

Registered number: 05677689

VOLZ FILTERS UK LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2017

THURSDAY



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COMPANIES HOUSE

VOLZ FILTERS UK LIMITED
REGISTERED NUMBER: 05677689

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	5		1,902,866		1,865,588
Investments	6		20,000		-
			<u>1,922,866</u>		<u>1,865,588</u>
CURRENT ASSETS					
Stocks	7	550,717		452,318	
Debtors: amounts falling due after more than one year	8	146,394		120,885	
Debtors: amounts falling due within one year	8	1,712,906		1,664,693	
Cash at bank and in hand	9	109,372		530,459	
		<u>2,519,389</u>		<u>2,768,355</u>	
Creditors: amounts falling due within one year	10	(930,003)		(1,464,373)	
NET CURRENT ASSETS			<u>1,589,386</u>		<u>1,303,982</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,512,252</u>		<u>3,169,570</u>
Creditors: amounts falling due after more than one year	11		(316,113)		(427,672)
PROVISIONS FOR LIABILITIES					
Deferred tax	14		(46,995)		(33,808)
NET ASSETS			<u><u>3,149,144</u></u>		<u><u>2,708,090</u></u>
CAPITAL AND RESERVES					
Called up share capital			10,000		10,000
Revaluation reserve	15		388,109		396,370
Profit and loss account	15		2,751,035		2,301,720
			<u><u>3,149,144</u></u>		<u><u>2,708,090</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24 MAY 2018

VOLZ FILTERS UK LIMITED
REGISTERED NUMBER: 05677689

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

Jonathan Thornton
Director

The notes on pages 3 to 16 form part of these financial statements.

A handwritten signature in black ink, appearing to read 'J Thornton', with a large, sweeping flourish at the end.

VOLZ FILTERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

Volz Filters UK Limited ("the company") manufactures air filters and sells primarily to the UK and the rest of Europe.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Agecroft Commerce Park, Unit 1 Canary Way, Swinton, Manchester, M27 8AW.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Volz Luftfilter GmbH & Co KG as at 31 December 2017 and these financial statements may be obtained from the Unternehmens Register online.

2.3 Going concern

The directors have reviewed the budgets and cash flow forecasts and have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future.

VOLZ FILTERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Plant & machinery	-	14% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line
Improvements to property	-	14% straight line

2.6 Revaluation of tangible fixed assets

On transition to FRS 102 the directors adopted the available option of recognising the previously revalued valuation of the property as deemed cost.

The revaluation reserve has been maintained as an undistributable reserve in accordance with Companies Act requirements and the excess depreciation on the revalued amount is transferred from the revaluation reserve to the profit and loss reserve on an annual basis.

VOLZ FILTERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.8 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

VOLZ FILTERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

VOLZ FILTERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

VOLZ FILTERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property, plant and equipment and note 2.5 for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.

(iii) Foreign currency transactions

Where transactions are carried out denominated in a currency other than GBP, the gain or loss arising on movements in foreign exchange rates between transaction dates and payment, receipt or reporting dates is recognised within cost of sales due to the fact that such transactions relate to the purchase of raw materials.

4. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Total	47	46

VOLZ FILTERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Office equipment £	Other fixed assets £
COST					
At 1 January 2017	1,675,000	649,722	18,522	56,995	77,598
Additions	-	86,544	72,903	1,261	1,456
Disposals	-	(23,000)	-	-	-
At 31 December 2017	<u>1,675,000</u>	<u>713,266</u>	<u>91,425</u>	<u>58,256</u>	<u>79,054</u>
DEPRECIATION					
At 1 January 2017	100,500	394,856	18,522	54,299	44,072
Charge owned for the period	33,500	48,972	10,204	1,533	7,951
Disposals	-	(274)	-	-	-
At 31 December 2017	<u>134,000</u>	<u>443,554</u>	<u>28,726</u>	<u>55,832</u>	<u>52,023</u>
NET BOOK VALUE					
At 31 December 2017	<u><u>1,541,000</u></u>	<u><u>269,712</u></u>	<u><u>62,699</u></u>	<u><u>2,424</u></u>	<u><u>27,031</u></u>
At 31 December 2016	<u><u>1,574,500</u></u>	<u><u>254,866</u></u>	<u><u>-</u></u>	<u><u>2,696</u></u>	<u><u>33,526</u></u>

VOLZ FILTERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. TANGIBLE FIXED ASSETS (CONTINUED)

	Total £
COST	
At 1 January 2017	2,477,837
Additions	162,164
Disposals	(23,000)
At 31 December 2017	<u>2,617,001</u>
DEPRECIATION	
At 1 January 2017	612,249
Charge owned for the period	102,160
Disposals	(274)
At 31 December 2017	<u>714,135</u>
NET BOOK VALUE	
At 31 December 2017	<u><u>1,902,866</u></u>
At 31 December 2016	<u><u>1,865,588</u></u>

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Long leasehold	<u>1,541,000</u>	<u>1,574,500</u>
	<u><u>1,541,000</u></u>	<u><u>1,574,500</u></u>

VOLZ FILTERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
Additions	20,000
At 31 December 2017	<u>20,000</u>
NET BOOK VALUE	
At 31 December 2017	<u>20,000</u>
At 31 December 2016	<u>-</u>

7. STOCKS

	2017 £	2016 £
Raw materials and consumables	550,717	452,318
	<u>550,717</u>	<u>452,318</u>

Stock recognised in cost of sales during the year as an expense was £2,717,944 (2016 - £2,263,295).

VOLZ FILTERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. DEBTORS

	2017 £	2016 £
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	146,394	120,885
	146,394	120,885
	2017 £	2016 £
DUE WITHIN ONE YEAR		
Trade debtors	1,611,207	1,636,669
Amounts owed by group undertakings	74,489	-
Prepayments and accrued income	27,210	28,024
	1,712,906	1,664,693

No amounts were recognised as impairment losses in the year (2016: £nil) as an administration expense against debtors during the year.

9. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	109,372	530,459
	109,372	530,459

1. The first part of the document is a list of names and addresses of the members of the committee. The names are listed in alphabetical order, and the addresses are given in full, including the street, city, and state.

2. The second part of the document is a list of the names and addresses of the members of the committee who have been elected to the office of the secretary. The names are listed in alphabetical order, and the addresses are given in full, including the street, city, and state.

3. The third part of the document is a list of the names and addresses of the members of the committee who have been elected to the office of the treasurer. The names are listed in alphabetical order, and the addresses are given in full, including the street, city, and state.

VOLZ FILTERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Bank loans	169,692	169,692
Trade creditors	249,951	385,252
Amounts owed to group undertakings	65,744	300,959
Corporation tax	104,932	70,140
Other taxation and social security	168,758	171,852
Obligations under finance lease and hire purchase contracts	15,259	-
Other creditors	1,613	1,369
Accruals and deferred income	154,054	365,109
	<u>930,003</u>	<u>1,464,373</u>

Loans due to group undertakings of £65,744 (2016: £271,417) incur interest at a rate of 5%.

11. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	269,076	427,672
Net obligations under finance leases and hire purchase contracts	47,037	-
	<u>316,113</u>	<u>427,672</u>

Secured loans

Bank loans of £269,076 (2016: £597,364) are secured on the land and buildings of the company at Unit 1, Agecroft Commerce Park, Swinton, Manchester. Interest is charged at a rate of 1.85% above base rate.

VOLZ FILTERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. LOANS

Analysis of the maturity of loans is given below:

	2017 £	2016 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	169,692	169,692
	<u>169,692</u>	<u>169,692</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	269,076	427,672
	<u>269,076</u>	<u>427,672</u>
	<u>438,768</u>	<u>597,364</u>

13. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	15,259	-
Between 1-2 years	15,259	-
Between 2-5 years	31,778	-
	<u>62,296</u>	<u>-</u>

VOLZ FILTERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. DEFERRED TAXATION

	2017 £
At beginning of year	(33,808)
Charged to the profit or loss	(13,187)
AT END OF YEAR	(46,995)

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(47,265)
Short term timing differences	270
	(46,995)

15. RESERVES

Revaluation reserve

The revaluation reserve reflects the increase in market value of the leasehold building from historic cost. The property was last revalued on 2 April 2014 and on transition to FRS 102, the directors have taken this valuation to be deemed cost.

Transfers are made on an annual basis from the revaluation reserve to the profit and loss account to reflect the additional depreciation being charged on the revalued amount over the historic cost.

Profit & loss account

The profit and loss account is the cumulative retained earnings of the company comprising of distributable reserves.

16. CONTROLLING PARTY

The company's parent company is Volz Luftfilter GmbH & Co. KG, a company incorporated in Germany.

Mr R Volz is the ultimate controlling party of the parent company.

The largest and smallest group into which the company is consolidated is the consolidated group accounts of Volz Luftfilter GmbH & Co. KG. The accounts are publically available online from the Unternehmen Register.

VOLZ FILTERS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. AUDITOR'S INFORMATION

In accordance with the small companies regime the audit report has not been filed. The audit report was unqualified and signed by Mr M Jayson, FCA, on behalf of Crowe Clark Whitehill LLP, The Lexicon, Mount Street, Manchester, M2 5NT.