

Registration number 1863010

MICRON HYDRAULICS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003



MICRON HYDRAULICS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 19

MICRON HYDRAULICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and the financial statements for the year ended 31st December 2003.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is the maintenance and distribution of hydraulic pumps and motors.

As part of a scheme of reorganisation and demerger, on 28th February 2003 the company distributed its interest in Micron Precision Engineering Services Limited to its holding undertaking, Aboutturn Limited, at a value of £212,000. The company issued 1,100 new ordinary shares at a premium amounting to £121,962.

Also, as part of a scheme of reorganisation, on 29th May 2003 the company acquired Mightyhand Limited (another group company) for a consideration of £970,000. On 18th July 2003, the company disposed of its interest in Mightyhand Limited to its new holding company, Micron Hydraulics Holdings Limited for a consideration of £970,000.

RESULTS AND DIVIDENDS

The results for the year are set out on page 4.

The directors have paid an interim dividend in specie amounting to £212,000 which relates to the transfer of Micron Precision Engineering Services Limited to Aboutturn Limited. They do not recommend the payment of a final dividend.

POST BALANCE SHEET EVENTS

After the year end the company purchased the business assets of another engineering company for consideration of £57,000

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/12/03	01/01/03
		or date of
		appointment
Michael John Plowman (Resigned 3rd December 2003)	-	-
David Allen Cooper	-	-
Anthony Dennis Holmes	-	-
Wendy Janet Plowman (Appointed 3rd December 2003)	-	-
Eric Hornby (Appointed 1st September 2004)	-	-

The directors' interests in the shares of the holding company, Micron Hydraulics Holdings Limited are disclosed in the accounts of that company.

MICRON HYDRAULICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Clough & Company LLP be reappointed as auditors of the company will be put to the annual general meeting.

This report was approved by the Board on 27th October 2004
and signed on its behalf by

David Allen Cooper
SECRETARY



**INDEPENDENT AUDITORS' REPORT TO MICRON HYDRAULICS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 19 together with the financial statements of Micron Hydraulics Limited for the year ended 31st December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31st December 2003, and the abbreviated accounts on pages 4 to 19 are properly prepared in accordance with that provision.



**Clough & Company LLP
Chartered Accountants and
Registered Auditors**

27th October 2004

**Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB**

MICRON HYDRAULICS LIMITED

Registration number 1863010

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
GROSS PROFIT		1,200,130	1,132,970
Distribution costs		(160,780)	(148,765)
Administrative expenses		(830,201)	(734,230)
OPERATING PROFIT	2	209,149	249,975
Investment income	3	211,999	-
Other interest receivable and similar income	5	5,187	1,778
Amount written off investments	4	-	(8,906)
Interest payable and similar charges	6	(9,671)	(2,772)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		416,664	240,075
Tax on profit on ordinary activities	9	(75,578)	(98,554)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		341,086	141,521
Dividends	10	(212,000)	(70,000)
RETAINED PROFIT FOR THE YEAR		129,086	71,521
Retained profit brought forward		1,324,069	1,252,548
RETAINED PROFIT CARRIED FORWARD		1,453,155	1,324,069

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 19 form an integral part of these financial statements.

MICRON HYDRAULICS LIMITED

Registration number 1863010

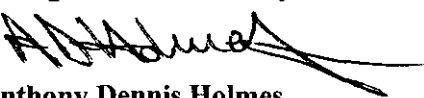
ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	11	166,937	146,250
Investments	12	27,194	27,195
		<u>194,131</u>	<u>173,445</u>
CURRENT ASSETS			
Stocks	13	607,015	490,832
Debtors	14	1,715,143	1,360,858
Cash at bank and in hand		184,153	208,820
		<u>2,506,311</u>	<u>2,060,510</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(1,066,352)</u>	<u>(852,013)</u>
NET CURRENT ASSETS		<u>1,439,959</u>	<u>1,208,497</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,634,090</u>	<u>1,381,942</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
	16	<u>(10,000)</u>	<u>(10,000)</u>
NET ASSETS		<u>1,624,090</u>	<u>1,371,942</u>
CAPITAL AND RESERVES			
Called up share capital	17	20,218	19,118
Share premium account	18	150,717	28,755
Profit and loss account	18	1,453,155	1,324,069
SHAREHOLDERS' FUNDS	19	<u>1,624,090</u>	<u>1,371,942</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 27th October 2004 and signed on its behalf by


Anthony Dennis Holmes
DIRECTOR

The notes on pages 7 to 19 form an integral part of these financial statements.

MICRON HYDRAULICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES			
Operating profit		209,149	249,975
Depreciation		66,256	59,120
(Increase) in stocks		(116,183)	(243,487)
(Increase) in debtors		(354,285)	(146,767)
(Decrease) / increase in creditors		(55,623)	343,436
Increase in provisions		-	10,000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		<u>(250,686)</u>	<u>272,277</u>

CASH FLOW STATEMENT

Net cash outflow from operating activities		(250,686)	272,277
Returns on investments and servicing of finance	25	(4,484)	(994)
Taxation	25	(82,577)	(48,112)
Capital expenditure	25	(86,943)	(89,145)
Acquisitions and disposals	25	212,000	-
		(212,690)	134,026
Equity dividends paid		(212,000)	(70,000)
		(424,690)	64,026
Financing	25	373,062	-
DECREASE IN CASH IN THE YEAR		<u>(51,628)</u>	<u>64,026</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 26)

DECREASE IN CASH IN THE YEAR	(51,628)	64,026
Cash inflow from decrease in debts and lease financing	(250,000)	-
Change in net debt resulting from cash flows	(301,628)	64,026
NET FUNDS AT 1ST JANUARY 2003	182,219	118,193
NET DEBT AT 31ST DECEMBER 2003	<u>(119,409)</u>	<u>182,219</u>

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

The accounting policies for dealing with items judged material or critical in stating the results for the year and the financial position of the company are:-

1.1. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention .

1.2. TURNOVER

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	20% straight line
Motor vehicles	-	25% reducing balance

1.4. INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

1.5. STOCK AND WORK IN PROGRESS

Stock and work in progress are valued at the lower of cost and net realisable value.

1.6. PENSIONS

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. DEFERRED TAXATION

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse. Deferred tax assets and liabilities are not discounted.

1.8. FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of each individual transaction. All differences are taken to the profit and loss account.

1.9. GROUP ACCOUNTS

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

MICRON HYDRAULICS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

..... continued

2. OPERATING PROFIT	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	53,370	49,957
Loss on disposal of tangible fixed assets	12,886	9,163
Loss on foreign currencies	5,746	2,663
Auditors' remuneration	9,800	9,500
Write off of loan to connected company	15,000	-
	<u> </u>	<u> </u>
3. INCOME FROM INVESTMENTS	2003	2002
	£	£
Profit on disposal of investments	211,999	-
	<u> </u>	<u> </u>
4. AMOUNTS WRITTEN OFF INVESTMENTS	2003	2002
	£	£
Amounts written off fixed asset investments:		
- permanent diminution in value	-	8,906
	<u> </u>	<u> </u>
5. INTEREST RECEIVABLE AND SIMILAR INCOME	2003	2002
	£	£
Bank interest	4,984	1,778
Other interest	203	-
	<u> </u>	<u> </u>
	5,187	1,778
	<u> </u>	<u> </u>
6. INTEREST PAYABLE AND SIMILAR CHARGES	2003	2002
	£	£
Interest payable on loans < 1 yr	9,659	39
On overdue tax	12	2,733
	<u> </u>	<u> </u>
	9,671	2,772
	<u> </u>	<u> </u>

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

7. EMPLOYEES

	2003	2002
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:	29	27
	<u>29</u>	<u>27</u>
Employment costs	2003	2002
	£	£
Wages and salaries	798,329	748,031
Compensation for loss of office	-	30,000
Social security costs	84,134	82,882
Other pension costs	19,022	12,597
	<u>-</u>	<u>-</u>

7.1. DIRECTORS' EMOLUMENTS

	2003	2002
	£	£
Remuneration and other emoluments	147,936	130,060
Pension contributions	9,260	10,498
Compensation for loss of office	-	30,000
	<u>157,196</u>	<u>170,558</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	3	3

8. PENSION COSTS

The company operates a defined contribution pension scheme in respect of the employees & directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £19,022 (2002 - £12,597).

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the period	2003 £	2002 £
Current tax		
UK corporation tax	77,000	84,000
Adjustments in respect of previous periods	(1,422)	14,554
	<u>75,578</u>	<u>98,554</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>416,664</u>	<u>240,075</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31st December 2002 : 30%)	124,999	72,023
Effects of:		
Expenses not deductible for tax purposes	(44,500)	14,938
Capital allowances for the period in excess of depreciation	(5,500)	(2,390)
Adjustments to tax charge in respect of previous periods	(1,422)	14,554
Marginal relief	(1,100)	-
Rounding of tax charge	3,101	1,415
Group relief	-	(1,986)
Current tax charge for the period	<u>75,578</u>	<u>98,554</u>

The rate of 30% has been used as the directors consider that will be the corporation tax rate applicable to the company

10. DIVIDENDS

	2003 £	2002 £
Dividends on equity shares:		
Ordinary shares - interim paid	<u>212,000</u>	<u>70,000</u>

The interim dividend represents the distribution of Micron Precision Engineering Services Limited to the holding company at that time, Aboutturn Limited.

MICRON HYDRAULICS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

..... continued

11. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1st January 2003	543,733	125,346	669,079
Additions	61,909	46,073	107,982
Disposals	(2,395)	(73,363)	(75,758)
At 31st December 2003	<u>603,247</u>	<u>98,056</u>	<u>701,303</u>
Depreciation			
At 1st January 2003	471,361	51,468	522,829
On disposals	(1,102)	(40,731)	(41,833)
Charge for the year	35,078	18,292	53,370
At 31st December 2003	<u>505,337</u>	<u>29,029</u>	<u>534,366</u>
Net book values			
At 31st December 2003	<u>97,910</u>	<u>69,027</u>	<u>166,937</u>
At 31st December 2002	<u>72,372</u>	<u>73,878</u>	<u>146,250</u>

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

12. FIXED ASSET INVESTMENTS

	Subsidiary undertakings shares £	Total £
Cost		
At 1st January 2003	36,101	36,101
Additions	970,000	970,000
Disposals	(970,001)	(970,001)
At 31st December 2003	<u>36,100</u>	<u>36,100</u>
Provisions for diminution in value:		
At 1st January 2003		
At 31st December 2003	<u>8,906</u>	<u>8,906</u>
Net book values		
At 31st December 2003	<u>27,194</u>	<u>27,194</u>
At 31st December 2002	<u>27,195</u>	<u>27,195</u>

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

12.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies as at 31st December 2003:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Micron International Limited	England and Wales	Dormant company	£1 ordinary	100%
Micron Hydraulic Components Limited	England and Wales	Dormant company	£1 ordinary	50%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
Micron International Limited	28,813	-
Micron Hydraulic Components Limited	31,185	-
	<u> </u>	<u> </u>

13. STOCKS

	2003	2002
	£	£
Raw materials and consumables	561,682	441,499
Work in progress	45,333	49,333
	<u>607,015</u>	<u>490,832</u>

14. DEBTORS

	2003	2002
	£	£
Trade debtors	541,078	782,511
Amounts owed by group undertakings	1,048,059	301,573
Other debtors	87,030	226,546
Prepayments and accrued income	38,976	50,228
	<u>1,715,143</u>	<u>1,360,858</u>

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2003 £	2002 £
Bank overdraft	53,563	26,601
Bank loan	250,000	-
Trade creditors	407,948	442,242
Amounts owed to group undertaking	187,796	193,154
Corporation tax	77,000	84,000
Other taxes and social security costs	48,665	84,625
Directors' accounts	5,003	-
Other creditors	4,564	4,234
Accruals and deferred income	31,813	17,157
	<u>1,066,352</u>	<u>852,013</u>

The bank loan and overdraft are secured by the property known as 25 Wharfedale Road, Euroway Trading Estate, Bradford which is owned by the holding company, Micron Hydraulics Holdings Limited and also by a fixed and floating charge over the assets of the company.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Other provisions £	Total £
At 1st January 2003	10,000	10,000
At 31st December 2003	<u>10,000</u>	<u>10,000</u>

The above provision relates to a warrenty given on two machines over a three year period for the maintenance and repair of the machines sold in 2002.

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

17. SHARE CAPITAL	2003 £	2002 £
Authorised		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
20,218 Ordinary shares of £1 each	<u>20,218</u>	<u>19,118</u>

During the year the company allotted 600 £1 ordinary shares for consideration of £67,450 and 500 £1 ordinary shares for consideration of £55,612.

18. EQUITY RESERVES	Share premium account £	Profit and loss account £	Total £
At 1st January 2003	28,755	1,324,069	1,352,824
Premium on issue of shares	121,962		121,962
Retained profit for the year		129,086	129,086
At 31st December 2003	<u>150,717</u>	<u>1,453,155</u>	<u>1,603,872</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003 £	2002 £
Profit for the year	341,086	141,521
Dividends	(212,000)	(70,000)
	<u>129,086</u>	<u>71,521</u>
Net proceeds of equity share issue	123,062	-
Net addition to shareholders' funds	252,148	71,521
Opening shareholders' funds	1,371,942	1,300,421
Closing shareholders' funds	<u>1,624,090</u>	<u>1,371,942</u>

20. CONTINGENT LIABILITIES

Micron Hydraulics Limited has given an unlimited cross guarantee in favour of its bankers guaranteeing the obligations and liabilities of Micron Hydraulics Holdings Limited. This amounted to £nil at the year end (2002: £nil).

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

21. TRANSACTIONS WITH DIRECTORS

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	2003	2002	in year
	£	£	£
Michael John Plowman	-	139,036	139,036
Anthony Dennis Holmes	4,750	-	4,750

22. RELATED PARTY TRANSACTIONS

Mr M J Plowman and Mr D A Cooper had interests in the transactions and balances with the following companies, by virtue of their shareholding and Mr A D Holmes by virtue of his directorship in the common holding company, Micron Hydraulics Holdings Limited.

Mr M.J Plowman had resigned as director from Micron Hydraulics Limited during the year and his wife, Mrs W J Plowman was appointed as director on the same day. Therefore the interest remains.

	2003	2002
	£	£
Amounts due from		
Mightyhand Limited	-	4,236
Goodquality Limited	9,060	9,060
Micron Hydraulics Holdings Limited	964,293	-
Micron Australia Pty	74,706	258,324
Amounts due to		
Mightyhand Limited	96,178	4,401
Micron International Limited	28,893	28,893
Micron Australia Pty	1,213	-
Micron Hydraulics Holdings Limited	30,327	-
Micron Hydraulic Components Limited	31,185	32,975
Aboutturn Limited	-	103,500

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

Sales to

Micron Australia Pty	40,333	5,184
----------------------	--------	-------

Purchases from

Micron Hydraulic Components Limited	-	19,262
Micron Australia Pty	1,213	-

Expenses recharged to

Micron Hydraulic Components Limited	-	10,632
Mightyhand Limited	13,150	1,217
Micron Hydraulics Holdings Limited	1,496	-

Rent payable to

Mightyhand Limited	25,833	60,000
Micron Hydraulics Holdings Limited	34,167	-

Management charges payable

Micron Hydraulic Components Limited	-	3,281
-------------------------------------	---	-------

Mr D A Cooper has also an interest in the following transactions and balances with Micron Precision Engineering Services Limited by virtue of his shareholding and directorship in the holding company.

	2003 £	2002 £
Amounts due from	-	29,953
Amounts due to	-	23,385
Purchases from	98,147	116,748
Expenses Recharged to	19,073	40,807
Management charges receivable from	30,488	34,126

The overdraft and the bank loan in Micron Hydraulics Limited are secured over a property which is owned by the holding company Micron Hydraulics Holdings Limited.

23. ULTIMATE PARENT UNDERTAKING

The ultimate holding company at the year end is Micron Hydraulics Holdings Limited, a company incorporated in England & Wales.

MICRON HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

..... continued

24. POST BALANCE SHEET EVENTS

After the year end the company purchased the business assets of another engineering company for consideration of £57,000

25. GROSS CASH FLOWS

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	5,187	1,778
Interest paid	(9,671)	(2,772)
	<u>(4,484)</u>	<u>(994)</u>
Taxation		
Corporation tax paid	<u>(82,577)</u>	<u>(48,112)</u>
Capital expenditure		
Payments to acquire tangible assets	(107,982)	(89,145)
Receipts from sales of tangible assets	21,039	-
	<u>(86,943)</u>	<u>(89,145)</u>
Acquisitions and disposals		
Receipts on disposal of group interests	1,182,000	-
Payments on acquisition of group interests	<u>(970,000)</u>	<u>-</u>
	<u>212,000</u>	<u>-</u>
Financing		
Issue of ordinary share capital	123,062	-
New short term bank loan	250,000	-
	<u>373,062</u>	<u>-</u>

MICRON HYDRAULICS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

..... continued

26. ANALYSIS OF CHANGES IN NET FUNDS

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	208,820	(24,667)	184,153
Overdrafts	(26,601)	(26,962)	(53,563)
	<u>182,219</u>	<u>(51,629)</u>	<u>130,590</u>
Debt due within one year	-	(250,000)	(250,000)
Net funds	<u>182,219</u>	<u>(301,629)</u>	<u>(119,410)</u>