Registered number: 02524269

REGISTRAR COPY

FILTRATION CONTROL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

FILTRATION CONTROL LIMITED

COMPANY INFORMATION

Directors	P Hudson J Pearman S Trewin A Hughes J Hudson M Byrne
Registered number	02524269
Registered office	Unit B&C Longman Court Sketty Close Brackmills Northampton NN4 7PL
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	Lloyds Bank Plc 28 Secklow Gate West Milton Keynes MK9 3EH

FILTRATION CONTROL LIMITED

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FILTRATION CONTROL LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The Directors present their Strategic report and the financial statements for the year ended 31 March 2016.

Business review

The market has remained highly competitive following on from the previous year and throughout 2016. Turnover has remained steady this year, gross margin remained firm despite market pressure.

The Directors are satisfied with the performance of the business and continue to look for areas to increase sales and maintain margin.

Principal risks and uncertainties

The principal financial risks faced by the company and it's objectives and policies in relation to those risks are:-

Interest rate risk
The company's interest rate policy has the objective of minimising net interest expense and protection from material adverse movements in interest rates. The company's policy is to manage its interest cost by using variable debt, which will fluctuate according to levels of working capital required.

Currency risk
The company faces currency risk on its net assets and earnings since, on translation of business with overseas customers into sterling, currency movements can affect the company's balance sheet and income statement. The company regularly reviews its exposure in the above areas and is satisfied that no significant threat exists.

Credit risk
Credit risk is the financial exposure generated by the potential default of third parties in fulfilling their obligations. The company has put in place credit protection insurance to eliminate all material risk of this nature.

Competition
The group operates in a highly competitive market particularly around price and product quality. This results not only in downward pressure on our margins but also in the risk that we will not meet our customers expectations. In order to mitigate this risk our sales team monitor market prices on an ongoing basis. Furthermore, we undertake routine market research to understand our customers expectations and whether their needs are being met.

This report was approved by the board and signed on its behalf.

....
S Trewin
Director

Date: 16/09/2016

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Principal place of business

Filtration Control Limited is a members limited liability company incorporated and domiciled in England and has its registered office and principal place of business at Unit B & C Longman Court, Sketty Close, Brackmills Industrial Estate, Northampton, NN4 7PL.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting 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 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.

Principal activity

The principal activity of the company during the year was the distribution of automotive filters.

Results and dividends

The profit for the year, after taxation, amounted to £343,845 (2015 - £271,794).

Dividends of £427,200 were paid during the year (2015 - £585,642).

Directors

The directors who served during the year were:

P Hudson
J Pearman
S Trewin
A Hughes
J Hudson
M Byrne

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

....
S Trewin
Director

Date: 16/09/2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FILTRATION CONTROL LIMITED

We have audited the financial statements of Filtration Control Limited for the year ended 31 March 2016, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, 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 Financial Reporting Council'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 Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FILTRATION CONTROL LIMITED

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.

MHA MacIntyre Hudson

STEVEN MOORE BA ACA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB
Date: 16/09/2016

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Turnover	3	**16,364,707**	16,374,013
Cost of sales		**(12,532,649)**	(12,561,154)
Gross profit		**3,832,058**	3,812,859
Distribution costs		**(955,221)**	(906,560)
Administrative expenses		**(2,257,546)**	(2,412,518)
Other operating income	4	***36,000***	*36,000*
Operating profit	5	**655,291**	529,781
Interest payable and expenses	8	**(206,376)**	(164,247)
Profit before tax		**448,915**	365,534
Tax on profit	9	**(105,070)**	(93,740)
Profit after tax		**343,845**	271,794
Retained earnings at the beginning of the year		**347,268**	661,116
Profit for the year		**343,845**	271,794
Dividends declared and paid		**(427,200)**	(585,642)
Retained earnings at the end of the year		**263,913**	347,268

The notes on pages 9 to 25 form part of these financial statements.

FILTRATION CONTROL LIMITED
REGISTERED NUMBER:02524269

BALANCE SHEET
AS AT 31 MARCH 2016

	Note		2016 £		2015 £
Fixed assets					
Intangible assets	11		**70,056**		132,722
Tangible assets	12		**158,290**		237,007
			228,346		369,729
Current assets					
Stocks	13	**1,944,018**		2,075,915	
Debtors: amounts falling due within one year	14	**5,752,121**		5,148,158	
Cash at bank and in hand	15	**214,207**		271,612	
		7,910,346		7,495,685	
Creditors: amounts falling due within one year	16	**(7,749,402)**		(7,354,719)	
Net current assets			**160,944**		140,966
Total assets less current liabilities			**389,290**		510,695
Creditors: amounts falling due after more than one year	17		**(18,717)**		(39,472)
Provisions for liabilities					
Deferred tax	20	**(6,660)**		(14,951)	
Other provisions	21	**-**		(9,004)	
			(6,660)		(23,955)
Net assets			**363,913**		447,268
Capital and reserves					
Called up share capital	22		**97,000**		97,000
Capital redemption reserve	23		**3,000**		3,000
Profit and loss account	23		**263,913**		347,268
			363,913		447,268

BALANCE SHEET (continued)
AS AT 31 MARCH 2016

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

....
S Trewin
Director

Date: 16/09/2016

The notes on pages 9 to 25 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 28.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of FCL Organisation Limited as at 31 March 2016 and these financial statements may be obtained from Companies House.

1.3 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;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1. Accounting policies (continued)

1.4 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.5 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives and is provided on the following basis:

Plant and machinery	- Over 10 years
Motor vehicles	- Over 4 years
Fixtures and fittings	- Over 5 years
Computer equipment	- Over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Income and Retained Earnings.

1.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1. Accounting policies (continued)

1.7 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.

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.

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.

1.8 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.

1.9 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.

1.10 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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

1. Accounting policies (continued)

1.10 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.11 Invoice factoring

The company has entered into an arrangement to factor certain of its trade debtors. The risks and rewards of ownership remain with the company and therefore amounts advanced are treated as a loan from the factor classified as other creditors, amounts falling due within one year. The liability is a basic financial instrument.

1.12 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.

1. Accounting policies (continued)

1.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account, except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

1.14 Finance costs

Finance costs are charged to the Profit and loss account 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.

1.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.16 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 payments obligations.

The contributions are recognised as an expense in the Profit and loss account 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.

1. Accounting policies (continued)

1.17 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 Profit and loss account 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.

1.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change 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.

1.19 Research and development

Research and development expenditure is written off in the year in which it is incurred.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily seperated from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are currently no key sources of estimation uncertainty which have a significant effect on the amount recognised in the financial statements which would produce a material effect to the financial statements as a whole.

3. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Manufacture of foam filters	**16,364,707**	16,374,013
	16,364,707	16,374,013

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	**12,561,086**	12,341,055
Rest of Europe	**3,281,952**	3,527,760
Rest of the world	**521,669**	505,198
	16,364,707	16,374,013

4. Other operating income

	2016 £	2015 £
Fees receivable	**36,000**	36,000
	36,000	36,000

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Research & development charged as an expense	**1,922**	619
Depreciation of tangible fixed assets	**89,063**	85,675
Amortisation of intangible assets, including goodwill	**62,666**	55,278
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	**13,335**	13,000
Exchange differences	**20,331**	141,780
Land & buildings operating lease rentals	**406,838**	397,278
Other operating lease rentals	**102,179**	126,460

6. Employees

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

	2016 £	2015 £
Wages and salaries	**1,438,509**	1,376,527
Social security costs	**97,788**	100,988
Cost of defined contribution scheme	**24,000**	24,000
	1,560,297	1,501,515

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

	2016 No.	2015 No.
Production staff	**39**	32
Office and management	**36**	47
	75	79

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	**102,975**	101,653
Company contributions to defined contribution pension schemes	**24,000**	24,000
	126,975	125,653

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

All of the company's key management personnel are directors of the company.

8. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	**49,003**	48,754
Finance leases and hire purchase contracts	**4,649**	9,061
Other interest payable	**152,724**	106,432
	206,376	164,247

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**115,534**	88,023
Adjustments in respect of previous periods	**(2,173)**	2,711
	113,361	90,734
Total current tax	**113,361**	90,734
Deferred tax		
Origination and reversal of timing differences	**(8,291)**	3,006
Total deferred tax	**(8,291)**	3,006
Taxation on profit on ordinary activities	**105,070**	93,740

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	**448,915**	365,534
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	**89,783**	76,762
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**10,159**	10,500
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**4,193**	2,565
Adjustments to tax charge in respect of prior periods	**(2,173)**	2,711
Short term timing difference leading to an increase in taxation	**3,108**	1,202
Total tax charge for the year	**105,070**	93,740

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

10. Dividends

	2016	2015
	£	£
Dividends on Ordinary shares	**427,200**	585,642
	427,200	585,642

11. *Intangible assets*

	Goodwill
	£
Cost	
At 1 April 2015	**538,000**
At 31 March 2016	**538,000**
Amortisation	
At 1 April 2015	**405,278**
Charge for the year	**62,666**
At 31 March 2016	**467,944**
Net book value	
At 31 March 2016	**70,056**
At 31 March 2015	132,722

12. Tangible fixed assets

	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost or valuation				
At 1 April 2015	**417,125**	**138,682**	**639,367**	**1,195,174**
Additions	**1,900**	**-**	**9,946**	**11,846**
Disposals	**(1,900)**	**-**	**-**	**(1,900)**
At 31 March 2016	**417,125**	**138,682**	**649,313**	**1,205,120**
Depreciation				
At 1 April 2015	**320,244**	**103,187**	**534,736**	**958,167**
Charge owned for the period	**22,920**	**9,132**	**57,011**	**89,063**
Disposals	**(400)**	**-**	**-**	**(400)**
At 31 March 2016	**342,764**	**112,319**	**591,747**	**1,046,830**
Net book value				
At 31 March 2016	**74,361**	**26,363**	**57,566**	**158,290**
At 31 March 2015	96,881	35,495	104,631	237,007

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016	2015
	£	£
Plant and machinery	**23,397**	28,785
Motor vehicles	**26,005**	34,921
Furniture, fittings and equipment	**18,765**	50,915
	68,167	114,621

13. Stocks

	2016 £	2015 £
Finished goods and goods for resale	**1,944,018**	2,075,915
	1,944,018	2,075,915

Stock recognised in cost of sales during the year as an expense was £11,775,238 (2015: £11,855,151).

14. Debtors

	2016 £	2015 £
Trade debtors	**3,101,803**	2,917,062
Amounts owed by group undertakings	**2,135,448**	1,779,231
Other debtors	**19,758**	1,811
Prepayments and accrued income	**495,112**	450,054
	5,752,121	5,148,158

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	**214,207**	271,612
	214,207	271,612

16. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	**3,398,768**	3,771,167
Amounts owed to group undertakings	**1,535,622**	1,062,992
Corporation tax	**132,241**	47,585
Taxation and social security	**206,829**	203,169
Obligations under hire purchase contracts	**20,668**	39,570
Other creditors	**1,881,245**	1,846,164
Accruals and deferred income	**574,029**	384,072
	7,749,402	7,354,719

The company has bank facilities in place which are secured by a standard debenture and are subject to set off arrangements for compensating balances. The company's bankers hold an Omnibus Guarantee and set-off agreement.

Hire purchase debt is secured upon the assets concerned.

Other creditors includes £1,863,051 (2015 - £1,772,285) in respect of secured factoring company advances. Under the factoring agreement there is recourse to the seller and therefore separate presentation has been applied. These are secured on the company's book debts.

17. Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Net obligations under hire purchase contracts	**18,717**	39,472
	18,717	39,472

Hire purchase debt is secured upon the assets concerned.

18. Hire purchaseHire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Within one year	**20,668**	39,570
Between 1-2 years	**18,717**	39,472
	39,385	79,042

19. Financial instruments

All of the company's financial instruments are measured at amortised cost.

20. Deferred taxation

	Deferred tax
	£
At 1 April 2015	**(14,951)**
Charged to the profit or loss	**8,291**
At 31 March 2016	**(6,660)**

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	**6,660**	16,752
Short term timing differences	**-**	(1,801)
	6,660	14,951

21. Provisions

	Other provision
	£
At 1 April 2015	**9,004**
Charged to the profit or loss	**(9,004)**
At 31 March 2016	**-**

22. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
15,000 Ordinary A shares of £1 each	**15,000**	15,000
20,500 Ordinary B shares of £1 each	**20,500**	20,500
15,000 Ordinary C shares of £1 each	**15,000**	15,000
46,500 Ordinary D shares of £1 each	**46,500**	46,500
	97,000	97,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

23. Reserves

Profit and loss account

The profit and loss account reserve includes all current and prior period retained profits and losses.

24. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	**219,125**	219,125
Later than 1 year and not later than 5 years	**380,718**	599,844
Total	**599,843**	818,969

	2016 £	2015 £
Other		
Not later than 1 year	**133,299**	111,837
Later than 1 year and not later than 5 years	**43,874**	74,089
Total	**177,173**	185,926

Operating lease costs recognised in the Profit and Loss account during the year as an expense was £559,447 (2015 - £573,173).

25. Related party transactions

The company has taken advantage of the exemptions from disclosure of certain inter-group transactions conferred in Financial Reporting Standard 102 - see note 1.2. Those not eligible for such exemptions are given below.

During the year the company made sales of £98,681 (2015 - £nil) to Filtration Control Solutions Limited, a fellow subsidiary. The company made management charges of £36,000 (2015 - £36,000) and purchased goods from Filtration Control Solutions Limited of £163,933 (2015 - £74,750).

At the balance sheet date £11,432 (2015 - £4,828) was due from Filtration Control Solutions Limited and £9,025 (2015 - £11,904) was owed to Filtration Control Solutions Limited in respect of trading transactions.

At the balance sheet date the company owed £1,535,622 (2015 - £1,055,916) to Filtration Control Solutions Limited. The loan is repayable within 3 months of the serving of notice. Interest accrues on the loan at 12% per annum, giving a charge of £151,869 (2015 - £106,432) for the year.

The company has given a corporate guarantee in respect of joint invoice finance facilities held with Filtration Control Solutions Limited of up to £1,500,000.

26. Contingent Liabilities

The company has given an unlimited debenture in respect of all banking facilities, both present and future by way of an Omnibus Guarantee and set-off Agreement with FCL Organisation Limited and Filtration Control Solutions Limited (see note 16).

27. Controlling party

The company is under the control of FCL Organisation Limited, a company incorporated in England and Wales.

The directors consider there to be no ultimate controlling party.

28. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The date of transition to Financial Reporting Standard 102 (FRS 102) was 1 April 2014.