

Registered No 2888870

Filtration Engineering Limited

Report and Financial Statements

31 December 2009

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COMPANIES HOUSE

Filtration Engineering Limited

Registered No 2888870

Directors

Dr S Berbner
S G Langford

Secretary

P Markham

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Bankers

Barclays Bank plc
Commercial Street
Halifax

Registered Office

Unit B9
Lowfields Close
Lowfields Park
Elland
Halifax

Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The profit for the year, after taxation, amounted to £187,034 (2008 profit of £260,027) The directors recommend no dividend for the year (2008 £nil)

Principal activity

The principal activity of the company in the year under review was that of engineers in the design, installation and maintenance of air filtration and air quality control systems

Directors

The directors who served during the year were as follows

Dr S Berbner
S G Langford

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

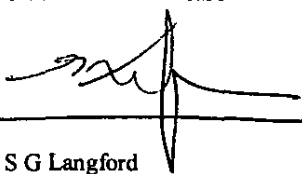
Small company exemptions

The directors' report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board



S G Langford
Director

30/9/2010

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent, and
-
- 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditors' report

to the members of Filtration Engineering Limited

We have audited the financial statements of Filtration Engineering Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

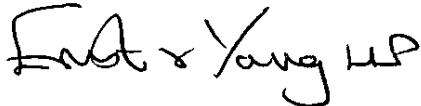
Independent auditors' report

to the members of Filtration Engineering Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Julian Yates (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

Manchester

Date 30/9/10

Profit and loss account

for the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	2,533,005	2,790,130
Cost of sales		1,486,452	1,704,690
Gross profit		1,046,553	1,085,440
Distribution costs		20,636	13,661
Administrative expenses		759,350	740,832
Operating profit		266,567	330,947
Interest receivable - group		3,818	28,440
Profit on ordinary activities before taxation	3	270,385	359,387
Tax on profit on ordinary activities	5	83,351	99,360
Profit for the financial year	11	187,034	260,027

Statement of total recognised gains and losses

There were no recognised gains or losses in either year's results other than the profit attributable to shareholders of the company

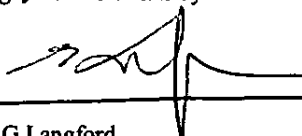
Balance sheet

at 31 December 2009

	Notes	2009 £	Restated 2008 £
Fixed assets			
Tangible assets	6	93,402	115,958
		<u>93,402</u>	<u>115,958</u>
Current assets			
Stocks		90,623	95,017
Debtors	7	1,580,362	1,366,392
		<u>1,670,985</u>	<u>1,461,409</u>
Creditors amounts falling due within one year	8	(262,441)	(255,471)
Net current assets		<u>1,408,544</u>	<u>1,205,938</u>
Total assets less current liabilities		<u>1,501,946</u>	<u>1,321,896</u>
Provisions for liabilities and charges	9	(6,785)	(13,769)
		<u>1,495,161</u>	<u>1,308,127</u>
Capital and reserves			
Called up share capital	10	92	92
Share premium capital	11	9,988	9,988
Capital redemption reserve	11	30	30
Profit and loss account	11	1,485,051	1,298,017
Equity shareholders' funds	11	<u>1,495,161</u>	<u>1,308,127</u>

The financial statements have been prepared in accordance with the special provisions of Companies Act 2006 relating to small entities and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the Board on ~~23~~ 30 September 2010 and signed on its behalf by



 S G Langford
 Director
 30/9/2010

Notes to the financial statements

at 31 December 2009

1. Accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standards applicable to Smaller Entities (effective January 2007)

In the current year the Executive have reconsidered the classification of the balances disclosed as cash in the prior year financial statements, as a result the Executive consider that these would be more appropriately classified as intercompany receivables in both the current and preceding financial years. As a result the cash balance disclosed in the prior year financial statements of £992,243 has been reduced to £nil and the intercompany receivables have increased from £nil to £992,243. There was no impact on the prior year profit from this reclassification.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. The company recognises income when it has fulfilled its obligations under the sales contract, net of discounts and any allowance for credit risk and other uncertainties.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write-off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Motor vehicles	-	25% on reducing balance
Office equipment	-	15% on reducing balance
Plant and equipment	-	15% on reducing balance

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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

Deferred tax is recognised in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pension scheme

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

Foreign currencies translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Notes to the financial statements

at 31 December 2009

2. Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company in the UK.

3. Profit on ordinary activities before taxation

This is stated after charging

	2009	2008
	£	£
Depreciation	21,344	27,062
Loss on disposal of tangible fixed assets	1,078	6,445
Operating lease rentals – land and buildings	40,000	40,000
Auditors' remuneration	15,000	15,000

The audit fee in the current year has been borne by another group company

4. Directors' emoluments

	2009	2008
	£	£
Emoluments	-	-
Company contributions to money purchase pension schemes	-	-

The number of directors who were accruing benefits under company pension schemes were as follows

	2009	2008
	No	No
	£	£
Money purchase schemes	-	-

5. Taxation

Analysis of charge in year

	2009	2008
	£	£
UK corporation tax at 28% (2008 28.5%)	90,335	98,058
Deferred tax (note 9)	(6,984)	1,302
	83,351	99,360

Notes to the financial statements

at 31 December 2009

5. Taxation (continued)

Factors affecting the tax charge for the year

The current tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	270,385	359,387
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28%)	75,708	100,628
<i>Effects of</i>		
Expenses not deductible for tax purposes	252	-
Non-taxable income	(7,562)	-
Capital allowances in excess of depreciation	4,406	(2,570)
Adjustments to tax charge in respect of prior periods	17,531	-
Total current tax charge (see above)	90,335	98,058

6. Tangible fixed assets

	Motor vehicles £	Office equipment £	Plant and machinery £	Total £
<i>Cost</i>				
At 1 January 2009	131,959	90,176	96,045	318,180
Additions	-	-	1,548	1,548
Disposals	(25,994)	-	-	(25,994)
At 31 December 2009	105,965	90,176	97,593	293,734
<i>Depreciation</i>				
At 1 January 2009	86,157	55,579	60,486	202,222
Provided during the year	10,723	5,190	5,431	21,344
Disposals	(23,234)	-	-	(23,234)
At 31 December 2009	73,646	60,769	65,917	200,332
<i>Net book value</i>				
At 31 December 2009	32,319	29,407	31,676	93,402
At 31 December 2008	45,802	34,597	35,559	115,958

Notes to the financial statements

at 31 December 2009

7. Debtors

	2009	Restated 2008
	£	£
Trade debtors	392,371	346,229
Amounts owed by group undertakings	1,166,968	992,243
Other debtors	21,023	27,920
	<u>1,580,362</u>	<u>1,366,392</u>

8. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	91,408	86,990
Amounts owed to group undertakings	33,801	9,539
Other creditors	36,181	20,445
Corporation tax	23,562	84,541
Other taxes and social security costs	77,489	53,956
	<u>262,441</u>	<u>255,471</u>

9. Provisions for liabilities

	2009	2008
	£	£
Accelerated capital allowances	6,785	13,769
Provision at start of year	13,769	12,467
Deferred tax (credit)/charge in the profit and loss account (note 5)	(6,984)	1,302
Provision at end of year	<u>6,785</u>	<u>13,769</u>

10. Share capital

	2009	2008
	£	£
<i>Authorised</i>		
<i>Equity shares</i>		
100 ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
<i>Equity shares</i>		
92 ordinary shares of £1 each	92	92

Notes to the financial statements

at 31 December 2009

11. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Share premium account</i>	<i>Capital redemption reserve</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£	£	£
At 1 January 2008	92	9,988	30	1,037,990	1,048,100
Profit for the year	-	-	-	260,027	260,027
At 31 December 2008	92	9,988	30	1,298,017	1,308,127
Profit for the year	-	-	-	187,034	187,034
At 31 December 2009	92	9,988	30	1,485,051	1,495,161

12. Controlling party

The immediate holding company is Filtamark Limited, which as at 31 December 2009, held 100% of the issued share capital of Filtration Engineering Limited.

On 22 September 2008, Freudenberg Nonwovens LP acquired 100% of the issued share capital of Filtamark Limited

On this same date, the ultimate parent entity and controlling party became Freudenberg & Co KG, a company registered in Germany. The smallest and largest group of undertakings in which the company is consolidated is Freudenberg & Co KG.

Copies of its group financial statements, which include the company, are available from its registered office 69465 Weinheim, Germany.

Advantage has been taken of the exemption provided by FRS 8 'Related Party Transactions' and transactions with other group undertakings have not been disclosed in these financial statements.

13. Commitments

Annual commitments under non-cancellable operating leases are as follows

	<i>2009 Land and buildings</i>	<i>2008 Land and buildings</i>
	£	£
Operating leases which expire		
Within one year	-	-
Between two and five years	40,000	40,000
Over five years	-	-
	40,000	40,000

13. Post balance sheet events

With effect from 1 January 2010, the Filters business of a parent undertaking Freudenberg Nonwovens LP was transferred to the company for consideration of €150,000.