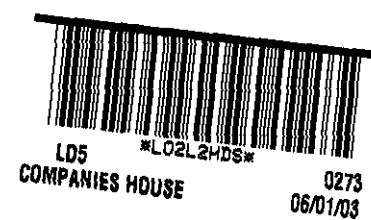


FEDERAL AIR FILTRATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2002
Company number 4173077



FEDERAL AIR FILTRATION LIMITED

31 MARCH 2002

CONTENTS

<u>Page</u>	
1	Report of the Director
2	Profit and Loss Account
3	Balance Sheet
4 to 6	Notes to the Accounts

FEDERAL AIR FILTRATION LIMITED

Report of the Directors

The director present his report and financial statements for the period ended 31 March 2002.

Review of the business

The company was incorporated on 6 March 2001 and acquired the trade of Federal, an unincorporated business, on 1 April 2001. The principal activity of the company during the period was the provision of services to the paint finishing industry. No change in activity is envisaged in the future.

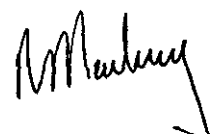
Directors and their interests

The directors of the company during the period and their beneficial interests in the shares of the company were as follows:-

	<u>31 March</u> <u>2002</u>	<u>Incorporation</u>
N Mackay	1	0

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the Board of directors on 2 January 2003 and signed on its behalf by:



N Mackay
Director

Registered Office
28 Thamesdale
London Colney
St Albans
Herts
AL2 1TB

FEDERAL AIR FILTRATION LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2002

	Note	Continuing Operations £
Turnover	1	90,348
Cost of sales		(59,500)
Gross profit		<hr/> 30,848
Administrative Expenses		(29,026)
Profit on ordinary activities before taxation		<hr/> 1,822
Taxation	3	0
Profit on ordinary activities after taxation		<hr/> 1,822
Dividends	4	(1,800)
		<hr/> <hr/> £22

The only recognised profit or loss for the period was the profit shown above.

The attached notes form part of these financial statements.

FEDERAL AIR FILTRATION LIMITED

BALANCE SHEET

31 MARCH 2002

	Note	£	£
<u>Fixed Assets</u>			
Tangible Assets	5		5,345
<u>Current Assets</u>			
Debtors	6	29,050	
Cash at bank and in hand		199	
		<u>29,249</u>	
<u>Creditors: Amounts falling due within one year</u>	7	<u>(34,571)</u>	
<u>Net Current Assets</u>			(5,322)
<u>Net assets</u>			<u><u>£23</u></u>
<u>Capital and Reserves</u>			
Called up share capital	8		1
Profit and Loss Account	9		22
<u>Shareholder's Funds</u>			<u><u>£23</u></u>

The exemption conferred by S 249A (1) not to have these accounts audited applies to the Company and the directors confirm that no notice has been deposited under S 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that:

- a) the company keeps accounting records which comply with S 221 of the Companies Act 1985; and
- b) the accounts give a true and fair view of the state of affairs of the company as at 31 March 2002 and of its profit or loss for the period then ended in accordance with the requirements of S 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to the accounts so far as applicable to the Company.

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities, effective June 2002.

These financial statements were approved by the Board and signed on its behalf on 3 January 2003.


N Mackay
Director

The attached notes form part of these financial statements.

FEDERAL AIR FILTRATION LIMITED

NOTES TO THE ACCOUNTS

31 MARCH 2002

1 Accounting Policies

(a) Accounting Convention.

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities, effective June 2002.

(b) Depreciation

Depreciation has been provided to write off the cost less estimated residual value of tangible fixed assets over their estimated useful lives as follows:-

Computer Equipment - 25% Straight line basis
Motor vehicles - 15% Straight line basis

(c) Turnover

Turnover represents the invoiced amount for goods sold and services rendered during the period, exclusive of Value Added Tax.

2 Directors

Director's remuneration	<u><u>£20,500</u></u>
-------------------------	-----------------------

3 Taxation

UK Corporation Tax	<u><u>£0</u></u>
--------------------	------------------

4 Dividends

Interim dividends paid - Ordinary shares	<u><u>£1,800</u></u>
--	----------------------

FEDERAL AIR FILTRATION LIMITED

NOTES TO THE ACCOUNTS

31 MARCH 2002

5 Tangible Fixed Assets

<u>Cost</u>	<u>Computer Equipment</u> £	<u>Motor Vehicle</u> £	<u>Total</u> £
Additions	926	5,382	6,308
Disposals	0	0	0
At 31 March 2002	<u>926</u>	<u>5,382</u>	<u>6,308</u>

Amortisation

Charge for period	231	732	963
Disposals	0	0	0
At 31 March 2002	<u>231</u>	<u>732</u>	<u>963</u>

Net book value

At 31 March 2002	<u>£</u>	<u>695</u>	<u>£</u>	<u>4,650</u>	<u>£</u>	<u>5,345</u>
------------------	----------	------------	----------	--------------	----------	--------------

Included within additions are assets with a cost of £5,700 acquired with the unincorporated business of Federal on 1 April 2002. The assets were acquired at their estimated market value. The Federal business was owned by Mr J R Mackay, the father of the director.

These assets were the only items considered to have a market value on the acquisition of the business and these values are considered the fair values at the date of acquisition.

6 Debtors

	£
Trade debtors	28,879
Prepayments	171
	<u>£29,050</u>

**7 Creditors: Amounts falling due within
one year**

	£
Bank overdraft	434
Trade creditors	16,461
Other taxes and social security	1,189
Other creditors	15,662
Accruals	825
	<u>£34,571</u>

Other creditors consists of interest free loans from the parents of the director.

FEDERAL AIR FILTRATION LIMITED

NOTES TO THE ACCOUNTS

31 MARCH 2002

8 Share Capital

	£
Authorised:-	
1,000 ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid:-	
1 ordinary share of £1	<u>1</u>

One ordinary £1 share was issued at par during the period as part of the company's formation.

The company was controlled during the year by Mr N Mackay, the owner of the company's one ordinary share.

9 Profit and Loss Account

	£
On incorporation	0
Profit for the year	<u>22</u>
At 31 March 2002	<u>£22</u>