

Fawcett Christie Hydraulics Limited
Annual report
for the year ended 31 December 2000

Registered Number 1114923



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for the year ended 31 December 2000
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Fawcett Christie Hydraulics Limited

Directors' report for the year ended 31 December 2000

The directors present their report and audited financial statements of the company for the year ended 31 December 2000.

Principal activities

Fawcett Christie Hydraulics Limited is principally engaged in the design and manufacture of hydraulic bladder accumulators and other hydraulic products for industrial customers.

Review of the business and future developments

The directors report that the results for the year and the prospects for the future are satisfactory.

Results and dividends

The company's profit and loss account is set out on page 4. A dividend of £600,000 was paid during the year (1999: £500,000).

Directors

The directors who held office during the year were as follows:

R Wilson (Appointed 3 April 2000)
R Baena
G J Miller
D Jones
M Taylor

Directors' interests

Mr R Wilson, Mr R Baena and Mr M Taylor are directors of the ultimate parent undertaking and their interest in the share capital and share options of that undertaking is shown in its directors' report. The disclosed interests of the other directors in the share capital of Expamet International PLC at the end of the year are set out below:

	Ordinary shares	
	2000	1999
G J Miller	1,742	1,242
D Jones	1,552	1,880

	Options over Ordinary shares			
	2000	Granted	Exercised	1999
G J Miller	8,800	-	-	8,800
D Jones	22,002	-	-	22,002

Fawcett Christie Hydraulics Limited

European monetary union

The company operates extensively with Euro zone countries and, where necessary, the companies computer systems have been modified to meet these new trading requirements. As the company uses, primarily, standard software packages, the costs of these changes has not been material.

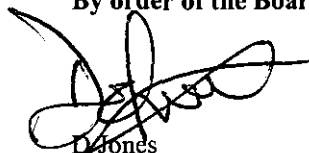
Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 period.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 6 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

By order of the Board



D. Jones
Director

25 July 2001

Fawcett Christie Hydraulics Limited

Auditors' report to the members of Fawcett Christie Hydraulics Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

25 July 2001

Fawcett Christie Hydraulics Limited

Profit and loss account for the year ended 31 December 2000

	Note	2000 £'000	1999 £'000
Turnover	1	6,483	6,570
Cost of sales		(4,693)	(4,653)
Gross profit		1,790	1,917
Distribution costs		(163)	(161)
Administrative expenses		(1,140)	(1,102)
Profit on ordinary activities before taxation	2	487	654
Tax on profit on ordinary activities	5	(182)	(185)
Profit for the financial year		305	469
Dividend paid	6	(600)	(500)
Retained loss for the financial year	13	(295)	(31)

All results refer entirely to continuing operations.

The company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains or losses has been presented.

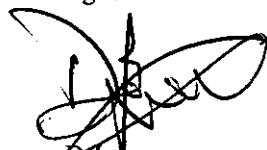
There are no differences between the profit on ordinary activities before taxation and retained loss for the year stated above and their historical cost equivalents.

Fawcett Christie Hydraulics Limited

Balance sheet as at 31 December 2000

	Note	2000 £'000	2000 £'000	1999 £'000	1999 £'000
Fixed assets					
Tangible assets	7		532		524
Current assets					
Stock	8	1,128		1,011	
Debtors	9	1,497		1,445	
Cash at bank and in hand		292		656	
		2,917		3,112	
Creditors: amounts falling due within one year	10	(1,261)		(1,411)	
Net current assets			1,656		1,701
Total assets less current liabilities			2,188		2,225
Creditors : amounts falling due after more than one year	11		(1,824)		(1,566)
Net assets			364		659
Capital and reserves					
Called up equity share capital	12		50		50
Profit and loss account	13		314		609
Equity shareholders' funds	14		364		659

The financial statements on pages 4 to 12 were approved by the board of directors on 25 July 2001 and were signed on its behalf by:


D Jones
Director

Fawcett Christie Hydraulics Limited

Accounting policies

Basis of preparation of the financial statements

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

Turnover

Turnover represents the amounts invoiced by the company, excluding value added tax, for goods supplied to customers.

Depreciation

Tangible fixed assets are written down to residual value over their estimated useful lives as follows:

Plant and machinery	10% per annum (straight line basis)
Fixtures and equipment	10% per annum (straight line basis)
Computer equipment and personal computers	20% - 33 1/3 % per annum (straight line basis)

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes an appropriate proportion of production overheads.

Deferred taxation

Provision is made for deferred taxation on the liability method on all timing differences to the extent that a liability is expected to arise in the foreseeable future.

Pension costs

The expected cost of pensions in respect of the Expanet International PLC defined benefit pension scheme is charged so as to spread the cost of pensions over the average expected service lives of employees in the scheme.

Operating leases

Operating lease rentals are charged to the profit and loss account as they fall due.

Foreign currency translation

Transactions in foreign currencies during the year are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities expressed in foreign currency are translated into sterling at rates ruling at the year end translation differences are dealt with in the profit and loss account for those assets and liabilities covered by forward currency contracts where the contracted rate is used.

Fawcett Christie Hydraulics Limited

Notes to the financial statements for the year ended 31 December 2000

1 Turnover

The geographical analysis of turnover is as follows:

	2000	1999
	£'000	£'000
United Kingdom	5,281	5,408
Europe	610	533
Rest of the World	592	629
	6,483	6,570

2 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	2000	1999
	£'000	£'000
Depreciation	110	138
Operating lease charges		
- plant and machinery	81	99
- other	175	175
Auditors' remuneration		
- audit services	7	7
- non-audit services	3	3

Fawcett Christie Hydraulics Limited

3 Staff costs

	2000 £'000	1999 £'000
Staff costs:		
Wages and salaries	1,026	1,035
Social security costs	78	79

The average number employed by the company during the year was as follows:	2000 £'000	1999 £'000
Production staff	24	25
Sales and distribution	12	11
Administration	14	14
	50	50

4 Directors' emoluments

Aggregate emoluments were £122,718 (1999: £173,000).

The number of directors to whom retirement benefits are accruing under the Expamet Group defined benefit scheme is 2 (1999: 3). The number of directors exercising Expamet International PLC share options in the year was Nil (1999: Nil).

5 Tax on profit on ordinary activities

Tax on profit on ordinary activities comprises:	2000 £'000	1999 £'000
UK corporation tax at 30% (1999: 30.25%)	144	196
Under/(over) provision in the prior year	38	(11)
	182	185

No provision for deferred tax is required in accordance with the accounting policies on page 6. The potential deferred tax liability exists and is not recognised in the accounts. The (liability)/asset comprises:

	2000 £'000	1999 £'000
Accelerated Capital allowances	(3)	10
Short term timing differences	2	2
	(1)	12

Fawcett Christie Hydraulics Limited

6 Dividend

	2000	1999
	£'000	£'000
Dividend paid on ordinary shares	600	500

7 Tangible assets

	Plant and machinery £'000	Office fixtures and equipment £'000	Total £'000
Cost			
At 1 January 2000	727	741	1,468
Additions	72	46	118
At 31 December 2000	799	787	1,586
Accumulated depreciation			
At 1 January 2000	338	606	944
Charge for the year	61	49	110
At 31 December 2000	399	655	1,054
Net book amount			
At 31 December 2000	400	132	532
At 31 December 1999	389	135	524

8 Stocks

	2000	1999
	£'000	£'000
Raw materials and consumables	905	747
Finished goods and goods for resale	223	264
	1,128	1,011

Fawcett Christie Hydraulics Limited

9 Debtors

	2000	1999
	£'000	£'000
Trade debtors	1,265	1,194
Amounts owed by group undertakings	180	166
Other debtors	2	3
Prepayments and accrued income	50	82
	1,497	1,445

10 Creditors – amounts falling due within one year

	2000	1999
	£'000	£'000
Trade creditors	550	700
Amounts owed to group undertakings	167	149
Other creditors	45	57
Corporation tax	145	196
Other taxation and social security	177	169
Accruals and deferred income	177	140
	1,261	1,411

11 Creditors – amounts falling due after more than one year

	2000	1999
	£'000	£'000
Amounts owed to group undertakings	1,824	1,566

12 Called up equity share capital

	2000	1999
	£'000	£'000
Authorised, allotted and fully paid		
50,000 Ordinary shares of £1 each	50	50

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13 Profit and loss account

	2000	1999
	£'000	£'000
At 1 January	609	640
Retained loss for the financial year	(295)	(31)
At 31 December	314	609

14 Reconciliation of movements in equity shareholders' funds

	2000	1999
	£'000	£'000
Profit for the year	305	469
Dividend	(600)	(500)
Reduction in shareholders' funds	(295)	(31)
Shareholders' funds as at 1 January	659	690
Shareholders' funds as at 31 December	364	659

15 Operating lease commitments

At 31 December 2000 the company had annual non-cancellable operating leases expiring as follows:

	2000		1999	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	-	10	-	24
Within two to five years	-	64	-	29
After more than five years	175	-	175	-
	175	74	175	53

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16 Pension commitments

The majority of company employees are members of the Examet Group defined benefit pension scheme which is available to all eligible UK employees. The scheme is financed through separate trustee-administered funds.

The pension costs relating to the scheme are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. Information on the results of the latest actuarial valuation is contained in the financial statements of Examet International PLC.

17 Capital commitments

The company had capital commitments of £Nil at the year end (1999: £Nil).

18 Contingent liabilities

The bank has automatic set-off right between balances held by the company and other UK Examet group companies.

19 Post balance sheet events

Subsequent to the year end an offer was received for the purchase of the entire share capital of Examet International PLC, the ultimate parent undertaking, by Clifton House Acquisition Limited.

On 30 April 2001, having received acceptance from over 90% of shareholders the offer went unconditional and Clifton House Acquisition Limited commenced the purchase of the remainder of the shares under the provisions of section 429 of the Companies Act.

20 Ultimate parent undertaking

At the year end, the ultimate parent undertaking, and ultimate controlling party, was Examet International PLC, which is registered in England. Copies of the above group accounts can be obtained from Clifton House, 83/89 Uxbridge Road, Ealing, London W5 5TA. Following the purchase of the entire share capital post year end, the ultimate parent undertaking is Clifton House Acquisition Limited.

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "Related party disclosures", as the consolidated accounts of Examet International PLC, in which the company is included, are available at the address noted above.

The company is also exempt under the terms of Financial Reporting Standard 1 (Revised 1996) from preparing a cash flow statement.