

2888890

FILTRATION ENGINEERING LTD

**The Mill
Brock Road
Chorley
Lancashire
PR6 0DB**

Accounts for the year ended 31 March 1997

PREMIER ACCOUNTS



FILTRATION ENGINEERING LTD

DIRECTORS REPORT

ACTIVITIES

During the third year of trading the company recorded an improved net profit to the previous year due to a significant increase in turnover to over £845K. The company purchased a high proportion of its products from the associated company, Lefco Ltd. A good position has been established within the market place during this year and the company is in a very strong position to build on this strong base. The net profit before tax was equal to 27% of the turnover.

RESULTS AND DIVIDENDS

Profitability was significantly better than the previous year due to an increase in turnover of 39% and a control of costs. The Gross profit at 63% of turnover was much higher than the level recorded last year of 52%. As a result of these factors retained earnings were improved considerably. Further growth of earnings is envisaged in 1997/98. Dividends were paid to both directors.

DIRECTORS

The Share Capital of 100 shares consisted of the following:-

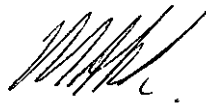
Mr R S Wray	70 shares
Mr M A Smith	30 shares

Both directors also held directorships in the associated company, Lefco Ltd.

AUDITORS

A resolution proposing the reappointment of Premier Accounts, Sale will be put to the members at the Annual General Meeting.

Filtration Engineering Ltd
Brock Road
Chorley



FILTRATION ENGINEERING LTD

AUDITORS REPORT

TO THE DIRECTORS OF FILTRATION ENGINEERING LTD

We have audited the financial statements for the third year of trading. In addition to the normal auditing procedures we have satisfied ourselves that the practices being used are consistent and reflect a true and fair position of the business.

The information provided by the directors to substantiate their accounts was concisely prepared and a full reconciliation with the cash and bank statements was made. The directors assurances were requested in certain instances and found to be properly reflected in the records.

Mention has been made of the company associated to FEL, namely Lefco Ltd. We are satisfied that all transactions between the two companies have been dealt with in a precise manner and do not in any way distort the accounts of either company.

It is therefore my belief that these accounts give a true and fair view of the state of the company's affairs and have been prepared to comply with the Companies Acts.



*T E Williams A C M A
Premier Accounts
92 Carrington Lane
Sale
Cheshire
M33 5NG*

November 1977

FILTRATION ENGINEERING LTD

STATUTORY PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1997

608466	TURNOVER	845473
<u>288073</u>	Less Cost of Sales	<u>367156</u>
320393		478317
<u>1788</u>	Investment Income	<u>3459</u>
322181		481776
<u>217534</u>	Less: Administration Costs	<u>250692</u>
104647	<u>PROFIT BEFORE TAX</u>	231084
<u>26145</u>	Taxation	<u>55474</u>
78502	<u>PROFIT AFTER TAX</u>	<u>175610</u>
<u>41237</u>	Dividends	<u>41144</u>
<u>37265</u>	<u>TRANSFER TO RESERVES</u>	<u>134466</u>

Administration Costs include:-

Depreciation 258

Audit Fees *

Directors Remuneration *

* These costs are borne by the sister company Lefco Ltd.

Retained Profits:-

Brought Forward 76121

Transfer during the period 134466

210587

PREMIER ACCOUNTS



FILTRATION ENGINEERING LTD

BALANCE SHEET AS AT 31 MARCH 1997

FIXED ASSETS

1072	Equipment	814
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WORKING CAPITAL

3547	Stock	8168	
149838	Debtors	153462	
24412	Bank	<u>174334</u>	335964
	Less:-		
43261	Creditors and Accruals	55362	
39587	Taxation Reserve	70729	
<u>19800</u>	Proposed Dividends	<u>0</u>	<u>126091</u>
			<u>209873</u>
<u>76221</u>			<u>210687</u>

CAPITAL

100	Share Capital	100
<u>76121</u>	Profit and Loss Account	<u>210587</u>
<u>76221</u>		<u>210687</u>

PREMIER ACCOUNTS



FILTRATION ENGINEERING LTD

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The accounts comply with the normal standards required for Limited Companies. Stocks and Work in Progress values have been based on the lower of cost or net realisable value.

2. SHARE CAPITAL

Ordinary shares of 1.00 each

Authorised	100
Ordinary	100

3. EMPLOYMENT COSTS

All sub-contractors have produced evidence of their exemption certificates thereby eliminating the necessity to deduct tax at source. Wage costs and directors remuneration have been borne by the associated company, Lefco Ltd.

4. CORPORATION TAX

U K Corporation tax at the small companies rate of 24% has been provided.

5. CREDITORS

Trade Creditors are short term which should be repaid within six months. The Taxation Reserve covers the liability for VAT, Corporation tax and ACT due.

6. PROFIT AND LOSS

The retained profit shown on the Balance Sheet was increased by £134466 during the year.

PREMIER ACCOUNTS