

Company No: 1994218

HEADLINE FILTERS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2003



Trevor Aldridge
Chartered Accountant

HEADLINE FILTERS LIMITED

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FOR THE YEAR ENDED 30TH JUNE 2003

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INDEPENDENT AUDITOR'S REPORT TO HEADLINE FILTERS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

FOR THE YEAR ENDED 30TH JUNE 2003

I have examined the abbreviated accounts on pages 3 to 6 together with the accounts of Headline Filters Limited for the year ended 30th June 2003 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

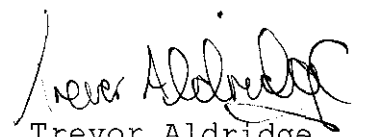
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report my opinion to you.

BASIS OF OPINION

I have carried out the procedures I consider necessary to confirm by reference to the audited accounts that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of my work for the purpose of this report does not include examining or dealing with events after the date of my report on the full statutory accounts.

OPINION

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.


Trevor Aldridge
Registered Auditor

64 Old Hadlow Road
Tonbridge
Kent TN10 4EX

14th November 2003

HEADLINE FILTERS LIMITED

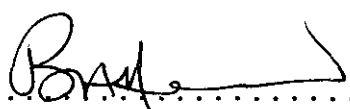
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ABBREVIATED BALANCE SHEETAS AT 30TH JUNE 2003

	<u>Note</u>	<u>30.6.03</u> £ £	<u>30.6.02</u> £ £
<u>FIXED ASSETS</u>			
Tangible Assets	2	309,751	368,492
<u>CURRENT ASSETS</u>			
Stocks		79,348	103,622
Debtors		221,136	203,810
Cash at Bank and in Hand		<u>179,700</u>	<u>281,533</u>
		480,184	588,965
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		<u>148,340</u>	<u>184,223</u>
<u>NET CURRENT ASSETS</u>		<u>331,844</u>	<u>404,742</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		641,595	773,234
<u>PROVISION FOR LIABILITIES AND CHARGES</u>		<u>14,689</u>	<u>51,733</u>
<u>NET ASSETS</u>		<u>£626,906</u>	<u>£721,501</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	3	30,000	30,000
Profit and Loss Account		<u>596,906</u>	<u>691,501</u>
<u>SHAREHOLDERS' FUNDS</u>		<u>£626,906</u>	<u>£721,501</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

Approved by the Board of Directors on 14th November 2003 and signed on their behalf.

..... 
B A Head

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2003

1. ACCOUNTING POLICIES

a) Accounting Basis

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

b) Turnover

Turnover represents the invoiced value of goods sold net of Value Added Tax and trade discounts.

c) Depreciation

Depreciation on fixed assets is provided at annual rates estimated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:-

Freehold Land	-	Nil
Freehold Building	-	4% on cost
Plant and Machinery	-	15% on cost
Fixtures and Fittings	-	15% - 25% on cost
Motor Vehicles	-	25% on cost

d) Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs incurred in bringing stocks to their present location and condition.

e) Deferred Taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. It is calculated at the small companies' rate of corporation tax at the balance sheet date.

f) Provision for repair or replacement of goods under guarantee

Provision is made for the cost of the repair or replacement of goods sold during the year but remaining under guarantee at the balance sheet date.

NOTES TO THE ABBREVIATED ACCOUNTS (Continued)

FOR THE YEAR ENDED 30TH JUNE 2003

1. ACCOUNTING POLICIES (Continued)g) Operating Leases

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor have been charged to the profit and loss account on a straight line basis.

h) Pension Costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

i) Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Total</u>
At 1st July 2002	938,882
Additions	6,102
Disposals	-
At 30th June 2003	<u>£944,984</u>
<u>Depreciation</u>	
At 1st July 2002	570,390
Charge for the year	64,843
Eliminated on Disposals	-
At 30th June 2003	<u>£635,233</u>
<u>Net Book Value</u>	
At 30th June 2003	<u>£309,751</u>
At 30th June 2002	<u>£368,492</u>

HEADLINE FILTERS LIMITED

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NOTES TO THE ABBREVIATED ACCOUNTS (Continued)

FOR THE YEAR ENDED 30TH JUNE 2003

	<u>30.6.03</u>	<u>30.6.02</u>
3. <u>CALLED-UP SHARE CAPITAL</u>		
Authorised:		
1,600,000 Ordinary Shares of 25p each	<u>£400,000</u>	<u>£400,000</u>
Called-up, Allotted and Fully Paid		
120,000 Ordinary Shares of 25p each	<u>£30,000</u>	<u>£30,000</u>

4. LOANS TO DIRECTORS

Mr B.A. Head, a director of the company, owed the company £1,000 at 30th June 2003 (£1,006 at 30.6.02). The maximum amount outstanding during the year was £63,533. This loan has subsequently been repaid.