

REGISTERED NUMBER: 2888870 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2001

FOR

FILTRATION ENGINEERING LTD



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FOR THE YEAR ENDED 31ST MARCH 2001**

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FILTRATION ENGINEERING LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2001**

DIRECTORS:	R S Wray M A Smith
SECRETARY:	Mr M A Smith
REGISTERED OFFICE:	Dragons Wharf Moston Sandbach Cheshire CW11 3PA
REGISTERED NUMBER:	2888870 (England and Wales)
AUDITORS:	FREEMAN RICH Chartered Accountants and Registered Auditors Capital House 8 Pittman Court Pittman Way PRESTON PR2 9ZG
BANKERS:	Barclays Bank plc Balfour Court Balfour Street Leyland Lancashire

FILTRATION ENGINEERING LTD

**REPORT OF THE INDEPENDENT AUDITORS TO
FILTRATION ENGINEERING LTD
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages three to six, together with the full financial statements of the company for the year ended 31st March 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

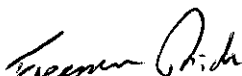
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

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



FREEMAN RICH
Chartered Accountants and
Registered Auditors
Capital House
8 Pittman Court
Pittman Way
PRESTON PR2 9ZG

Dated: 16th August 2001


FILTRATION ENGINEERING LTD

**ABBREVIATED BALANCE SHEET
31ST MARCH 2001**

		2001		2000	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		600,312		105,879
Investments	3		262,165		29,000
			862,477		134,879
CURRENT ASSETS:					
Stocks		56,265		49,353	
Debtors		291,842		538,152	
Cash at bank		354,837		447,554	
		702,944		1,035,059	
CREDITORS: Amounts falling due within one year		663,459		657,096	
NET CURRENT ASSETS:			39,485		377,963
TOTAL ASSETS LESS CURRENT LIABILITIES:			901,962		512,842
CREDITORS: Amounts falling due after more than one year			(100,000)		-
PROVISIONS FOR LIABILITIES AND CHARGES:			(17,765)		(5,179)
			£784,197		£507,663
CAPITAL AND RESERVES:					
Called up share capital	4		100		100
Profit and loss account			784,097		507,563
SHAREHOLDERS' FUNDS:			£784,197		£507,663

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

ON BEHALF OF THE BOARD:


M A Smith - DIRECTOR


R S Wray - DIRECTOR

Approved by the Board on 16 August 2001

The notes form part of these financial statements

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings	4% on cost
Motor vehicles	25% on reducing balance
Plant and equipment	15% on reducing balance
Office equipment	15% on reducing balance
Computer and ICT equipment	33.33% on reducing balance

A provision has not been made for depreciation in respect of the new factory and office premises in the accounts of the year ended 31st March 2001. The construction of these was completed towards the end of the year and the company only took possession of them towards the end of March 2001. In these circumstances the Directors are of the opinion that a provision for depreciation of the buildings is inappropriate.

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001

2. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1st April 2000	127,355
Additions	532,554
Disposals	(20,920)
	<hr/> 638,989
At 31st March 2001	<hr/>
DEPRECIATION:	
At 1st April 2000	21,476
Charge for year	24,920
Eliminated on disposals	(7,719)
	<hr/> 38,677
At 31st March 2001	<hr/>
NET BOOK VALUE:	
At 31st March 2001	<hr/> <hr/> 600,312
At 31st March 2000	<hr/> <hr/> 105,879

3. FIXED ASSET INVESTMENTS

	£
COST:	
At 1st April 2000	29,000
Additions	233,165
	<hr/> 262,165
At 31st March 2001	<hr/>
NET BOOK VALUE:	
At 31st March 2001	<hr/> <hr/> 262,165
At 31st March 2000	<hr/> <hr/> 29,000

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001**

3. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Lefco Limited

Country of incorporation: England

Nature of business: dormant

Class of shares:	% holding
ordinary	100.00

	2001 £	2000 £
Aggregate capital and reserves	293,587	293,587
Profit for the year	-	38,053

Lefco Limited became a 100% subsidiary of Filtration Engineering Limited on 16th March 2001. Prior to that date Filtration Engineering Limited held 20% of the share capital and Lefco Limited was under the control of the directors, Mr R S Wray and Mr M A Smith.

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001 £	2000 £
100	Ordinary Shares	£1	100	100

5. TRANSACTIONS WITH DIRECTORS

Filtration Engineering Limited acquired the following ordinary £1.00 shares in Lefco Limited on 16th March 2001 at a price of £2,900 per share

Mr M A Smith	17
Mrs J C Smith (wife of Mr M A Smith)	3
Mr R S Wray	60

As a result of the above share transactions Lefco Limited became a wholly owned subsidiary of Filtration Engineering Limited.