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TRANS WORLD FILTRATION LIMITED
DIRECTORS REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2002

BEAUMONTS
CHARTERED ACCOUNTANTS



TRANS WORLD FILTRATION LIMITED

Directors

Mr. M.F. Bright
Mrs. P.K. Bright

Secretary

Mrs. P.K. Bright

Registered Office

P.O. Box 71, Sandbach, Cheshire.

Directors Report

The Directors present their Report and Financial Statements for the year ended 31st January 2002.

Principal Activities and Review of the Business

The company's principal activity is that of the Exporters of Industrial Filtration Textiles.

The company's Turnover declined within the year by 21% but the company maintained it's profitability via an increase in it's rate of Gross Profit, consequently an operating Profit of £88,576 can be reported which is an increase of 11% on the prior year Gross Profit of £80,069.

Future Developments

The directors intend to continue with the same Management policies and anticipate a satisfactory result for the succeeding year.

Results and Dividends

The profit for the year after taxation and Exceptional Item amounted to £48,698 (2001 - £63,589). The directors recommend that this amount be dealt with as follows:-

Dividends paid and Proposed	39,000
Transfer to Profit and Loss Account	9,698

	48,698
	=====

Fixed Assets

Details of movements in tangible fixed assets are set out in Note 7 to the financial statements.

Directors and Share Interests in the Company

The directors who served during the year and their interests in the company at the beginning and end of the year were as follows:-

	<u>£1 Ordinary Shares</u> <u>fully paid</u>	
	<u>2002</u>	<u>2001</u>
Mr. M.F. Bright	50	50
Mrs. P.K. Bright	50	50
	====	====

Auditors

The Company has taken advantage of the exemption conferred by Section 249 of the Companies Act 1985 not to appoint an auditor and a resolution to re-appoint as reporting accountants Messrs. Beaumonts, Chartered Accountants will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Mrs. P.K. Bright
Director and Secretary
13th August 2002

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF
TRANS WORLD FILTRATION LIMITED

We report on the financial statements for the year ended 31st January 2002 set out on pages 3 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described below the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit.

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 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper records which 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.

BASIS OF ENGAGEMENT AS REPORTING ACCOUNTANTS

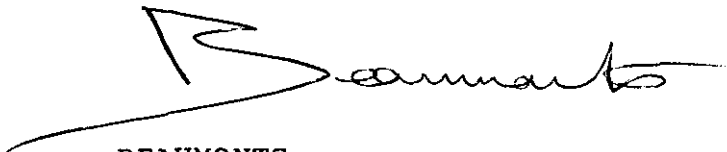
In order to assist you to fulfil your statutory responsibilities, you have instructed us to compile the annual accounts based on the accounting records maintained by the company and the information and explanations supplied to us.

We have a professional duty to compile accounts which conform with generally accepted accounting principles. We planned our work on the basis that no report is required by statute or regulation for the year. Our work as the compilers of the annual accounts is not an audit of the accounts in accordance with auditing standards. Consequently, our work does not provide assurance that the accounting records or accounts are free from material mis-statement, whether caused by fraud, other irregularities or error and accordingly, no such assurance or opinion is given by us, whether implied or expressed.

REPORT

We report that, in accordance with your instructions and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the accounts from the accounting records of the company and from information and explanations supplied to us.

Stoke-on-Trent.
13th August 2002


BEAUMONTS
Chartered Accountants
and Registered Auditor

TRANS WORLD FILTRATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JANUARY 2002

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> £
Turnover	2	774,207	978,337
Purchases		(631,021)	(837,114)
		-----	-----
Gross Profit		143,186	141,223
Administrative Expenses		(54,610)	(61,154)
		-----	-----
Operating Profit		88,576	80,069
Other Operating Income		3,573	1,847
		-----	-----
Profit on Ordinary Activities before Taxation	3	92,149	81,916
Taxation	4	(19,564)	(18,327)
		-----	-----
Profit after Taxation		72,585	63,589
Exceptional Item	5	(23,887)	-
		-----	-----
Profit for the Financial Year		48,698	63,589
Dividends Paid and Proposed	6	(39,000)	(42,000)
		-----	-----
Profit Retained for the Year		9,698	21,589
Retained Profit brought forward		67,312	45,723
		-----	-----
Retained Profit carried forward		77,010	67,312
		=====	=====

There were no further recognised gains or losses
for the financial period

The notes on pages 5 to 7 form an integral
part of these financial statements

TRANS WORLD FILTRATION LIMITED

BALANCE SHEET AS AT 31ST JANUARY 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	6	296,252	46,528
<u>CURRENT ASSETS</u>			
Debtors	7	112,167	173,799
Cash at Bank		164,234	135,187
		-----	-----
		276,401	308,986
<u>CREDITORS: Amounts falling due within one year</u>	8	264,419	288,102
		-----	-----
<u>NET CURRENT ASSETS</u>		11,982	20,884
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		308,234	67,412
<u>CREDITORS: Amounts falling due after more than one year</u>	10	(231,124)	-
		-----	-----
<u>NET ASSETS</u>		77,110	67,412
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	11	100	100
Profit and Loss Account		77,010	67,312
		-----	-----
<u>SHAREHOLDERS FUNDS</u>	13	77,110	67,412
		=====	=====

The notes on pages 5 to 7 form an integral part
of these financial statements

The directors are satisfied that the company was entitled to exemption under Subsection (1) of Section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to Section 249B(2).

The directors acknowledge their responsibilities for:

- i ensuring that the company keeps accounting records which comply with Section 221; and
- ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements on pages 3 to 7 were approved by the Board of Directors on 13th August 2002 and signed on its behalf by:-

..... *M. J. Bright* M. Bright)
) Directors
)
 *P. K. Bright* Mrs. P.K. Bright)

TRANS WORLD FILTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST JANUARY 2002

1. ACCOUNTING POLICIES

(a) Accounting Convention

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

(b) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation was provided on depreciable tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset on a reducing balance basis per annum over its expected useful life as follows:-

Freehold Investments Properties	- Nil
Motor Vehicles	- 20% and 15%
Fixtures, Fittings & Equipment	- 5%

(c) Deferred Taxation

Provision is made for deferred taxation using the liability method to take account of the timing differences between the incidence of Income and Expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise in the foreseeable future.

(d) Foreign Currency Transactions

Transactions carried out in foreign currency are included within the Profit and Loss Account and Balance sheet at the appropriate financial Year End rate. Gains or deficits on foreign currency translation are written off to Cost of Sales within the Profit and Loss Account.

2. TURNOVER

Turnover derives from the company's principal activity and represents amounts receivable for goods and services provided net of discounts and value added tax.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging:

	<u>2002</u>	<u>2001</u>
	£	£
Directors Emoluments(including benefits)	14,000	14,000
Depreciation - Owned Fixed Assets	5,734	8,547
Accountants Remuneration	1,500	1,520
	=====	=====

TRANS WORLD FILTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST JANUARY 2002

<u>Staff Numbers and Costs</u>	<u>2002</u>	<u>2001</u>
The average weekly number of persons (including directors) employed by the company during the year was:	<u>No.</u> 3	<u>No.</u> 3

The aggregate payroll costs of these persons were as follows:-

	<u>2001</u> £	<u>2000</u> £
Wages, Salaries and Bonuses	15,693	16,423
Social Security costs	1,092	1,211
	-----	-----
	16,785	17,634
	=====	=====

4. TAXATION

Corporation tax chargeable at 20% (2001 - 20%) on the profit adjusted for tax purposes for the year.	19,500	17,500
Under Provided prior year	64	827
	-----	-----
	19,564	18,327
	=====	=====

5. EXCEPTIONAL ITEM

Deficit on disposal of Licencehold Property	23,887	-
	=====	=====

6. DIVIDENDS

Ordinary:

Final Dividends Proposed @ £390 per share paid 10/4/2002 (2001 - £420 per share paid 10/4/2001)	39,000	42,000
	=====	=====

7. TANGIBLE FIXED ASSETS

	<u>Freehold Investment Properties</u>	<u>Expenditure Licencehold Property</u>	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>Totals</u>
	£	£	£	£	£
<u>COST</u>					
31 Jan 2001	-	27,887	43,500	15,451	86,838
Additions	279,053	-	-	292	279,345
Disposals	-	(27,887)	-	-	(27,887)
	-----	-----	-----	-----	-----
31 Jan 2002	279,053	-	43,500	15,743	338,296
	-----	-----	-----	-----	-----
<u>DEPRECIATION</u>					
31 Jan 2001	-	4,000	27,745	8,565	40,310
Charge	-	-	3,939	1,795	5,734
On disposal	-	(4,000)	-	-	(4,000)
	-----	-----	-----	-----	-----
31 Jan 2002	-	-	31,684	10,360	42,044
	-----	-----	-----	-----	-----
<u>NET BOOK VALUE</u>					
31 Jan 2002	279,053	-	11,816	5,383	296,252
	=====	=====	=====	=====	=====
31 Jan 2001	-	23,887	15,755	6,886	46,528
	=====	=====	=====	=====	=====

TRANS WORLD FILTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST JANUARY 2002

	<u>2002</u> £	<u>2001</u> £
8. <u>DEBTORS</u>		
Amounts falling due within one year:-		
Trade Debtors	107,142	167,330
Prepayments	5,025	6,469
	-----	-----
	112,167	173,799
	=====	=====
9. <u>CREDITORS</u>		
Amounts falling due within one year:-		
Trade Creditors	171,170	238,490
Aggregate Amounts Due to Directors (including proposed dividend)	70,000	26,214
Corporation Tax	19,500	17,500
Other Taxes and Social Security	2,249	4,453
Accruals	1,500	1,445
	-----	-----
	264,419	288,102
	=====	=====
10. <u>CREDITORS</u>		
Amounts falling due after more than one year:-		
Due to Directors	231,124	-
	=====	=====

Sum due to Directors is unsecured and falls due for repayment other than by instalment within 2-5 years.

11. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, Called up and fully paid</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	£	£	£	£
£1 Ordinary Shares	100	100	100	100
	===	===	===	===

12. FINANCIAL COMMITMENTS

(i) Capital Expenditure not dealt with in these financial statements authorised by the Board at 31st January 2002 amounted to Nil (2001 - Nil).

13. SHAREHOLDERS FUNDS

	<u>2002</u> £	<u>2001</u> £
Shareholders Funds at beginning of year	67,412	45,823
Profit for the Financial Year	48,698	63,589
	-----	-----
	116,110	109,412
Dividends due to Ordinary Shareholders	(39,000)	(42,000)
	-----	-----
<u>Shareholders Funds at End of Year</u>	77,110	67,412
	=====	=====