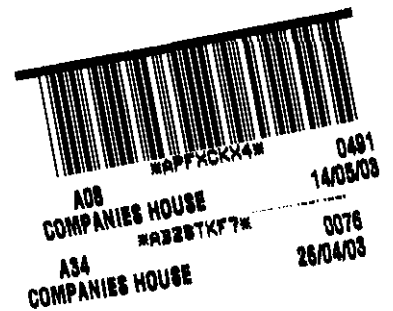




FRICTION COMPONENTS AND SYSTEMS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
30TH JUNE 2002

WILDS LIMITED
Chartered Accountants
Lancaster House
70-76 Blackburn Street
Radcliffe
Manchester
M26 2JW



FRICTION COMPONENTS AND SYSTEMS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2002

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FRICTION COMPONENTS AND SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET

30TH JUNE 2002

	Note	2002 £	£	2001 £	£
FIXED ASSETS	2				
Tangible assets			13,462		16,050
Investments			90,000		90,000
			<u>103,462</u>		<u>106,050</u>
CURRENT ASSETS					
Stocks		8,000		5,000	
Debtors		100,681		110,558	
Cash at bank and in hand		39		30	
		<u>108,720</u>		<u>115,588</u>	
CREDITORS: Amounts falling due within one year		<u>173,997</u>		<u>187,781</u>	
NET CURRENT LIABILITIES			<u>(65,277)</u>		<u>(72,193)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			38,185		33,857
PROVISIONS FOR LIABILITIES AND CHARGES			1,000		1,000
			<u>37,185</u>		<u>32,857</u>

The balance sheet continues on the following page.
The notes on pages 3 to 4 form part of these financial statements.

FRICITION COMPONENTS AND SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET *(continued)*

30TH JUNE 2002

	Note	2002 £	2001 £
CAPITAL AND RESERVES			
Called-up equity share capital	3	2,000	2,000
Share premium account		16,477	16,477
Profit and Loss Account		18,708	14,380
SHAREHOLDERS' FUNDS		<u>37,185</u>	<u>32,857</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

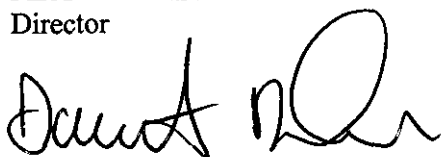
The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 9th December 2002 and are signed on their behalf by:

MR D DEVLIN
Director



The notes on pages 3 to 4 form part of these financial statements.

FRICITION COMPONENTS AND SYSTEMS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% reducing balance
Motor Vehicles	- 25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Deferred taxation

Provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date at the rate that would apply when timing differences are expected to reverse.

FRICITION COMPONENTS AND SYSTEMS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2002

2. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST			
At 1st July 2001	35,366	90,000	125,366
Additions	1,899	—	1,899
At 30th June 2002	<u>37,265</u>	<u>90,000</u>	<u>127,265</u>
DEPRECIATION			
At 1st July 2001	19,316	—	19,316
Charge for year	4,487	—	4,487
At 30th June 2002	<u>23,803</u>	<u>—</u>	<u>23,803</u>
NET BOOK VALUE			
At 30th June 2002	<u>13,462</u>	<u>90,000</u>	<u>103,462</u>
At 30th June 2001	<u>16,050</u>	<u>90,000</u>	<u>106,050</u>

The company owned 100% of the issued share capital of Newton Friction Limited (a company registered in Scotland).at 30 June 2002 and 2001.

The aggregate share capital and reserves of Newton Friction Limited at 30th June 2002 was £69,351 (31st March 2001 - £50,934).

The profit on ordinary activities before taxation of Newton Friction Limited for the fifteen months ended 30th June 2002 was £54,979 (year ended 31st March 2001 - £21,572).

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

3. SHARE CAPITAL

Authorised share capital:

	2002 £	2001 £
2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid:		
	2002 £	2001 £
Ordinary share capital	<u>2,000</u>	<u>2,000</u>