

**ANDREAE FILTERS (UK) LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 OCTOBER 2001**



ANDREAE FILTERS (UK) LIMITED

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# ANDREAE FILTERS (UK) LIMITED

## DIRECTOR'S REPORT For the year ended 31 October 2001

The director presents his report and the financial statements for the year ended 31 October 2001.

### STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

### PRINCIPAL ACTIVITIES

The company's principal activity continues to be that of the import and sale of filters for the paint spraying trade.

### DIRECTOR

The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary shares of £1 each	
	<u>31/10/01</u>	<u>1/11/00</u>
F H Bird	1,000	1,000

### AUDITORS

The auditors, Horwath Clark Whitehill, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 22/7/2002 and signed on its behalf.

*J.E. Green*

Secretary

## ANDREAE FILTERS (UK) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ANDREAE FILTERS (UK) LIMITED

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We have audited the financial statements of Andreae Filters (UK) Limited for the year ended 31 October 2001 set out on pages 3 to 8. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and the accounting policies set out on page 5.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

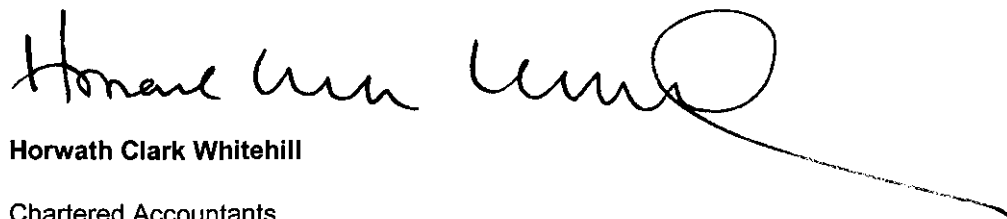
#### BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 director 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 misstatement, 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 31 October 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Horwath Clark Whitehill**

Chartered Accountants  
Registered Auditors

Hatherton House  
Hatherton Street  
Walsall  
West Midlands  
WS1 1YB

22 July 2002

ANDREAE FILTERS (UK) LIMITED

PROFIT AND LOSS ACCOUNT  
For the year ended 31 October 2001

	Note	2001 £	2000 £
<b>TURNOVER</b>	1	193,856	284,609
Cost of sales		<u>(122,630)</u>	<u>(188,627)</u>
<b>GROSS PROFIT</b>		71,226	95,982
Administrative expenses		<u>(112,986)</u>	<u>(104,536)</u>
<b>OPERATING LOSS</b>	2	(41,760)	(8,554)
Interest receivable		662	1,191
Interest payable		<u>(42)</u>	<u>(1,258)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(41,140)	(8,621)
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	4	<u>3,142</u>	<u>1,246</u>
<b>RETAINED LOSS FOR THE FINANCIAL YEAR</b>	10	<u><u>(37,998)</u></u>	<u><u>(7,375)</u></u>

The notes on pages 5 to 8 form part of these financial statements.


**ANDREAE FILTERS (UK) LIMITED**

**BALANCE SHEET**  
**As at 31 October 2001**

	Note	£	2001 £	£	2000 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	5		820		22,519
<b>CURRENT ASSETS</b>					
Stocks		2,356		15,246	
Debtors	6	47,580		64,337	
Cash at bank		15,879		33,657	
			<u>65,815</u>	<u>113,240</u>	
<b>CREDITORS:</b> amounts falling due within one year	7	(34,822)		(63,150)	
			<u>30,993</u>	<u>50,090</u>	
<b>NET CURRENT ASSETS</b>			<u>30,993</u>	<u>50,090</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>31,813</u>	<u>72,609</u>	
<b>CREDITORS:</b> amounts falling due after more than one year	8		-	(2,798)	
			<u>31,813</u>	<u>69,811</u>	
<b>NET ASSETS</b>			<u>31,813</u>	<u>69,811</u>	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		1,001		1,001
Profit and loss account	10		30,812		68,810
			<u>31,813</u>	<u>69,811</u>	
<b>SHAREHOLDERS' FUNDS</b>			<u>31,813</u>	<u>69,811</u>	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the board on 22/7/02 and signed on its behalf.



Director

The notes on pages 5 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 October 2001

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Office equipment	-	33% straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. OPERATING LOSS

The operating loss is stated after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets:		
- owned by the company	5,963	7,626
- held under finance leases	-	1,496
Auditors' remuneration	1,000	750
Pension costs	6,840	6,974
	<u>          </u>	<u>          </u>

**ANDREA E FILTERS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2001

**3. DIRECTOR'S REMUNERATION**

	2001 £	2000 £
Aggregate emoluments	<u>55,617</u>	<u>39,503</u>

During the year retirement benefits were accruing to 1 director (2000 - 1) in respect of money purchase pension schemes.

**4. TAXATION**

	2001 £	2000 £
UK Corporation tax	<u>(3,142)</u>	<u>(1,246)</u>

**5. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 November 2000	2,383	6,859	34,640	43,882
Disposals	-	-	(34,640)	(34,640)
At 31 October 2001	<u>2,383</u>	<u>6,859</u>	<u>-</u>	<u>9,242</u>
<b>Depreciation</b>				
At 1 November 2000	1,290	4,918	15,155	21,363
Charge for the year	273	1,941	3,749	5,963
On disposals	-	-	(18,904)	(18,904)
At 31 October 2001	<u>1,563</u>	<u>6,859</u>	<u>-</u>	<u>8,422</u>
<b>Net book value</b>				
At 31 October 2001	<u>820</u>	<u>-</u>	<u>-</u>	<u>820</u>
At 31 October 2000	<u>1,093</u>	<u>1,941</u>	<u>19,485</u>	<u>22,519</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2001 £	2000 £
Motor vehicles	<u>-</u>	<u>4,489</u>



**ANDREA FILTERS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2001

**6. DEBTORS**

	2001 £	2000 £
<b>Due within one year</b>		
Trade debtors	28,158	40,636
Other debtors	19,422	23,701
	<u>47,580</u>	<u>64,337</u>

**7. CREDITORS:**  
**Amounts falling due within one year**

	2001 £	2000 £
Trade creditors	22,527	53,033
Social security and other taxes	2,704	1,987
Other creditors	9,591	8,130
	<u>34,822</u>	<u>63,150</u>

**8. CREDITORS:**  
**Amounts falling due after more than one year**

	2001 £	2000 £
Net obligations under finance leases and hire purchase contracts	-	2,798
	<u>-</u>	<u>2,798</u>

**9. SHARE CAPITAL**

	2001 £	2000 £
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
1,001 Ordinary shares of £1 each	1,001	1,001
	<u>1,001</u>	<u>1,001</u>

**10. RESERVES**

	£
<b>Profit and loss account</b>	
At 1 November 2000	68,810
Loss retained for the year	(37,998)
	<u>30,812</u>
At 31 October 2001	<u>30,812</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2001

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**11. RELATED PARTY TRANSACTIONS**

During the year the company entered into transactions with Guistley Limited and Quadco (Midlands) Limited. Mr F H Bird has a material interest in both companies.

The company paid rent and service charges of £14,500 to Guistley. The balance due at the year end from Guistley Limited of £18,106 is included within other debtors.

Also included in other creditors is £3,483 outstanding to Quadco (Midlands) Limited.