

DIRECT TUBE AUTOMATION LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2001

(Registered Number : 4083607)



PATRICIA A JONES
Chartered Accountant
22 Barlows Road
Edgbaston
Birmingham
B15 2PL

DIRECTORS AND OFFICERS

DIRECTORS

P McEvoy

M Sherborne (resigned 1.1.2002)

SECRETARY

Mrs P McEvoy

REGISTERED OFFICE

16 Windermere Drive
Streetly
Sutton Coldfield
West Midlands
B74 3LD

BANKERS

Lloyds TSB

DIRECTOR'S REPORT

The director submits his report and the financial statements of Direct Tube Automation Limited for the period ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company during the period was the manufacture and repair of machinery.

RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £28235.

The director does not recommend the payment of a dividend for the period.

DIRECTORS

The following directors have held office since 4 October 2000:-

P McEvoy
M Sherborne (resigned 1.1.2002)
S D Morgan (resigned 30.9.2001)

DIRECTORS' INTERESTS IN SHARES

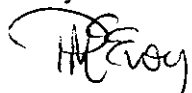
Directors' interests in the shares of the company, including family interests, were as follows:-

	Ordinary shares of £1 each	
	31.12.01	4.10.00
P McEvoy	2	1
M Sherborne	1	1
S D Morgan (resigned 30.9.2001)	-	1

AUDITORS

The company is exempt from the requirement to have its accounts audited.

By order of the board



Mrs P McEvoy

Secretary

3 September 2002

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS
for the period ended 31 December 2001**

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 judgments 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.

ACCOUNTANT'S REPORT TO THE DIRECTORS OF
DIRECT TUBE AUTOMATION LIMITED

In accordance with instructions given to me, I have prepared without carrying out an audit, the financial statements on pages 5 to 9 from the accounting records of Direct Tube Automation Limited and from information and explanations given to me.

Patricia A Jones

PATRICIA A JONES
Chartered Accountant
22 Barlows Road
Edgbaston
Birmingham
B15 2PL

3 September 2002

PROFIT AND LOSS ACCOUNT
for the period ended 31 December 2001

	Notes	4.10.00 to 31.12.01
TURNOVER	1	171895
Cost of sales		136298
Gross profit		35597
Distribution costs		5437
Administrative expenses		57911
OPERATING (LOSS)	2	(27751)
Interest payable		484
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(28235)
Taxation		-
RETAINED (LOSS) FOR THE PERIOD		£ (28235)

The loss for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

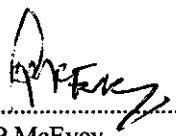
BALANCE SHEET

31 December 2001

	Notes	2001
FIXED ASSETS		
Tangible assets	3	5457
CURRENT ASSETS		
Stocks		5000
Debtors	4	31278
		36278
CREDITORS		
Amounts falling due within one year	5	69967
NET CURRENT (LIABILITIES)		(33689)
NET (LIABILITIES)		£ (28232)
CAPITAL AND RESERVES		
Called up share capital	6	3
Profit and loss account		(28235)
SHAREHOLDERS' FUNDS		£ (28232)

The directors:

- a) have taken advantage of Section 249A(1) of the Companies Act 1985 in not having these accounts audited;
- b) have confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985;
- c) acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985;
- d) acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 December 2001 and of its loss for the period then ended 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 this company.


 Director
 P McEvoy

3 September 2002

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Plant and machinery	25% per annum reducing balance
Fixtures and fittings	25% per annum reducing balance
Computer equipment	33.3% per annum straight line

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

TURNOVER

Turnover represents the invoiced value of goods sold and services supplied to customers.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2001

1 2001
TURNOVER AND PROFIT/(LOSS) ON ORDINARY
ACTIVITIES BEFORE TAXATION

The company's turnover and profit/(loss) before taxation
were all derived from its principal activity.

Sales were made in the following geographical markets:

United Kingdom	169475
Europe	2420
	£ 171895

2 OPERATING (LOSS)

The operating loss on ordinary activities before taxation is
stated after charging:

	£
Depreciation of tangible fixed assets	2031
Formation expenses	518
Directors' emoluments	35515

3 TANGIBLE FIXED ASSETS

	Plant and machinery	Furniture & fittings	Computer equipment	Total
Cost:				
Additions	4974	619	1895	7488
Disposals	-	-	-	-
31 December 2001	4974	619	1895	7488
Depreciation:				
Charge for the year	1244	155	632	203
31 December 2001	1244	155	632	203
Net book value:				
31 December 2001	£ 3730	£ 464	£ 1263	£ 5457
31 December 2000	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2001

		2001
4	DEBTORS	
	Due within one year:	
	Trade debtors	28650
	Prepayments	2628
		£ 31278
5	CREDITORS	
	Amounts falling due within one year:	
	Trade creditors	41794
	Accruals	1650
	Other creditors	2161
	Bank overdraft	15522
	Directors' loan accounts	8840
		£ 69967
6	SHARE CAPITAL	
	Authorised:	
	100 ordinary shares of £1 each	£ 100
	Allotted, issued and fully paid:	
	3 ordinary shares of £1 each	£ 3