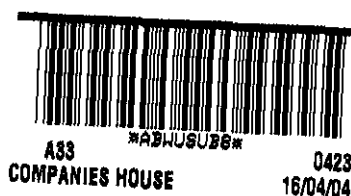


FAAC (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003



FAAC (UK) LIMITED

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FAAC (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activities and review of the business

The principal activity of the company continued to be that of marketing and distributing electrical operators for doors, gates and barriers.

The directors are pleased to report a satisfactory set of trading results following another year of growth. Results were consistent with expectation with advances in all product sectors.

Results and dividends

The results for the year are set out on page 4.

The directors recommend payment of an ordinary dividend amounting to £10 (2002 - £9) per share.

Future developments

New developments continue to strengthen the company's core product groups. Furthermore, the introduction of new models will create additional opportunities for the company for the year 2004.

Directors

The following directors have held office since 1 January 2003:

M Manini
V Vivanet

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2003	1 January 2003
M Manini	-	-
V Vivanet	-	-

Mr M Manini has interests in the share capital of the company by virtue of his shareholding in the ultimate parent company, FAAC SpA. These details are shown in the parent company's accounts.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Blueprint Audit Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

FAAC (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

On behalf of the board

.....
M Manini

Director



7 April 2004

FAAC (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO FAAC (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the year ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

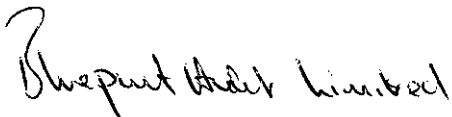
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

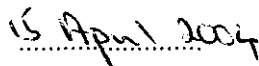
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.


Blueprint Audit Limited

Registered Auditor


15 April 2004

Clifton House
Bunnian Place
Basingstoke
Hampshire

FAAC (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Gross profit		2,139,436	2,067,173
Distribution costs		(466,958)	(363,907)
Administrative expenses		(701,863)	(688,811)
Operating profit	2	970,615	1,014,455
Other interest receivable and similar income		36,234	41,029
Profit on ordinary activities before taxation		1,006,849	1,055,484
Tax on profit on ordinary activities	3	(298,910)	(315,994)
Profit on ordinary activities after taxation		707,939	739,490
Dividends	4	(1,000,000)	(900,000)
Loss for the year	13	(292,061)	(160,510)

FAAC (UK) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5		105,993		101,665
Investments	6		1		1
			<u>105,994</u>		<u>101,666</u>
Current assets					
Stocks	7	554,789		388,351	
Debtors	8	1,091,649		1,152,858	
Investments	9	1,111,223		1,270,580	
Cash at bank and in hand		28,559		96,323	
		<u>2,786,220</u>		<u>2,908,112</u>	
Creditors: amounts falling due within one year	10	(2,132,936)		(1,958,439)	
Net current assets			<u>653,284</u>		<u>949,673</u>
Total assets less current liabilities			<u>759,278</u>		<u>1,051,339</u>
Capital and reserves					
Called up share capital	12		100,000		100,000
Profit and loss account	13		659,278		951,339
Shareholders' funds - equity interests	14		<u>759,278</u>		<u>1,051,339</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 7 April 2004



M Manini
Director

FAAC (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		1,018,164		1,010,468
Returns on investments and servicing of finance				
Interest received	36,234		41,029	
	<u>36,234</u>		<u>41,029</u>	
Net cash inflow for returns on investments and servicing of finance		36,234		41,029
Taxation		(319,012)		(315,303)
Capital expenditure				
Payments to acquire tangible assets	(81,683)		(68,069)	
Receipts from sales of tangible assets	8,750		11,300	
	<u>(81,683)</u>		<u>(68,069)</u>	
Net cash outflow for capital expenditure		(72,933)		(56,769)
Equity dividends paid		(900,000)		(650,000)
		<u>(900,000)</u>		<u>(650,000)</u>
Net cash (outflow)/inflow before management of liquid resources and financing		(237,547)		29,425
Management of liquid resources				
Current asset investments	159,357		(180,796)	
	<u>159,357</u>		<u>(180,796)</u>	
		159,357		(180,796)
		<u>159,357</u>		<u>(180,796)</u>
Decrease in cash in the year		<u>(78,190)</u>		<u>(151,371)</u>

FAAC (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

1	Reconciliation of operating profit to net cash inflow from operating activities	2003	2002
		£	£
	Operating profit	970,615	1,014,455
	Depreciation of tangible assets	51,605	31,294
	(Profit)/loss on disposal of tangible assets	(1,785)	992
	Increase in stocks	(166,438)	(39,128)
	Decrease/(increase) in debtors	61,209	(94,252)
	Increase in creditors within one year	102,958	97,107
	Net cash inflow from operating activities	1,018,164	1,010,468

2	Analysis of net funds	1 January 2003	Cash flow	Other non-cash changes	31 December 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	96,323	(67,764)	-	28,559
	Bank overdrafts	-	(10,426)	-	(10,426)
		<u>96,323</u>	<u>(78,190)</u>	<u>-</u>	<u>18,133</u>
	Liquid resources:				
	Current asset investments	1,270,580	(159,357)	-	1,111,223
	Net funds	1,366,903	(237,547)	-	1,129,356

3	Reconciliation of net cash flow to movement in net funds	2003	2002
		£	£
	Decrease in cash in the year	(78,190)	(151,371)
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(159,357)	180,796
	Movement in net funds in the year	(237,547)	29,425
	Opening net funds	1,366,903	1,337,478
	Closing net funds	1,129,356	1,366,903

- 5 **Liquid resources**
Liquid resources comprise term deposits of less than one year with bankers.

FAAC (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents sales invoiced to customers less credit notes, trade and financial discounts, and is stated excluding Value Added Tax.

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 less estimated residual value of each asset over its expected useful life, as follows:

Plant & machinery	25% to 40% Straight line
Fixtures, fittings & equipment	25% to 33% Straight line
Motor vehicles	25% to 33% Straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Investments representing term deposit balances are included at cost.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company makes defined contributions to employee's personal pension plans. The costs charged in the financial statements represent the contributions payable by the company during the year.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

FAAC (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

2	Operating profit	2003	2002
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	51,605	31,294
	Loss on disposal of tangible assets	-	992
	Operating lease rentals	119,529	61,424
	Auditors' remuneration	4,100	4,100
	and after crediting:		
	Profit on disposal of tangible assets	(1,785)	-
		<u> </u>	<u> </u>
	The directors received no emoluments from this company.		
3	Taxation	2003	2002
		£	£
	Domestic current year tax		
	U.K. corporation tax	305,283	315,994
	Adjustment for prior years	(6,373)	-
		<u> </u>	<u> </u>
	Current tax charge	298,910	315,994
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,006,849	1,055,484
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)	302,055	316,645
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	2,119	2,766
	Depreciation	15,482	9,388
	Capital allowances	(13,296)	(13,981)
	Adjustments to previous periods	(6,373)	-
	Other tax adjustments	(1,077)	1,176
		<u> </u>	<u> </u>
		(3,145)	(651)
		<u> </u>	<u> </u>
	Current tax charge	298,910	315,994
		<u> </u>	<u> </u>
4	Dividends	2003	2002
		£	£
	Ordinary final proposed	1,000,000	900,000
		<u> </u>	<u> </u>

FAAC (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

5 Tangible fixed assets

	Plant & machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2003	64,759	76,350	59,361	200,470
Additions	10,276	36,532	16,090	62,898
Disposals	-	(20,360)	(17,950)	(38,310)
At 31 December 2003	75,035	92,522	57,501	225,058
Depreciation				
At 1 January 2003	23,554	47,339	27,912	98,805
On disposals	-	(19,378)	(11,967)	(31,345)
Charge for the year	12,236	20,047	19,322	51,605
At 31 December 2003	35,790	48,008	35,267	119,065
Net book value				
At 31 December 2003	39,245	44,514	22,234	105,993
At 31 December 2002	41,205	29,011	31,449	101,665

FAAC (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2003 & at 31 December 2003	<u>1</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Gate Express Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of the above for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Gate Express Limited	<u>1</u>	<u>-</u>

Gate Express Limited has been dormant throughout the year.

7 Stocks	2003 £	2002 £
Finished goods and goods for resale	<u>554,789</u>	<u>388,351</u>

8 Debtors	2003 £	2002 £
Trade debtors	1,020,493	1,116,321
Prepayments and accrued income	<u>71,156</u>	<u>36,537</u>
	<u>1,091,649</u>	<u>1,152,858</u>

9 Current asset investments	2003 £	2002 £
Short term deposits	<u>1,111,223</u>	<u>1,270,580</u>

FAAC (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

10 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loans and overdrafts	10,426	-
Trade creditors	80,567	71,916
Amounts owed to group undertakings	581,692	502,340
Corporation tax	151,283	171,385
Other taxes and social security costs	239,131	221,671
Other creditors	-	4,222
Accruals and deferred income	69,837	86,905
Proposed dividend	1,000,000	900,000
	<u>2,132,936</u>	<u>1,958,439</u>

11 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. All contributions were paid in the year.

	2003 £	2002 £
Contributions payable by the company for the year	<u>20,900</u>	<u>21,807</u>

12 Share capital

	2003 £	2002 £
Authorised		
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2003	951,339
Loss for the year	(292,061)
Balance 31 December 2003	<u>659,278</u>

FAAC (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

14 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit for the financial year	707,939	739,490
Dividends	(1,000,000)	(900,000)
Net depletion in shareholders' funds	(292,061)	(160,510)
Opening shareholders' funds	1,051,339	1,211,849
Closing shareholders' funds	<u>759,278</u>	<u>1,051,339</u>

15 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
Between two and five years	<u>115,000</u>	<u>112,125</u>

16 Employees

Number of employees

The average monthly number of employees (excluding directors) during the year was:

	2003	2002
	Number	Number
Commercial	6	7
Technical	5	5
Administration	6	5
	<u>17</u>	<u>17</u>

Employment costs

	£	£
Wages and salaries	448,974	433,722
Social security costs	51,489	44,638
Other pension costs	20,900	21,807
	<u>521,363</u>	<u>500,167</u>

FAAC (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

17 Control

The directors consider that the ultimate parent company is FAAC SpA., which is registered in Italy, and the immediate parent undertaking is FAAC Overseas Holding S.A., registered in Luxembourg.

The ultimate parent company lodges group accounts with Camera di Commercio Industria Agricoltura e Artigianato, Ufficio imprese, Piazza della Costituzione, 40100 Bologna, Italy.

The ultimate controlling party is Mr M Manini, by virtue of his majority shareholding in FAAC SpA.