

TYNE-TEES FILTRATION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1997



AUDITORS' REPORT TO TYNE-TEES FILTRATION LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the accounts of Tyne-Tees Filtration Limited for the year ended 30th September 1997 prepared under section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

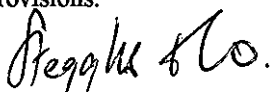
The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 5 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out procedures we considered necessary to confirm, by reference to the accounts, 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 accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



Steggles & Co
Chartered Accountants
and Registered Auditors
11 Peel Street
Farnworth
Bolton
BL4 8AA
12th February 1998

TYNE-TEES FILTRATION LIMITED

ABBREVIATED BALANCE SHEET

AS AT 30TH SEPTEMBER 1997

	Notes	1997	1996
		£	£
Fixed Assets	2		
Tangible fixed assets		528,238	562,019
Current Assets			
Stock and work in progress		356,324	402,243
Debtors		555,587	528,256
Cash at Bank and in Hand	3	3	23,470
		911,914	953,969
Creditors: Amounts Falling Due Within One Year		850,251	884,057
Net Current Assets		61,663	69,912
Total Assets Less Current Liabilities		589,901	631,931
Creditors: Amounts Falling Due After More Than One Year		181,113	223,507
Provisions for Liabilities and Charges			
Deferred taxation		5,743	9,843
		403,045	398,581
Capital and Reserves			
Share Capital - Equity	3	100,000	100,000
Revaluation Reserve		174,433	174,433
Profit and loss account		128,612	124,148
Shareholders' Funds		403,045	398,581

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

These accounts were approved by the board on 12th February 1998 and signed on its behalf.

Mr LN. Parry
Director

TYNE-TEES FILTRATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Freehold properties	2 % per annum
Plant and machinery	10 % per annum
Motor vehicles	20 % per annum
Furniture and equipment	10 % per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads.

The company has an arrangement with a long established overseas supplier that consignment stocks are held in sufficient quantities to service the UK market. At 30th September, 1997 consignment stocks in the sum of £551,720 were held (1996 £389,833). These stocks are not included in the accounts since stock transfer prices charged by the manufacturer are based on their list price at the date of transfer of legal title. There are no penalties or compensation payments on the return/transfer of stocks and no deposits are paid by Tyne-Tees Filtration Limited.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability will crystallise.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

TYNE-TEES FILTRATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the Profit and Loss Account in equal instalments over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

Revaluation Reserve

The revaluation reserve represents an uplift on the net book value of fixed assets from historical cost to the revalued amount.

2 Fixed Assets

	Tangible Fixed Assets
	£
Cost	
At 1st October 1996	848,599
Additions	36,449
At 30th September 1997	885,048
Depreciation and Amortisation	
At 1st October 1996	286,580
Charge for the year	70,230
At 30th September 1997	356,810
Net Book Value	
At 30th September 1997	528,238
<i>At 30th September 1996</i>	<i>562,019</i>

The gross amount of land and buildings at 30th September 1996 includes valuation made 1988 in the sum of £174,433.

The net book amount of fixed assets includes £88,978 (1996 £115,918) in respect of assets held under hire purchase contracts.

TYNE-TEES FILTRATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

3	Share Capital	1997	1996
		£	£
	Authorised		
	Equity Shares		
	100,000 Ordinary shares of £1.00 each	100,000	100,000
		100,000	100,000
	Allotted		
	Equity Shares		
	100,000 Allotted, called up and fully paid ordinary shares of £1.00 each	100,000	100,000
4	Loans	1997	1996
		£	£
	Not wholly repayable within five years :		
	Bank loan and overdraft secured on the assets of the company		
	Amounts repayable:		
	In one year or less, or on demand	93,920	25,000
	Between one and two years	25,000	25,000
	Between two and five years	75,000	75,000
		193,920	125,000
	In five years or more	75,000	100,000
		268,920	225,000
5	Obligations Under Hire Purchase and Finance Leases	1997	1996
		£	£
	Obligations under hire purchase contracts are analysed :		
	Current obligations	28,390	33,885
	Obligations due between one and five years	6,113	23,507
		34,503	57,392