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TRANS WORLD FILTRATION LIMITED
DIRECTORS REPORT
AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 13TH JANUARY 1998
TO 31ST JANUARY 1999

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 period from 13th January 1998 to 31st January 1999.

Incorporation

The company was incorporated on 13th January 1998 and at that date acquired the assets less liabilities of a business previously carried on as a partnership by the Directors being Trans World Filtration.

Principal Activities and Review of the Business

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

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 period after taxation amounted to £62,157. The directors recommend that this amount be dealt with as follows:-

Dividends paid and Proposed	54,000
Transfer to Profit and Loss Account	8,157

	62,157
	===

Fixed Assets

Details of movements in tangible fixed assets are set out in note 6 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>13.1.1998</u>	<u>31.1.1999</u>
Mr. M.F. Bright	50	50
Mrs. P.K. Bright	50	50
	====	====

Auditors

A resolution in accordance with Section 384 (1) Companies Act 1985 for the re-appointment of Messrs Beaumonts, Chartered Accountants as Auditors will be proposed at the forthcoming Annual General Meeting.

By Order of the Board


Mrs. P.K. Bright

Director and Secretary
29th October 1999

ACCOUNTANTS REPORT TO THE MEMBERS OF
TRANS WORLD FILTRATION LIMITED

We have audited the financial statements set out on pages 3 to 7 which have been prepared under the historical cost convention and accounting policies set out on page 5.

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.

AUDITORS RESPONSIBILITIES

It is our responsibility to form an Independent opinion based on our audit on the financial statements prepared by the directors and to Report our opinion to you.

BASIS OF OPINION

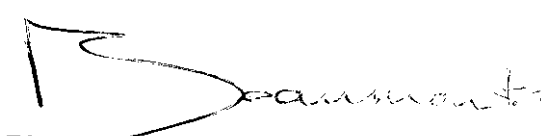
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 misstatements, 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 as at 31st January 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Stoke-on-Trent.
29th October 1999


BEAUMONTS
Chartered Accountants
and Registered Auditor

TRANS WORLD FILTRATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST JANUARY 1999

	<u>Notes</u>	<u>£</u>
Turnover	2	999,636
Purchases		(842,932) -----
Gross Profit		156,704
Administrative Expenses		(78,975) -----
Operating Profit		77,729
Other Operating Income		928 -----
Profit on Ordinary Activities before Taxation	3	78,657
Taxation	4	(16,500) -----
Profit for the Financial Period		62,157
Dividends Paid and Proposed	5	(54,000) -----
Profit Retained for the Period carried forward		8,157 =====

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 1999

	<u>Notes</u>	£	£
<u>FIXED ASSETS</u>			
Tangible Assets	6		61,277
<u>CURRENT ASSETS</u>			
Debtors	7	212,105	
Cash at Bank		58,073	

		270,178	
<u>CREDITORS: Amounts falling due within one year</u>	8	323,198	

<u>NET CURRENT LIABILITIES</u>			(53,020)

<u>NET ASSETS</u>			8,257
			=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	9		100
Profit and Loss Account			8,157

<u>SHAREHOLDERS FUNDS</u>	12		8,257
			=====

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

The financial statements on pages 3 to 7 were approved by the Board of Directors on 29th October 1999 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 PERIOD ENDED 31ST JANUARY 1999

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 all 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:-

Motor Vehicles	- 20% and 15%
Fixtures, Fittings & Equipment	- 5%

(c) Stock

Stocks are stated at the lower of cost and net realisable value.

(d) 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.

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:

	£
Directors Emoluments(including benefits)	22,800
Depreciation - Owned Fixed Assets	8,145
Auditors Remuneration	1,430
	=====

TRANS WORLD FILTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31ST JANUARY 1999

Staff Numbers and Costs

The average weekly number of persons (including directors) employed by the company during the year was:

No.
3

The aggregate payroll costs of these persons were as follows:

	£
Wages, Salaries and Bonuses	22,109
Social Security costs	1,281

	23,393
	=====

4. TAXATION

Corporation tax chargeable at 21% on the profit adjusted for tax purposes for the period.

16,500
=====

5. DIVIDENDS

Ordinary:

Interim paid on 2/1/1999 @ £288.00 per share 28,800

Final proposed - paid on 30/4/99 @ £252.00 per share 25,200

54,000
=====

6. TANGIBLE FIXED ASSETS

	Expenditure Licencehold Property	Motor Vehicles	Fixtures & Fittings	Totals
	£	£	£	£
<u>COST</u>				
13 January 1998	27,887	43,500	10,284	81,671
Additions	-	-	1,303	1,303
	-----	-----	-----	-----
31 January 1999	27,887	43,500	11,587	82,974
	-----	-----	-----	-----
<u>DEPRECIATION</u>				
13 January 1998	1,000	10,000	2,552	13,552
Charge	1,000	5,657	1,488	8,145
	-----	-----	-----	-----
31 January 1999	2,000	15,657	4,040	21,697
	-----	-----	-----	-----
<u>NET BOOK VALUE</u>				
31 January 1999	25,887	27,843	7,547	61,277
	=====	=====	=====	=====

TRANS WORLD FILTRATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31ST JANUARY 1999

£

7. DEBTORS

Amounts falling due within one year:-

Trade Debtors and Prepayments	212,105
	=====

8. CREDITORS

Amounts falling due within one year:-

Trade Creditors	258,594
Aggregate Amounts Due to Directors (inc. proposed dividend)	39,264
Corporation Tax	16,500
Other Taxes and Social Security	7,210
Accruals	1,630

	323,198
	=====

9. SHARE CAPITAL

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

10. FINANCIAL COMMITMENTS

- (i) The potential liability for which no provisions has been made in respect of tax deferred on account of accelerated capital allowances at 31st January 1999 amounts to £1,000.
- (ii) Capital Expenditure not dealt with in these financial statements authorised by the Board at 31st January 1999 amounted to Nil.

11. RELATED PARTY TRANSACTION

On 13th January 1998 the company acquired the whole of the business and assets of a partnership previously carried on by the Directors being Trans World Filtration.

12. SHAREHOLDERS FUNDS

Shares issued for cash	100
Profit for the Financial Period	62,157

	62,257
Dividends due to Ordinary Shareholders	(54,000)

<u>Shareholders Funds at End of Year</u>	8,157
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