

Freudenberg Filtration Technologies UK Limited

Report and Financial Statements

31 December 2017

Registered No. 2888870

FRIDAY



A7FF4KW1

A24

28/09/2018

#33

COMPANIES HOUSE

Directors

S G Langford

A G Short

Secretary

C L Williams

Auditors

Ernst & Young LLP

2 St Peter's Square

Manchester

M2 3EY

Bankers

Barclays Bank plc

Commercial Street

Halifax

Registered office

Unit 15 Orion Park

Off University Way

Crewe

Cheshire

CW1 6NG

Directors' report

The directors present their report and financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the year, after taxation, amounted to £655,255 (2016: £534,768). A dividend of £Nil was paid during the year (2016: £850,000).

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
A G Short

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 is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern

The directors have satisfied themselves that the company can continue to pay its liabilities as they fall due for the period of at least 12 months from the date of approval of these financial statements. The financial statements are therefore prepared on a going concern basis.

Auditors

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

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006. The company has taken advantage of the exemption offered by section 414(b) of the Chapter A4 of the Companies Act 2006, not to prepare a strategic report.

On behalf of the Board



A G Short
Director

20/9/2018

Date

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), including FRS101 The Reduced Disclosure Framework. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Freudenberg Filtration Technologies UK Limited (continued)

Opinion

We have audited the financial statements of Freudenberg Filtration Technologies UK Limited for the year ended 31 December 2017 which comprise the Income Statement and Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report

to the members of Freudenberg Filtration Technologies UK Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemption in preparing the directors' report and from the requirements to prepare a strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

to the members of Freudenberg Filtration Technologies UK Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Julian Yates (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester

Date: 24/9/18

Income Statement and Statement of Comprehensive Income

for the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	2	9,493,549	7,901,721
Cost of sales		(6,255,361)	(4,998,098)
Gross profit		<u>3,238,188</u>	<u>2,903,623</u>
Selling expenses		(2,388,108)	(2,330,513)
Administrative expenses		(423,241)	(468,998)
Other operating income		330,461	608,693
Operating profit	3	<u>757,300</u>	<u>712,805</u>
Interest receivable and similar income	6	-	-
Interest payable and similar charges	7	3,078	(6,904)
Profit on ordinary activities before taxation		<u>760,378</u>	<u>705,901</u>
Taxation	8	(105,123)	(171,133)
Profit for the financial year		<u><u>655,255</u></u>	<u><u>534,768</u></u>

There is no other comprehensive income for the year.

All items dealt with in arriving at the profit on ordinary activities relate to continuing operations.

The notes on pages 10 to 20 form an integral part of these financial statements.

Balance sheet

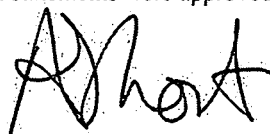
at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	19,596	6,444
Intangible asset	10	107,338	124,287
		<u>126,934</u>	<u>130,731</u>
Current assets			
Stocks	11	300,391	267,460
Debtors	12	2,743,003	2,215,501
		<u>3,043,394</u>	<u>2,482,961</u>
Creditors: amounts falling due within one year	13	(1,343,260)	(1,441,879)
Net current assets		<u>1,700,134</u>	<u>1,041,082</u>
Net assets		<u>1,827,068</u>	<u>1,171,813</u>
Capital and reserves			
Called up share capital	14	92	92
Share premium		9,988	9,988
Capital redemption reserve		30	30
Profit and loss account	16	1,816,958	1,161,703
Shareholders' funds		<u>1,827,068</u>	<u>1,171,813</u>

The notes on pages 10 to 20 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and signed on their behalf by:

A G Short
Director
Date



20/9/2018

Statement of Changes in Equity

for the year ended 31 December 2017

	<i>Profit and loss account</i>	<i>Called up share capital</i>	<i>Share premium capital</i>	<i>Capital redemption reserve</i>	<i>Total</i>
	£	£	£	£	£
At 1 January 2016	1,476,935	92	9,988	30	1,487,045
Profit for the financial year	534,768	-	-	-	534,768
Total comprehensive income for the year	534,768	-	-	-	534,768
Dividend paid	(850,000)	-	-	-	(850,000)
At 31 December 2016	1,161,703	92	9,988	30	1,171,813
Profit for the financial year	655,255	-	-	-	655,255
Total comprehensive income for the year	655,255	-	-	-	655,255
Dividends paid	-	-	-	-	-
At 31 December 2017	1,816,958	92	9,988	30	1,827,068

Notes to the financial statements

at 31 December 2017

1. Accounting policies

Statement of Compliance

The financial statements of Freudenberg Filtration Technologies UK Limited (the “company”) for the year ended 31 December 2017 were authorised for issue by the board of directors on 20th September 2018 and the balance sheet was signed on the board’s behalf by A G Short. Freudenberg Filtration Technologies UK Ltd is incorporated and domiciled in England and Wales. The registered office is Unit 15, Orion Park, Off University Way, Crewe, Cheshire, CW1 6NG.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company’s financial statements are presented in GBP Sterling.

The principal accounting policies adopted by the Company are set out below.

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures
- (b) the requirements in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of:
 - a. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - b. paragraph 118(e) of IAS 38 Intangible Assets;
- (c) the requirements of paragraphs 10(d), 111 and 134 of IAS 1 Presentation of Financial Statements;
- (d) the requirements of IAS 7 Statement of Cash Flows;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- (f) the requirement of paragraph 17 of IAS 24 Related Party Transactions;

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Notes to the financial statements (continued)

at 31 December 2017

1. Accounting policies (continued)

Significant accounting policies

Tangible assets and depreciation

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

Intangible assets and amortisation

All intangible fixed assets are stated at cost. Amortisation is provided on all intangible 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:

Computer Software	–	12.5% straight-line
-------------------	---	---------------------

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

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

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Trade and other debtors

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Finished goods and goods for resale – at purchase price

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements (continued)

at 31 December 2017

1. Accounting policies (continued)

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Interest income and expense

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Financial Instruments

Initial recognition and measurement

The Company determines the classification of its financial assets at initial recognition. The Company's financial assets include cash and debtors due within one year and shall be recorded at transaction value.

Subsequent measurement

Debtors due within one year classified as loans and receivables shall continue to be carried at transaction value, since they are due within one year.

Derecognition of financial assets

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include trade creditors and amount owed to related parties due within one year and shall be recorded at transaction price.

Subsequent measurement

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

at 31 December 2017

1. Accounting policies (continued)

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

2. Turnover

Turnover is analysed by geographical market as follows:

	2017 £	2016 £
United Kingdom	9,493,549	7,901,721
	<u>9,493,549</u>	<u>7,901,721</u>

3. Operating profit

Operating profit is stated after charging:

	2017 £	2016 £
Stock expensed through Cost of Sales	4,812,651	3,741,624
Other Operating income	330,461	608,693
Depreciation of owned tangible fixed assets	2,143	3,227
Amortisation	16,949	11,298
Rent of land and buildings – operating leases	85,884	80,950
Hire of other assets – operating leases	146,846	156,439
Auditors' remuneration:		
Audit of these financial statements	<u>12,500</u>	<u>10,500</u>

Notes to the financial statements (continued)

at 31 December 2017

4. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	221,359	173,085
Pension contributions	46,986	44,792
	<u>268,345</u>	<u>217,877</u>
	2017	2016
	£	£
In respect of the highest paid director:		
Aggregate remuneration	136,815	132,255

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

	No.	No.
Money purchase schemes	<u>2</u>	<u>3</u>

5. Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2017	2016
	No.	No.
Administration	3	3
Selling and distribution	43	43
	<u>46</u>	<u>46</u>

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	1,872,090	1,825,744
Social security costs	219,736	199,215
Other pension costs	227,808	215,944
	<u>2,319,634</u>	<u>2,240,903</u>

Notes to the financial statements (continued)

at 31 December 2017

6. Interest receivable and similar income

	2017	2016
	£	£
Other interest receivable from third parties	-	-

7. Interest payable and similar charges

	2017	2016
	£	£
Interest payable/(receivable) to third parties	(3,078)	6,904

8. Taxation

(a) Tax charge on profit

The tax charge is made up as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax on the profit for the year	146,346	166,216
Adjustment in respect of prior years	(43,092)	7,587
Total current tax (note 8(b))	103,254	173,803
Deferred tax:		
Total deferred tax (note 12)	1,869	(2,670)
Total Tax on profit	105,123	171,133

(b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2016 – 20%). The differences are explained below:

	2017	2016
	£	£
Profit for the year	760,378	705,901
Tax on profit at the standard rate of corporation tax in the UK of 19.25% 31 December 2017 (2016 – 20%)	146,347	141,180
Effects of:		
Expenses not deductible for tax purposes	1,191	28,400
Adjustments to tax in respect of prior periods	(42,400)	1,028
Tax rate changes	(15)	524
Total tax for the year (note 8(a))	105,123	171,133

Notes to the financial statements (continued)

at 31 December 2017

(c) Factors that may affect future tax charges

Changes to the UK corporation tax rates were announced in the Summer Finance Bill 2015. The UK's main corporation tax rate is 19% (since 1 April 2017). Further reductions to the rate were included in Finance Bill 2015, to 17% from 1 April 2020. These changes were substantively enacted on 26 October 2015 and therefore are included in these financial statements where appropriate. Deferred tax is recognised at 19%.

Notes to the financial statements (continued)

at 31 December 2017

9. 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 2017	5,399	338	11,490	17,227
Additions	-	-	15,295	15,295
At 31 December 2017	5,399	338	26,785	32,522
Depreciation:				
At 1 January 2017	700	338	9,745	10,783
Provided during the year	532	-	1,611	2,143
Disposals				
At 31 December 2017	1,232	-	11,356	12,926
Net book value:				
At 31 December 2017	4,167	-	15,429	19,596
At 1 January 2017	4,699	-	1,745	6,444

10. Intangible fixed assets

	<i>Computer Software</i> £	<i>Total</i> £
Cost or valuation:		
At 1 January 2017	135,585	135,585
Additions	-	-
At 31 December 2017	135,585	135,585
Depreciation:		
At 1 January 2017	11,298	11,298
Provided during the year	16,949	16,949
At 31 December 2016	28,247	28,247
Net book value:		
At 31 December 2017	107,338	107,338
At 1 January 2016	124,287	124,287

Notes to the financial statements (continued)

at 31 December 2017

11. Stocks

	2017	2016
	£	£
Finished goods and goods for resale	300,391	267,460

12. Debtors

	2017	2016
	£	£
Trade debtors	1,822,290	1,467,340
Amounts owed by group undertakings	819,818	590,989
Other debtors and accrued income	92,809	147,217
Deferred tax (see below)	8,086	9,955
	<u>2,743,003</u>	<u>2,215,501</u>

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

	2017	2016
	£	£
Deferred tax asset at start of year	(9,955)	(7,285)
Deferred tax debit in the profit and loss account (note 8(a))	1,176	3889
Adjustment in respect of prior years (note 8(a))	693	(6,559)
Asset at end of year	<u>(8,086)</u>	<u>(9,955)</u>

Deferred tax asset:

	2017	2016
	£	£
Temporary trading differences	(3,497)	(7,796)
Fixed assets	(4,589)	(2,159)
	<u>(8,086)</u>	<u>(9,955)</u>

13. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	622,710	572,330
Amounts owed to group undertakings	137,557	105,532
Other creditors and deferred income	240,719	363,434
Current corporation tax	15,976	85,264
Other taxes and social security costs	326,298	315,319
	<u>1,343,260</u>	<u>1,441,879</u>

Notes to the financial statements (continued)

at 31 December 2017

14. Called up share capital

	2017	2016
	£	£
<i>Allocated, called up and fully paid</i>		
ordinary shares of £1 each	92	92

15. Dividend

	2017	2016
	£	£
Dividend paid	-	850,000

Dividend per share in 2017 (nil), £9239.13 during 2016.

16. Other reserves

Share premium

This reserve represents the capital investment by the parent undertaking in addition to share capital.

Retained Earnings

This reserve represents the cumulative comprehensive income recognised in the company, less any dividends paid. The retained earnings for 2017 is £1,816,958.

17. Commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2017			2016		
	<i>Land and buildings</i>	<i>Other</i>	<i>Total</i>	<i>Land and buildings</i>	<i>Other</i>	<i>Total</i>
	£	£	£	£	£	£
Operating leases which expire:						
Within one year	-	27,011	27,011	-	23,264	23,264
In two to five years	65,761	139,168	204,929	137,625	120,512	258,137
	65,761	166,179	231,940	137,625	143,776	281,401

18. Subsequent Event

The business has signed a lease on new premises from 1 October 2018 with a minimum lease term of 10 years at an annual rent of £132,000 and has negotiated certain lease incentives with the landlord which will reduce the total amounts payable initially.

19. Related party transactions

The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

Notes to the financial statements (continued)

at 31 December 2017

20. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Filtamark Limited, which as at 31 December 2017, 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.