

Freudenberg Filtration Technologies UK Limited

Report and Financial Statements

31 December 2013

MONDAY



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COMPANIES HOUSE

Directors

S G Langford

D Schmitt

Secretary

P Markham

Auditors

Ernst & Young LLP

100 Barbirolli Square

Manchester M2 3EY

Bankers

Barclays Bank plc

Commercial Street

Halifax

Registered Office

Unit 15

Orion Park

Off University Way

Crewe

Cheshire

CW1 6NG

Registered No 2888870

Directors' report

The directors present their report and financial statements for the year ended 31 December 2013

Results and dividends

The profit for the year after taxation amounted to £378,967 (2012 – profit of £368,120) The directors do not recommend a final dividend (2012 – £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 and the merchandise and sale of filter products

Directors

The directors who served the company during the year were as follows

S G Langford

D Schmitt

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

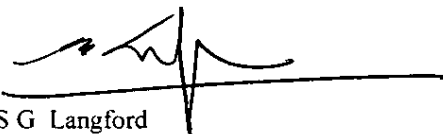
Auditors

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

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

On behalf of the Board



S G Langford
Director

20th May, 2014

Statement of directors' responsibilities

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate 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 Freudenberg Freudenberg Filtration Technologies UK Limited

We have audited the financial statements of Freudenberg Freudenberg Filtration Technologies UK Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (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 auditor

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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2013 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.

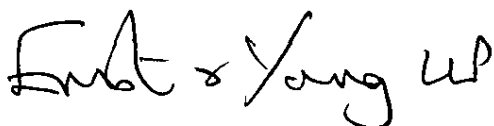
Independent auditors' report

to the members of Freudenberg Freudenberg Filtration Technologies UK 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

A handwritten signature in black ink, appearing to read 'Julian Yates', followed by a stylized flourish.

Julian Yates (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
5 June 2014

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	5 606 772	5 924,244
Cost of sales		<u>3 520,561</u>	<u>3,805,386</u>
Gross profit		2,086,211	2,118,858
Selling expenses		2,144 706	1,934,475
Administrative expenses		427,442	618,124
Other expenses	3	-	153,437
Other operating income		<u>(969,860)</u>	<u>(1 077,378)</u>
Operating profit	3	483,923	490,200
Interest receivable – group		<u>11 327</u>	<u>8,282</u>
Profit on ordinary activities before taxation		495,250	498,482
Tax	5	<u>116,283</u>	<u>130,362</u>
Profit for the financial year	11	<u><u>378,967</u></u>	<u><u>368,120</u></u>

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £378,967 in the year ended 31 December 2013 (2012 – profit of £368 120)


Balance sheet

at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	6	7,926	11,788
Current assets			
Stocks		106,880	101,305
Debtors	7	3,898,923	3,774,252
		4,005,803	3,875,557
Creditors amounts falling due within one year	8	(949,466)	(1,202,049)
Net current assets		3,056,337	2,673,508
Net assets		3,064,263	2,685,296
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	3,054,153	2,675,186
Shareholders' funds	11	3,064,263	2,685,296

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 its behalf on 20th May, 2014


 S G Langford
 Director

Notes to the financial statements

at 31 December 2013

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and have been prepared in accordance with the Financial Reporting Standard applicable to Smaller Entities (effective April 2008)

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

Tangible fixed assets

All tangible fixed assets are stated at cost. 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	–	10% straight line
Plant and equipment	–	15% straight line

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 taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

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

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

2. Turnover

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

Notes to the financial statements

at 31 December 2013 (continued)

3. Operating profit

This is stated after charging

	2013 £	2012 £
Auditors' remuneration	9,200	15,750
Depreciation	3,762	35,159
Profit (2012 loss) on disposal of tangible fixed assets	(733)	421
Operating lease rentals – plant and machinery	142,755	150,411
– land and buildings	65,316	40,000

Other expenses charged against operating profit of £ nil (2012 – £153,437) relate to costs incurred from employees being a part of the Freudenberg Nonwovens LP Pension Scheme. The Scheme undertook an Enhanced Transfer Value exercise during the previous year in which members were able to transfer their benefits out of the Scheme in exchange for either a cash payment or a top up to their transfer value.

4. Directors' remuneration

	2013 £	2012 £
Remuneration	109,910	97,368
Company contributions to money purchase pension schemes	6,451	5,708
	116,361	103,076

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

	2013 No	2012 No
Money purchase schemes	1	1

5. Tax

(a) Tax charge on ordinary activities

The tax charge is made up as follows

	2013 £	2012 £
Current tax		
UK corporation tax on the profit for the year	114,717	132,834
Adjustment in respect of prior years	(1,040)	5,756
Total current tax (note 5(b))	113,677	138,590
Deferred tax		
Deferred tax charge/ (credit) (note 9)	2,606	(8,228)
Tax charge on ordinary activities	116,283	130,362

Notes to the financial statements

at 31 December 2013 (continued)

5 Tax (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	495,250	498,482
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	115,131	122,114
<i>Effects of</i>		
Expenses not deductible for tax purposes	1,506	1,743
Capital allowances (in excess of)/ lower than depreciation	(60)	7,654
Movement in short term timing differences	(1,860)	1,323
Adjustments to tax charge in respect of prior periods	(1,040)	5,756
Current tax for the year (note 5(a))	113,677	138,590

(c) Factors that may affect future tax charges

The UK corporation tax rate changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profits for this accounting period are taxed at a blended rate of 23.25%.

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes were substantively enacted on 2 July 2013 and therefore are included in these financial statements.

Notes to the financial statements

at 31 December 2013 (continued)

6. Tangible fixed assets

	<i>Motor vehicles</i> £	<i>Office equipment</i> £	<i>Plant and machinery</i> £	<i>Total</i> £
Cost or valuation				
At 1 January 2013	14,440	52,636	104,111	171,187
Disposals	(6,490)	(42,120)	(84,919)	(133,529)
At 31 December 2013	7,950	10,516	19,192	37,658
Depreciation				
At 1 January 2013	14,240	49,761	95,398	159,399
Provided during the year		1,282	2,480	3,762
Disposals	(6,390)	(42,120)	(84,919)	(133,429)
At 31 December 2013	7,850	8,923	12,959	29,732
Net book value				
At 31 December 2013	100	1,593	6,233	7,926
At 1 January 2013	200	2,875	8,713	11,788

7. Debtors

	2013 £	2012 £
Trade debtors	1,148,829	1,564,008
Amounts owed by group undertakings	2,674,837	2,161,672
Other debtors	70,548	41,257
Deferred tax asset	4,709	7,315
	<u>3,898,923</u>	<u>3,774,252</u>

8. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	331,467	417,804
Amounts owed to group undertakings	47,157	72,893
Other creditors	354,702	377,303
Corporation tax	74,013	83,270
Other taxes and social security costs	142,127	250,779
	<u>949,466</u>	<u>1,202,049</u>

Notes to the financial statements

at 31 December 2013 (continued)

9. Deferred Taxation

Deferred taxation provided in the financial statements and the amounts not provided are as follows

	2013	2012
	£	£
Accelerated capital allowances	(4,709)	(7,315)
(Asset)/ Provision at start of year	(7,315)	913
Deferred tax charge/ (credit) in the profit and loss account (note 5(a))	2,606	(8,228)
Asset at end of year (note 7)	(4,709)	(7,315)

10. Issued share capital

	No	2013	No	2012
		£		£
Allotted, called up and fully paid				
Ordinary shares of £1 each	92	92	92	92

11 Reconciliation of shareholders' funds and movements on reserves

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
At 1 January 2012	92	9,988	30	2,307,066	2,317,176
Profit for the year	—	—	—	368,120	368,120
At 1 January 2013	92	9,988	30	2,675,186	2,685,296
Profit for the year	—	—	—	378,967	378,967
At 31 December 2013	92	9,988	30	3,054,153	3,064,263

12 Other financial commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013	2012
	Land and buildings	Land and buildings
	£	£
Operating leases which expire		
Within one year	—	25,175
In two to five years	80,950	86,382
	80,950	111,557

Notes to the financial statements

at 31 December 2013 (continued)

13. Related party transactions

Advantage has been taken of the exemption provided by FRS 8 3c 'Related Party Transactions' and transactions with other group undertakings have not been disclosed in these financial statements

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Filtamark Limited, which as at 31 December 2013, held 100% of the issued share capital of Freudenberg Filtration Technologies UK Limited

The ultimate parent undertaking and controlling party is Freudenberg SE, a company registered in Germany. The smallest and largest group of undertakings in which the company is consolidated is Freudenberg SE.

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