E Twine
R J Thwaites
W J Weaver (resigned 1 April 2001)
C J M Hearn (appointed 2 January 2002)

None of the directors had any interest in the share capital of the company at the end of the year. Directors' interests in the share capital of The Hymatic Group Limited, the ultimate parent company at the year end are disclosed in that company's financial statements.

No director had any material interest in any contract or arrangement subsisting with the company during the year.

Employee involvement

The directors have for many years encouraged the development of employee involvement in the company by providing information in various formats. This process has been encouraged by management working with employees in ways to suit their own needs which include the establishment of personal development plans, notice board announcements, management briefings, meetings with elected committees of employees and the support of social activities and functions.

Disabled persons

It is the policy of the company to endeavour to provide employment for disabled persons, including those who become disabled while in the company's employment. Commensurate with their skills, such disabled persons receive equal opportunity for training, career development and promotion.

Research and development

Research and development programmes have continued throughout the year in the many fields of advanced technology suited to the company's particular market and product needs.

Payments to suppliers

The company agrees terms and conditions for its business transactions with suppliers. Payment is generally made on those terms subject to the terms and conditions being met by the supplier.

By order of the board



C J M Hearn
Secretary

Burnt Meadow Road
North Moons Moat
Redditch
Worcestershire
B98 9HJ
16 May 2002

Statement of 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 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



2 Cornwall Street
Birmingham
B3 2DL

Report of the independent auditors to the members of The Hymatic Engineering Company Limited

We have audited the financial statements on pages 6 to 20.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 2 March 2002 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

16 May 2002

Profit and loss account
for the year ended 2 March 2002

| | Note | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|---|------|---------------------------------------|---------------------------------------|
| Turnover - continuing activities | 2 | 20,258 | 24,416 |
| Cost of sales | | (12,652) | (15,009) |
| Gross profit | | 7,606 | 9,407 |
| Distribution costs | | (799) | (987) |
| Administrative expenses | | (1,457) | (1,425) |
| Operating profit - continuing activities | 3 | 5,350 | 6,995 |
| Net interest receivable | 4 | 90 | 93 |
| Profit on ordinary activities before taxation | | 5,440 | 7,088 |
| Tax on profit on ordinary activities | 7 | (667) | (1,879) |
| Profit on ordinary activities after taxation and profit for the financial year | | 4,773 | 5,209 |
| Dividends paid | 8 | (4,063) | (6,000) |
| Retained profit/(loss) for the financial year | | 710 | (791) |

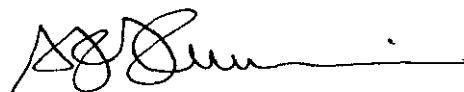
The company had no gains or losses in the current or preceding financial year other than those recognised in the profit and loss account.

There is no difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

Balance sheet
at 2 March 2002

| | <i>Note</i> | At 2 March 2002 | At 3 March 2001 |
|--|-------------|---------------------------------|---------------------------------|
| | | £000 | £000 |
| Fixed assets | | | |
| Tangible assets | 9 | 1,015 | 1,201 |
| Current assets | | | |
| Stocks | 11 | 2,761 | 2,289 |
| Debtors - amounts due within one year | 12 | 10,398 | 7,872 |
| - amounts due after one year | 12 | 51 | 51 |
| Cash at bank and in hand | | 3,575 | 1,954 |
| | | <hr/> | <hr/> |
| Creditors: amounts falling due within one year | 13 | 16,785 (8,229) | 12,166 (4,268) |
| | | <hr/> | <hr/> |
| Net current assets | | 8,556 | 7,898 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 9,571 | 9,099 |
| Creditors: amounts falling due after more than one year | 14 | (2,540) | (2,540) |
| Provisions for liabilities and charges | 15 | (616) | (854) |
| | | <hr/> | <hr/> |
| Net assets | | 6,415 | 5,705 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 17 | 283 | 283 |
| Share premium account | 18 | 132 | 132 |
| Profit and loss account | 18 | 6,000 | 5,290 |
| | | <hr/> | <hr/> |
| Equity shareholders' funds | 18 | 6,415 | 5,705 |
| | | <hr/> | <hr/> |

These financial statements were approved by the board of directors on 16 May 2002 and were signed on its behalf by:



A J Jan-Janin
Director



C J M Hearn
Director

Reconciliation of movements in shareholders' funds
for the year ended 2 March 2002

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Profit for the financial year | 4,773 | 5,209 |
| Dividends | (4,063) | (6,000) |
| Net movement in shareholders' funds | 710 | (791) |
| Shareholders' funds at start of year | 5,705 | 6,496 |
| Shareholders' funds at end of year | 6,415 | 5,705 |

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

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

The company is exempt from the requirement of Financial Reporting Standard No. 1 (Revised) to prepare a cash flow statement as 100% of the voting rights of the company's shares are ultimately controlled by The Hymatic Group Limited. The consolidated financial statements of The Hymatic Group Limited, which include the company, are publicly available.

The company is exempt from producing group financial statements under Section 228 of the Companies Act 1985 because it is a subsidiary of a larger parent undertaking, in whose consolidated financial statements the company is included.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost less estimated residual value of tangible fixed assets over their estimated useful lives using the following rates:

| | | |
|-----------------------|---|-----------|
| Plant and machinery | - | 10% - 33% |
| Fixtures and fittings | - | 20% |
| Motor vehicles | - | 25% |

Leasing

Rental costs arising under operating leases are charged to the profit and loss account on a straight line basis.

Research and development

Research and development expenditure not chargeable to customers is written off in the year in which it is incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. The cost of products manufactured by the company consists of direct material and labour costs, together with the relevant associated productions overheads.

Deferred taxation

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19, "Deferred Taxation".

Prior to adoption of FRS 19, deferred taxation was provided using the liability method on all timing differences, including those relating to pensions and other post-retirement benefits, to the extent that they were expected to reverse in the future without being replaced, calculated at the rate at which it was anticipated that the timing differences would reverse.

Notes (continued)

Turnover

Turnover represents the value of goods and services provided to customers during the year, excluding value added tax, and is attributable to the principal activity of the company.

Translation of foreign currencies

Transactions denominated in foreign currencies are recorded using the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date and any exchange differences are dealt with through the profit and loss account.

Pensions

The company participates in a defined benefit scheme and a stakeholder scheme operated by The Hymatic Group Limited. Contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' service lives within the group. The level of contributions for the defined benefit scheme is assessed on the advice of a qualified actuary and the scheme is subject to a formal valuation every three years. Contributions to the stakeholder scheme represent the amount charged to the profit and loss account during the period.

The company has adopted the transitional rules of FRS 17 "Retirement Benefits" in these financial statements.

2 Turnover

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Analysis of turnover by destination: | | |
| Europe: | | |
| United Kingdom | 12,672 | 15,499 |
| Other EU countries | 4,155 | 5,716 |
| Non-EU countries | 510 | 205 |
| Asia | 1,063 | 1,184 |
| America | 1,722 | 1,678 |
| Rest of World | 136 | 134 |
| | <hr/> | <hr/> |
| | 20,258 | 24,416 |
| | <hr/> | <hr/> |

Notes (continued)

3 Operating profit

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|--|---------------------------------------|---------------------------------------|
| <i>Operating profit is stated after charging</i> | | |
| Depreciation of tangible fixed assets | 372 | 446 |
| Auditors' remuneration - audit fees | 18 | 20 |
| - non-audit fees | - | 18 |
| Operating lease rentals - other | 127 | 133 |
| - land and buildings | 328 | 328 |
| Research and development | 1,034 | 1,136 |
| Loss on disposal of fixed assets | 2 | - |
| | <hr/> | <hr/> |

4 Net Interest receivable

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|---|---------------------------------------|---------------------------------------|
| Interest on bank deposits | 90 | 121 |
| Inland Revenue: interest on late paid tax | - | (28) |
| | <hr/> | <hr/> |
| | 90 | 93 |
| | <hr/> | <hr/> |

5 Directors' remuneration

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|-----------------------|---------------------------------------|---------------------------------------|
| Emoluments | 323 | 391 |
| Pension contributions | 32 | 34 |
| Benefits in kind | 51 | 42 |
| | <hr/> | <hr/> |
| | 406 | 467 |
| | <hr/> | <hr/> |

The remuneration of the highest paid director was as follows:

| | £000 | £000 |
|---|-------|-------|
| Emoluments | 114 | 135 |
| Contributions to defined benefit pension scheme | 12 | 11 |
| Benefits in kind | 19 | 13 |
| | <hr/> | <hr/> |
| | 145 | 159 |
| | <hr/> | <hr/> |

Notes (continued)

6 Staff costs

The average number of persons excluding directors employed by the company during the year was:

| | Number | Number |
|-------------------------------|---------------|---------------|
| Production and administration | 266 | 269 |

Costs incurred in respect of these employees were:

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|-----------------------|---|---|
| Wages and salaries | 5,263 | 5,631 |
| Social security costs | 499 | 559 |
| Other pension costs | 588 | 624 |
| | 6,350 | 6,814 |

During the year ended 2 March 2002, directors' costs have been borne by The Hymatic Group Limited.

7 Tax on profit on ordinary activities

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|--|---|---|
| Current tax: | | |
| UK corporation tax on profits for the year | 676 | 1,863 |
| Prior year adjustment | (9) | - |
| Deferred tax | - | 16 |
| | 667 | 1,879 |

Notes (continued)

Factors affecting the tax charge for the year:

The current tax charge for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Current tax reconciliation

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|--|---------------------------------------|---------------------------------------|
| Profit for the year before taxation | 5,440 | 7,088 |
| Current tax at 30% (2001: 30%) | 1,632 | 2,126 |
| Effects of: | | |
| Permanent disallowables | 5 | 5 |
| Expenses not deductible for tax purposes | 3 | 2 |
| Depreciation in excess of capital allowances | 18 | 27 |
| Adjustment to tax charge in respect of prior years | (9) | - |
| Group relief | (984) | (308) |
| Other | 2 | 11 |
| Total current tax charge | 667 | 1,863 |

8 Dividends

| | Year ended 2 March 2002 £000 | Year ended 3 March 2001 £000 |
|-----------------------------|---------------------------------------|---------------------------------------|
| Dividends on equity shares: | | |
| Paid | 4,063 | 6,000 |

Notes (continued)

9 Tangible fixed assets

| | Plant, machinery and tools £000 | Fixtures, fittings, tools and equipment £000 | Total £000 |
|-----------------------|--|---|-----------------------|
| Cost | | | |
| At 4 March 2001 | 8,735 | 2,053 | 10,788 |
| Additions | 165 | 35 | 200 |
| Disposals | (461) | (371) | (832) |
| | <hr/> | <hr/> | <hr/> |
| At 2 March 2002 | 8,439 | 1,717 | 10,156 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 4 March 2001 | 7,780 | 1,807 | 9,587 |
| Charge for the year | 275 | 97 | 372 |
| Disposals | (459) | (359) | (818) |
| | <hr/> | <hr/> | <hr/> |
| At 2 March 2002 | 7,596 | 1,545 | 9,141 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 2 March 2002 | 843 | 172 | 1,015 |
| | <hr/> | <hr/> | <hr/> |
| At 4 March 2001 | 955 | 246 | 1,201 |
| | <hr/> | <hr/> | <hr/> |

10 Investments

The company owns 100% of the share capital and voting rights of Hymatic Industrial Products Limited, a company registered in England and Wales which has not traded during the year. The cost of investment has been fully provided against.

11 Stocks

| | 2 March 2002 £000 | 3 March 2001 £000 |
|------------------|----------------------------------|----------------------------------|
| Raw materials | 1,270 | 1,208 |
| Work in progress | 1,216 | 894 |
| Finished goods | 275 | 187 |
| | <hr/> | <hr/> |
| | 2,761 | 2,289 |
| | <hr/> | <hr/> |

There is no significant difference between the replacement cost and the value of stocks shown.

Notes (continued)

12 Debtors

| | 2 March 2002 £000 | 3 March 2001 £000 |
|------------------------------------|----------------------------------|----------------------------------|
| Amounts due within one year: | | |
| Trade debtors | 3,892 | 5,133 |
| Amounts owed by group undertakings | 6,333 | 2,562 |
| Other debtors | 13 | 1 |
| Prepayments and accrued income | 160 | 176 |
| | <u>10,398</u> | <u>7,872</u> |
| Amounts due after one year: | | |
| Amounts owed by group undertaking | 51 | 51 |
| | <u>51</u> | <u>51</u> |
| Total debtors | <u>10,449</u> | <u>7,923</u> |

13 Creditors: amounts falling due within one year

| | 2 March 2002 £000 | 3 March 2001 £000 |
|------------------------------------|----------------------------------|----------------------------------|
| Payments received on account | 752 | 564 |
| Trade creditors | 2,118 | 1,569 |
| Amounts owed to group undertakings | 4,279 | 216 |
| Corporation tax | 642 | 1,223 |
| Other taxation and social security | 256 | 266 |
| Accruals and deferred income | 182 | 430 |
| | <u>8,229</u> | <u>4,268</u> |

14 Creditors: amounts falling due after more than one year

| | 2 March 2002 £000 | 3 March 2001 £000 |
|------------------------------------|----------------------------------|----------------------------------|
| Amounts owed to group undertakings | <u>2,540</u> | <u>2,540</u> |

Notes (continued)

15 Provisions for liabilities and charges

| | Deferred taxation £000 | Other £000 | Total £000 |
|--------------------------|---------------------------------------|-----------------------|-----------------------|
| At 4 March 2001 | 16 | 838 | 854 |
| Utilised during the year | - | (238) | (238) |
| | <hr/> | <hr/> | <hr/> |
| At 2 March 2002 | 16 | 600 | 616 |
| | <hr/> | <hr/> | <hr/> |

Other provisions represent liabilities incurred under contracts with customers.

16 Deferred taxation

Deferred taxation provision comprises:

| | 2 March 2002 £000 | 3 March 2001 £000 |
|-------------------------------------|----------------------------------|----------------------------------|
| Accelerated capital allowances | 18 | 34 |
| Other short term timing differences | (2) | (18) |
| | <hr/> | <hr/> |
| | 16 | 16 |
| | <hr/> | <hr/> |

There has been no movement on the profit and loss account in the year.

17 Share capital

| | 2 March 2002 £000 | 3 March 2001 £000 |
|-------------------------------------|----------------------------------|----------------------------------|
| Authorised: | | |
| 2,800 ordinary shares of £1 each | 3 | 3 |
| 280,000 deferred shares of £1 each | 280 | 280 |
| | <hr/> | <hr/> |
| | 283 | 283 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid: | | |
| 2,800 ordinary shares of £1 each | 3 | 3 |
| 280,000 deferred shares of £1 each | 280 | 280 |
| | <hr/> | <hr/> |
| | 283 | 283 |
| | <hr/> | <hr/> |

All of the ordinary and deferred shares are owned by Hymatic Aerospace Limited.

Notes (continued)

17 Share capital (continued)

The rights attached to the two types of shares are as follows:

Income

In the event of the audited profit before tax for the year being less than £2.5 million, any dividends declared must be to the holders of the ordinary shares. A dividend equivalent to 1% of the paid up amount may be paid to the holders of the deferred shares if the audited profit before tax is in excess of £2.5 million.

Capital

In the event of the company being wound up, the assets of the company should firstly be used to repay the amount paid up to the ordinary shareholders and then to repay the amount paid up to the holders of the deferred shares. The balance of any assets remaining should be shared equally between the holders of the ordinary shares.

Voting

The deferred shares carry no voting rights.

18 Reserves

| | Share capital £000 | Share premium £000 | Profit and loss account £000 | Total £000 |
|--|--------------------------|--------------------------|------------------------------------|---------------|
| At 4 March 2001 | 283 | 132 | 5,290 | 5,705 |
| Retained profit for the financial year | - | - | 710 | 710 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 2 March 2002 | 283 | 132 | 6,000 | 6,415 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

19 Contingent liabilities

At 2 March 2002, the company has provided indemnities totalling £547,440 to its bankers (3 March 2001: £682,723) in respect of advance payment guarantees and a warranty bond against contracts to supply goods.

Notes (continued)

20 Pensions

Statement of Standard Accounting Practice 24 (SSAP 24)

The group operates a defined benefit pension scheme and a stakeholder scheme in which the company participates. The group, and the employees who are members of the pension schemes either pay contributions into a trust fund which is held separately from the assets of the group, or to the stakeholder scheme provider.

The contributions for the defined benefit pension scheme are assessed in accordance with the advice of a professionally qualified actuary who is independent of the group. The most recent formal actuarial valuation was carried out as at 1 April 2001. The actuary recommended that the group pays contributions at the rate of 12.4% of total pensionable salaries. The funding review was based on the projected unit method and assumed future investment returns of 8.5% per annum and future pensionable salaries increases of 5% per annum. The market value of the scheme assets were at that date £15,815,101. The actuarial value of the scheme's assets represented 104.2% of accrued pension liabilities. The Minimum Funding Requirement ("MFR") introduced in the 1995 Pension Act, comparing market value of assets against the value of leaving service benefits for active and deferred members and for pensioners in payment showed a funding level of 129.9%.

The pension costs for the year amounted to £588,000 (*year ended 3 March 2001: £624,000*).

Financial Reporting Standard 17 (FRS 17)

Whilst the company continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 'Accounting for pension costs', under FRS 17 'Retirement benefits' the following transitional disclosures are required:

The valuation at 1 April 2001 has been updated by an independent qualified actuary on an FRS 17 basis as at 2 March 2002.

The major assumptions of this valuation were:

| | |
|---|--------------|
| Rate of increase in salaries | 3.5% |
| Rate of increase in pensions in payment | 3.0% - 3.25% |
| Discount rate | 5.5% |
| Inflation assumption | 2.5% |

The assumption used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The fair value of the scheme's assets which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

Notes (continued)

20 Pensions(continued)

Schemes Assets and Liabilities:

| | 2 March 2002 |
|-------------------------------------|---------------------|
| | £000 |
| Equities | 10,481 |
| Gilts | 5,187 |
| Other | 219 |
| | <hr/> |
| Market value of assets | 15,887 |
| Present value of scheme liabilities | (17,467) |
| | <hr/> |
| Deficit in the scheme | (1,580) |
| Related deferred tax asset | 474 |
| | <hr/> |
| Net pension liability | (1,106) |
| | <hr/> |

The amount of this net pension liability would have a consequential effect on reserves.

21 Capital commitments

Capital expenditure authorised by the directors at the year end but not provided for in the accounts was:

| | 2 March 2002 £000 | 3 March 2001 £000 |
|---------------------------------|----------------------------------|----------------------------------|
| Contracted for but not provided | 132 | 38 |
| | <hr/> | <hr/> |

22 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

| | 2 March 2002 | | 3 March 2001 | |
|--------------------------------|--|-----------------------|--|-----------------------|
| | Land and buildings £000 | Other £000 | Land and buildings £000 | Other £000 |
| Operating leases which expire: | | | | |
| Within one year | - | 7 | - | 9 |
| Between one and five years | - | 100 | - | 91 |
| Over five years | 328 | - | 328 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 328 | 107 | 328 | 100 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Notes *(continued)*

23 Related party transactions

The company has taken advantage of the exemption conferred by FRS 8(3) and transactions with other group companies are not disclosed.

24 Ultimate holding company

The company's ultimate parent company and ultimate controlling party is The Hymatic Group Limited, a company incorporated in England and Wales

The results of the company are included within the consolidated financial statements of The Hymatic Group Limited.

Copies of the group financial statements of The Hymatic Group Limited are available from The Company Secretary.

The Hymatic Group Limited
Burnt Meadow Road
North Moons Moat
Redditch
Worcestershire
B98 9HJ