

PRECISION VALVE UK LIMITED
(REGISTERED NUMBER: 1691504)

Directors' Report and Financial Statements
for the period ended 3 June 2007

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Precision Valve UK Limited

Directors' report – period ended 3 June 2007

The directors present their annual report and the audited financial statements for the period ended 3 June 2007

Business review and principle activities

Precision Valve UK Limited is a subsidiary of a global corporation and supplies aerosol valves and components to meet the requirements of the supply chain. The results of the company show a net loss of £103,000 (2006 loss £371,000), an improvement of 72 % over the prior period. The company remains confident that this trend will continue in the future through continued business development.

Future Outlook

The market is stable but will continue to be competitive for the foreseeable future. The company will continue to succeed by improving efficiencies, remaining flexible to meet the requirements set by the customers' supply chain and through close working relationships with our customers to develop new products.

Principle risks and uncertainties

From the perspective of the company, the principle risks facing the business are the loss of key customers, credit risk on sales and the impact of interest rates on financing.

Results and dividends

The audited financial statements for the period ended 3 June 2007 are set out on pages 4 to 16. No dividends have been paid or proposed.

Directors and directors' interests

The directors of the company who served during the period were as follows,

Mr J C Pizzurro	
Mr J P Abplanalp	Chairman
Mr P Coutand	

Interest in contracts

A family trust created on the death of Mr R H Abplanalp is the recipient of 25% of all royalties paid by Precision Valve UK Limited to Precision Valve Corporation. During the period royalties paid to Precision Valve Corporation totalled £ 723,346 (2006 £703,645). Directors' interests in the shares of the holding company, Precision Valve Corporation, are disclosed in the accounts of that company.

Political and charitable contributions

The company made no political contributions during the period. Donations to UK charities amounted to £nil (2006 £nil).

Employment of disabled people

It is the company's policy to offer equal opportunity to disabled people applying for vacancies having regard to their aptitudes and abilities in relation to the jobs for which they apply.

As far as possible arrangements are made to continue the employment of those employees who have become disabled during the course of their employment with the company. In all instances consideration will be given to arranging appropriate training facilities or providing special aids where necessary. It is the company's policy to provide disabled people with the same opportunities for training, career development and promotion that are available to all employees within the limitation of their aptitude and abilities.

Employment relations and training

Employees are informed of developments in the company's business activities through formal and informal meetings.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted

Precision Valve UK Limited

Directors' report – period ended 3 June 2007

Statement of directors' responsibilities in respect of the Annual Report and the financial statements (cont'd)
Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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

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 UK 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

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

Disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and that all the appropriate steps have been taken to make themselves aware of any relevant audit information (that is, relevant to the preparation of the auditors' report) and to establish that the company's auditors are aware of that information

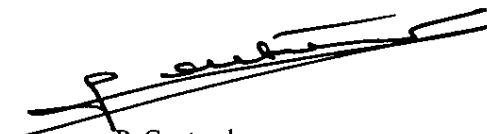
Auditors

In accordance with Section 386 (1) of the Companies Act 1985, the company has passed a resolution dispensing with the obligation to appoint auditors annually. The company's auditors, PricewaterhouseCoopers LLP, are therefore deemed to be re-appointed

Annual General Meeting

In accordance with Section 252 (1) of the Companies Act 1985, the company has passed a resolution electing to dispense with the obligation to lay accounts and reports before the company in a general meeting. In accordance with Section 366A (1) of the Companies Act 1985, the company has passed a resolution electing to dispense with the obligation to hold annual general meetings

By order of the board



P. Coutand
Director

Precision Valve UK Ltd
Bakewell Road
Orton Southgate
Peterborough
PE2 6XU

7 April 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRECISION VALVE UK LIMITED

We have audited the financial statements of Precision Valve UK Limited for the period ended 3 June 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 3 June 2007 and of its loss and cash flows for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
St Albans

14 May 2008

Precision Valve UK Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 3 JUNE 2007

	Note	53 weeks ended 3 June 2007 £'000	52 weeks ended 4 June 2006 £'000
Turnover	2	23,691	22,615
Cost of sales		<u>(20,824)</u>	<u>(19,813)</u>
Gross profit		2,867	2,802
Distribution costs		(897)	(1,998)
Administrative expenses		(1,988)	(1,214)
Other operating income		<u>153</u>	<u>125</u>
Operating profit / (loss)	3	135	(285)
Interest receivable and similar income	6	63	39
Interest payable and similar charges	7	<u>(306)</u>	<u>(292)</u>
Loss on ordinary activities before taxation		(108)	(538)
Tax credit on loss on ordinary activities	8	<u>5</u>	<u>167</u>
Loss for the financial period	17	(103)	(371)
(Loss) / profit brought forward		<u>(54)</u>	<u>317</u>
(Loss) / profit carried forward		<u>(157)</u>	<u>(54)</u>

The company has no recognised gains or losses other than the loss for the period

All of the company's turnover and operating profit relates to continuing operations

The notes on pages 7 to 16 form part of these financial statements

Precision Valve UK Limited

BALANCE SHEET AS AT 3 JUNE 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	9	10,903	10,533
Intangible assets	10	-	-
		<u>10,903</u>	<u>10,533</u>
Current assets			
Stock	11	2,630	1,651
Debtors	12	5,124	4,920
Cash at bank and in hand		75	1,149
		<u>7,829</u>	<u>7,720</u>
Creditors: amounts falling due within one year	13	<u>(8,654)</u>	<u>(6,164)</u>
Net current assets		<u>(825)</u>	<u>1,556</u>
Total assets less current liabilities		10,078	12,089
Creditors: amounts falling due after more than one year	14	(4,698)	(6,498)
Provision for liabilities and charges	15	<u>(317)</u>	<u>(425)</u>
Net assets		<u>5,063</u>	<u>5,166</u>
Capital and reserves			
Called up share capital	16	5,220	5,220
Profit and loss account		<u>(157)</u>	<u>(54)</u>
Total Shareholder's funds	17	<u>5,063</u>	<u>5,166</u>

The notes on pages 7 to 16 form part of these financial statements

These financial statements were approved by the board of directors on 7 April 2008 and were signed on its behalf by

P Coutand
Director



Precision Valve UK Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDED 3 JUNE 2007

	Note	2007 £'000	2006 £'000
Cash flow from operating activities	21	875	1,984
Returns on investments and servicing of finance	22	(243)	(193)
Taxation		-	-
Capital expenditure and financial investment	22	(1,500)	(6,615)
Cash flow before financing		(868)	(4,824)
Financing	22	(206)	1,800
Decrease in cash in period	23	<u>(1,074)</u>	<u>(3,024)</u>
Reconciliation of net cash flow to movements in net debt			
Decrease in cash in period	23	(1,074)	(3,024)
Cash flow from increase in debt and decrease in lease financing	22	<u>206</u>	<u>(1,800)</u>
Movement in net debt in period		(868)	(4,824)
Net debt at beginning of period	23	<u>(6,091)</u>	<u>(1,267)</u>
Net debt at end of period	23	<u>(6,959)</u>	<u>(6,091)</u>

The notes on pages 7 to 16 form a part of these financial statements

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007

1 STATEMENT OF 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 under the historical cost convention

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Plant and machinery	-	10% - 20%
Fixtures, fittings, tools and equipment	-	10% - 33%
Short leasehold	-	7% - 20%
Freehold Property	-	5%

No depreciation is provided on freehold land

Amortisation is provided by the company to write off the cost of intangible fixed assets by equal instalments over their estimated useful economic lives as follows

Development costs	-	10%
Design fees	-	3-20 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

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 lease purchase agreement. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' with the rental charges being charged to the profit and loss account on a straight line basis over the life of the lease.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Research and development expenditure

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred with the exception of expenditure on the development of certain major new product projects where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over a period of three years or the contract period, if shorter, commencing in the year sales of the product are first made.

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

1 ACCOUNTING POLICIES (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the actual purchase price is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation has been recognised as a liability or asset if a transaction has occurred at the balance sheet date that gives rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is recognised to the extent that the transfer of economic benefits in the future is more likely than not. Deferred taxation is calculated at the rates which is estimated that tax will arise. Deferred tax assets and liabilities recognised have not been discounted.

2 TURNOVER

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period. All turnover relates to the sale of aerosol valves and actuators. The analysis of turnover by geographical area is as follows:

	2007 £'000	2006 £'000
United Kingdom	17,154	17,198
Europe	5,030	3,193
Africa	455	552
North America	659	1,428
South America	206	56
Far East	39	52
Australia	148	104
Asia	-	32
	<u>23,691</u>	<u>22,615</u>

3 OPERATING PROFIT / (LOSS)

	2007 £'000	2006 £'000
Operating profit / (loss) is stated after charging		
Depreciation of tangible fixed assets		
Owned assets	963	930
Leased assets	185	126
Impairment of tangible fixed assets	-	88
Auditors' remuneration		
Audit	32	30
Other services	8	21
Rentals charged under operating leases		
Land and buildings	-	130
Others	41	91

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

4 DIRECTORS' REMUNERATION

	2007 £'000	2006 £'000
Aggregate directors remuneration		
Emoluments	-	27
Company contributions to money purchase schemes	-	5
Compensation for loss of office	-	85
	-	117
		2006
Number of directors who are Members of money purchase pension schemes	-	1

Director's emoluments are borne by the parent companies Valve Precision France and Precision Valve Corporation

5 STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows

	Number of employees	
	2007	2006
Management	10	9
Administration	17	15
Production and sales	164	156
	191	180

The aggregate payroll costs of these persons were as follows:

	2007 £'000	2006 £'000
Wages and salaries	4,484	4,430
Social security costs	389	390
Other pension costs	147	183
	5,020	5,003

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £'000	2006 £'000
Exchange Gain	45	-
Bank interest	18	39
	63	39

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £'000	2006 £'000
On bank loans and overdrafts	149	103
Finance charges on lease purchases	31	42
Amounts due to other group companies	126	87
Exchange loss	-	60
	<u>306</u>	<u>292</u>

8 TAXATION

(a) Analysis of credit in period

	2007 £'000	2006 £'000
Current tax:		
UK corporation tax at 30% (2006 30%) on the loss for the period on ordinary activities	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	15	(167)
Total deferred tax	(5)	(167)
Tax on loss on ordinary activities	<u>(5)</u>	<u>(167)</u>

(b) Factors affecting tax charge for period

	2007 £'000	2006 £'000
Loss on ordinary activities before tax	(108)	(538)
Loss on ordinary activities multiplied by standard rate in the UK 30% (2006 30%)	(33)	(161)
Effects of		
Expenses not deductible for tax purposes	28	7
Accelerated capital allowances/other timing differences	5	154
Current tax charge for the period	<u>-</u>	<u>-</u>

On 21 March 2007 it was announced that the corporation tax rate will reduce from 30% to 28% with effect from 1 April 2008. The legislation to enact this change was not in place at the balance sheet date and so this change is not recognised for deferred tax purposes. The impact of the change to the calculation of the deferred tax asset is not considered material.

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

9 TANGIBLE FIXED ASSETS

	Land and Buildings	Plant and Machinery	Fixtures, fittings, tools and equipment	Assets in the course of construction	Totals
	£'000	£'000	£'000	£'000	£'000
Cost					
At 4 June 2006	5,323	13,938	880	2,879	23,020
Additions	-	2,950	18	(628)	2,340
Disposals	-	(271)	-	(790)	(1,061)
At 3 June 2007	5,323	16,617	898	1,461	24,299
Depreciation					
At 4 June 2006	245	11,410	843	-	12,498
Charge for period	210	926	12	-	1,148
Disposals	-	(250)	-	-	(250)
At 3 June 2007	455	12,086	855	-	13,396
Net book value					
At 3 June 2007	4,868	4,531	43	1,461	10,903
At 4 June 2006	5,078	2,534	37	2,884	10,533

Plant and machinery includes plant held under lease purchase agreements with a net book value of £268,442 (2006 £454,217) on which depreciation was charged amounting to £185,775 (2006 £202,654)

10 INTANGIBLE FIXED ASSETS

	Development Costs	Design fees	Total
	£'000	£'000	£'000
Cost			
At 4 June 2006 and as at 3 June 2007	21	13	34
Amortisation			
At 4 June 2006 and as at 3 June 2007	21	13	34
Net book value			
At 4 June 2006 and as at 3 June 2007	-	-	-

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

11 STOCK

	2007	2006
	£'000	£'000
Raw materials and consumables	887	714
Work in Progress	978	620
Finished goods and goods for resale	765	317
	<u>2,630</u>	<u>1,651</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts

12 DEBTORS

	2007	2006
	£'000	£'000
Trade debtors	2,906	2,995
Amounts receivable from group undertakings	1,847	1,607
Other debtors	41	15
Prepayments and accrued income	330	303
	<u>5,124</u>	<u>4,920</u>

13 CREDITORS: amounts falling due within one year

	2007	2006
	£'000	£'000
Bank loans and overdrafts	1,407	502
Trade creditors	1,466	1,759
Amounts due to holding company and group undertakings	3,026	2,078
Taxation and social security	118	110
VAT payable	181	458
Other creditors	793	-
Accruals and deferred income	1,527	981
Lease purchase obligations	136	276
	<u>8,654</u>	<u>6,164</u>

Obligations under finance leases are secured upon the assets to which they relate

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

14 CREDITORS: amounts falling due after more than one year

	2007 £'000	2006 £'000
Lease purchase obligations	3	101
Other loans	1,711	3,382
Amounts due to parent undertaking	2,984	3,015
	<u>4,698</u>	<u>6,498</u>

Other loans consist of

- A mortgage on the land and buildings from Lloyds TSB The interest rate payable upon the mortgage is 1% above Bank of England Base rate

Obligations under finance leases are secured upon the assets to which they relate

The maturity of obligations under finance leases and hire purchase contracts is as follows

	2007 £'000	2006 £'000
Within one year	149	309
In more than one year, but not more than five years	4	112
After five years	0	0
Total gross payments	<u>153</u>	<u>421</u>
Less finance charges included above	<u>(14)</u>	<u>(44)</u>
	<u>139</u>	<u>377</u>

15 PROVISIONS FOR LIABILITIES AND CHARGES

	2007 £'000	2006 £'000
Deferred taxation	317	322
Provision for product modifications	-	103
	<u>317</u>	<u>425</u>

Provision for product modification

	£'000
As at 4 June 2006	103
Charged to profit and loss account	(103)
Utilised during the year	-
As at 3 June 2007	<u>-</u>

The provision for product modification was released as the liability no longer existed after minimal re-work and acceptance of the product by the market

Deferred taxation

	2007 £'000	2006 £'000
Accelerated capital allowances	797	634
Other timing differences	(480)	(312)
	<u>317</u>	<u>322</u>
Provision at start of period	322	489
Deferred tax (credit) / charge in profit and loss account for the period	(5)	(167)
Provision at end of period	<u>317</u>	<u>322</u>

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

16 CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised, allotted, called up and fully paid		
Equity		
5,220,000 Ordinary shares of £1 each	5,220	5,220

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £'000	2006 £'000
Loss for the financial period	(103)	(371)
Net reduction in shareholders' funds	(103)	(371)
Opening shareholders' funds	5,166	5,537
Closing shareholders' funds	5,063	5,166

18 COMMITMENTS

- (a) Capital commitments at 3 June 2007, for which no provision has been made in the accounts, were as follows

	2007 £'000	2006 £'000
Contracted	88	949

- (b) At 3 June 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007		2006	
	Land and buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Operating leases which expire:				
Within one year	-	19	-	21
In the second to fifth years inclusive	-	15	-	20
Over five years	-	-	-	15
	-	34	-	56

19 PENSION SCHEME

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £146,694 (2006 £183,800). Contributions due to the pension scheme and included within creditors at the period end totalled £24,447 (2006 £21,420).

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

20 ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Precision Valve Corporation which is incorporated in the United States of America. Precision Valve Corporation's registered address is 700 Nepperhan Avenue, Yonkers, New York 10702.

The company's shares are held as follows

	2007 £'000	2006 £'000
Ordinary shares of £1 each		
Deutsche Prazisions Ventil GMBH	1,000	1,000
Precision Valve Corporation	1,865	1,865
Valve Precision France S A	2,355	2,355
	<u>5,220</u>	<u>5,220</u>

21 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £'000	2006 £'000
Operating profit / (loss)	135	(285)
Depreciation and impairment charges	1,148	1,144
(Increase)/decrease in stocks	(979)	394
(Increase)/decrease in debtors	(204)	(420)
Increase/(decrease) in creditors	759	1,009
(Gain) / Loss of disposal of fixed assets	(29)	202
Other non cash changes	45	(60)
Net cash inflow from operating activities	<u>875</u>	<u>1,984</u>

22 ANALYSIS OF CASH FLOWS

	2007 £'000	2006 £'000
Returns on investment and servicing of finance		
Interest received	20	39
Interest paid	(232)	(190)
Interest element of lease purchase rental payments	(31)	(42)
Net cash outflow from returns on investments and servicing of finance	<u>(243)</u>	<u>(193)</u>
Capital expenditure and financial investment		
Receipts from sales of fixed assets	840	2
Purchase of tangible fixed assets	(2,340)	(6,617)
Net cash outflow from capital expenditure and financial investment	<u>(1,500)</u>	<u>(6,615)</u>
Financing		
Capital element of lease purchase payments	(238)	(170)
Debt due within a year	32	1,970
Increase in borrowings	<u>(206)</u>	<u>1,800</u>

Precision Valve UK Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 June 2007 (continued)

23 ANALYSIS OF CHANGES IN NET DEBT

	At 4 June 2006	Cash Flows	Non cash Changes	At 3 June 2007
	£'000	£'000	£'000	£'000
Cash in hand, at bank	1,149	(1,074)	-	75
Overdraft	(368)	(905)	-	(1,273)
	781	(1,979)	-	(1,198)
Debt due within 1 year:				
Finance leases	(276)	140	-	(136)
Loan with Third Party	-	-	(793)	(793)
Bank Loans	(134)	-	-	(134)
Debt due after 1 year:				
Finance leases	(101)	98	-	(3)
Long term loans	(6,361)	873	793	(4,695)
Total	(6,091)	(868)	-	(6,959)

24 RELATED PARTY TRANSACTIONS

As stated in the Directors' report, a family trust created on the death of Mr R H Abplanalp is the recipient of 25% of all royalties paid by Precision Valve UK Limited to Precision Valve Corporation. During the period, royalties paid to Precision Valve Corporation totalled £723,346(2006 £703,645), the amount owed to that company at the period end was £97,086 (2006 £180,716)

The company has taken advantage of the exemption in FRS8 from disclosing related party transactions (but not balances) with group companies