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TRANS WORLD FILTRATION LTD

DIRECTORS REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY 2003

BEAUMONTS

CHARTERED ACCOUNTANTS



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TRANS WORLD FILTRATION LTD

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 2003.

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 16% but rental income increased to £23,818 this year, consequently Profit on Ordinary Activities before taxation has only declined by 5% from £92,149 to £87,911.

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 amounted to £68,869 (2002 - £48,698). The directors recommend that this amount be dealt with as follows:-

	£
Dividends proposed	40,000
Transfer to Profit and Loss Account	28,869

	68,869
	=====

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:-

	£1 Ordinary Shares fully paid	
	<u>2003</u>	<u>2002</u>
Mr. M.F. Bright	50	50
Mrs. P.K. Bright	50	50
	====	====

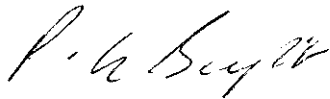
TRANS WORLD FILTRATION LIMITED

Directors Report – Continued

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 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

8th September 2003

**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 2003 set out on pages 4 to 8.

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.

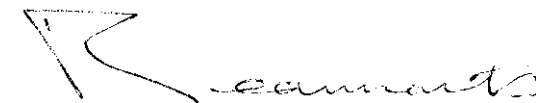
BASIS OF ENGAGEMENT AS REPORTING ACCOUNTANTS

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.



BEAUMONTS
Chartered Accountants

Stoke-on-Trent

8th September 2003

TRANS WORLD FILTRATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JANUARY 2003

	<u>Notes</u>	<u>2003</u>	<u>2002</u>
		£	£
Turnover	2	652,981	774,207
Purchases		(518,815)	(631,021)
		-----	-----
Gross Profit		134,166	143,186
Other Operating Income	3	27,317	7,890
		-----	-----
		161,483	151,076
Administrative Expenses		(73,572)	(58,927)
		-----	-----
Profit on Ordinary Activities before Taxation	4	87,911	92,149
Taxation	5	(19,042)	(19,564)
		-----	-----
Profit after Taxation		68,869	72,585
Exceptional Item	6	-	(23,887)
		-----	-----
Profit for the Financial Year		68,869	48,698
Proposed Dividends	7	(40,000)	(39,000)
		-----	-----
Profit retained for the year		28,869	9,698
Retained Profit brought forward		77,010	67,312
		-----	-----
<u>Retained Profit carried forward</u>		<u>105 ,879</u>	<u>77,010</u>
		=====	=====

There were no further recognised gains or losses other than the profit for the
Financial year disclosed above.

The notes on pages 6 to 8 form an integral part of these financial statements

TRANS WORLD FILTRATION LIMITED
BALANCE SHEET AS AT 31ST JANUARY 2003

	Notes	£	2003	£	2002	£
<u>FIXED ASSETS</u>						
Tangible Assets	8		286,749		296,252	
<u>CURRENT ASSETS</u>						
Debtors	9	81,312		112,167		
Cash at Bank		125,910		164,234		
		-----		-----		
		207,222		276,401		
<u>CREDITORS: Amounts falling due</u>						
Within one year	10	(269,501)		(264,419)		
		-----		-----		
<u>Net Current (Liabilities)/Assets</u>			(62,279)		11,982	
			-----		-----	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			224,470		308,234	
<u>CREDITORS: Amounts falling due after</u>						
More than one year	11	(118,491)		(231,124)		
		-----		-----		
<u>Net Assets</u>			105,979		77,110	
			=====		=====	
<u>CAPITAL AND RESERVES</u>						
Called Up Share Capital	12	100		100		
Profit and Loss Account		105,879		77,010		
		-----		-----		
Shareholders Funds	14	105,979		77,110		
		=====		=====		

The notes on pages 6 to 8 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 Subsection (2) of this Section.

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 4 to 8 were approved by the Board of Directors on 8th September 2003 and signed on its behalf by:-

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

TRANS WORLD FILTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST JANUARY 2003

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 and 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 crystallize 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. OTHER OPERATING INCOME

	<u>2003</u>	<u>2002</u>
	£	£
Bank Interest Received	3,499	3,573
Rent Receivable	23,818	4,317
	-----	-----
	<u>27,317</u>	<u>7,890</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Is stated after charging:

Directors Remuneration (including benefits)	12,300	14,000
Depreciation – Owned Fixed Assets	4,562	5,734
Reporting Accountants Remuneration	1,620	1,500
	=====	=====

Staff Numbers and Costs

The average weekly number of persons (including Directors)	<u>No.</u>	<u>No.</u>
Employed by the company during the year:-	<u>3</u>	<u>3</u>

TRANS WORLD FILTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST JANUARY 2003

	<u>2003</u>	<u>2002</u>
	£	£
The aggregate payroll costs of these persons were as follows:-		
Wages, Salaries and Bonuses	16,879	15,693
Social Security Costs	992	1,092
	-----	-----
	17,871	16,785
	=====	=====
 5. <u>TAXATION</u>		
Corporation Tax chargeable at 19% (2002 – 20%) on the profit adjusted for tax purposes for the year	18,500	19,500
Under Provided prior year	542	64
	-----	-----
	19,042	19,564
	=====	=====
 6. <u>EXCEPTIONAL ITEM</u>		
Deficit on disposal of Licencehold Property	-	23,887
	=====	=====
 7. <u>DIVIDENDS</u>		
Ordinary:		
Final Dividends Proposed @ £400 per share paid 10 th April 2003		
(2002 - £390 per share paid 10 th April 2002)	40,000	39,000
	=====	=====
 8. <u>TANGIBLE ASSETS</u>		

	Freehold Investment Properties	Motor Vehicle	Fixtures & Equipment	TOTAL
	-----	-----	-----	-----
	£	£	£	£
<u>COST</u>				
At 31 st Jan 2002	279,053	43,500	15,743	338,296
Additions	400	-	3,521	3,921
Disposals	-	(43,500)	-	(43,500)
	-----	-----	-----	-----
At 31 st Jan 2003	279,453	-	19,264	298,717
	-----	-----	-----	-----
<u>DEPRECIATION</u>				
At 31 st Jan 2002	-	31,684	10,360	42,044
Charge for year	-	2,954	1,608	4,562
On Disposal	-	(34,638)	-	(34,638)
	-----	-----	-----	-----
At 31 st Jan 2003	-	-	11,968	11,968
	=====	=====	=====	=====
<u>NET BOOK VALUE</u>				
At 31 st Jan 2003	279,453	-	7,296	286,749
	=====	=====	=====	=====
At 31 st Jan 2002	279,053	11,816	5,383	296,252
	=====	=====	=====	=====

TRANS WORLD FILTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST JANUARY 2003

9. <u>DEBTORS</u>	<u>2003</u>	<u>2002</u>
Amounts falling due within one year:-	£	£
Trade Debtors	76,565	107,142
Prepayments	4,747	5,025
	-----	-----
	<u>81,312</u>	<u>112,167</u>

10. <u>CREDITORS</u>		
Amounts falling due within one year:-		
Trade Creditors	144,096	171,170
Due to Directors	50,000	23,400
Corporation Tax	18,500	19,500
Other Taxes and Social Security	1,346	2,249
Accruals	7,559	1,500
Proposed Dividend	40,000	39,000
Bonuses Payable	8,000	7,600
	-----	-----
	<u>269,501</u>	<u>264,419</u>

11. <u>CREDITORS</u>		
Amounts falling due after more than one year:-		
Due to Directors	118,491	231,124
	-----	-----
Sum due to Directors is unsecured and falls due for repayment other than by installments within 2-5 years.		

12. <u>SHARE CAPITAL</u>				
	<u>Authorised</u>		<u>Allotted, Called Up and fully paid</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
	£	£	£	£
£1 Ordinary Shares	100	100	100	100
	=====	=====	=====	=====

13. <u>FINANCIAL COMMITMENTS</u>	
Capital Expenditure not dealt with in these financial statements authorised by the Board at 31 st January 2003 amounted to Nil (2002 – Nil)	

14. <u>SHAREHOLDERS FUNDS</u>	<u>2003</u>	<u>2002</u>
	£	£
Shareholders Funds at beginning of year	77,110	67,412
Profit for the financial year	68,869	48,698
	-----	-----
Dividend due to Ordinary Shareholders	145,979	116,110
	(40,000)	(39,000)
	-----	-----
Shareholders Funds at end of Year	<u>105,979</u>	<u>77,110</u>