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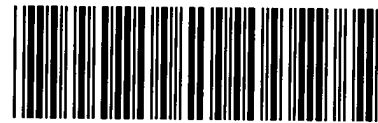
Registered number: 02524269

FILTRATION CONTROL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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COMPANIES HOUSE

FILTRATION CONTROL LIMITED

COMPANY INFORMATION

DIRECTORS

P Hudson
J Pearman
S Norville
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 2015

INTRODUCTION

The Directors present their strategic report and the financial statements for the year ended 31 March 2015.

BUSINESS REVIEW

The market has remained highly competitive following on from the previous year and throughout 2015.

Turnover has been reduced by 9.6% primarily as a result of losing a substantial UK Bus customer.

Gross Margin reduced marginally by 0.3% but basically has 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 its 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.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the manufacture of foam filters.

This report was approved by the board on 18 August 2015 and signed on its behalf.

S Norville
Director



FILTRATION CONTROL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

RESULTS

The profit for the year, after taxation, amounted to £271,794 (2014 - £664,112).

DIRECTORS

The directors who served during the year were:

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

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.

FILTRATION CONTROL LIMITED

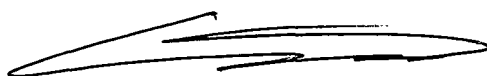
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

AUDITOR

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 on 18 August 2015 and signed on its behalf.

S Norville
Director

A handwritten signature in black ink, appearing to be 'S Norville', written over a horizontal line.

FILTRATION CONTROL LIMITED

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

We have audited the financial statements of Filtration Control Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 2015 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.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 10 to the financial statements concerning the impairment review of intangible fixed assets with a carrying value of £100,000. These assets comprise the goodwill, intellectual property rights and brand name of a former subsidiary, Pipercross Limited. Together with the specialised nature of these assets, current economic conditions create uncertainty regarding the likely cash flows to be generated by the Pipercross division, and therefore the carrying value of the assets. The financial statements do not include the adjustments that would result if the carrying value of these assets was found to be excessive.

FILTRATION CONTROL LIMITED

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

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.

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.



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

18 August 2015

FILTRATION CONTROL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
TURNOVER	2	16,374,013	18,111,480
Cost of sales		<u>(12,561,154)</u>	<u>(13,836,379)</u>
GROSS PROFIT		3,812,859	4,275,101
Distribution costs		<u>(906,560)</u>	<u>(833,356)</u>
Administrative expenses		<u>(2,412,518)</u>	<u>(2,989,216)</u>
Other operating income		36,000	58,126
Exceptional other operating income		-	300,000
Total other operating income		<u>36,000</u>	<u>358,126</u>
OPERATING PROFIT	4	529,781	810,655
Amounts written off investments		-	(1,486)
Interest payable and similar charges	7	<u>(164,247)</u>	<u>(73,564)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		365,534	735,605
Tax on profit on ordinary activities	8	<u>(93,740)</u>	<u>(71,493)</u>
PROFIT FOR THE FINANCIAL YEAR	21	<u>271,794</u>	<u>664,112</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 8 to 19 form part of these financial statements.

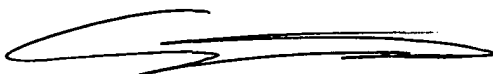
FILTRATION CONTROL LIMITED
REGISTERED NUMBER: 02524269

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Intangible assets	10		132,722		150,000
Tangible assets	11		237,007		252,887
			<u>369,729</u>		<u>402,887</u>
CURRENT ASSETS					
Stocks	12	2,075,915		2,197,860	
Debtors	13	5,148,158		5,570,418	
Cash at bank and in hand		271,612		112,637	
		<u>7,495,685</u>		<u>7,880,915</u>	
CREDITORS: amounts falling due within one year	14	(7,354,719)		(7,447,563)	
NET CURRENT ASSETS			<u>140,966</u>		<u>433,352</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>510,695</u>		<u>836,239</u>
CREDITORS: amounts falling due after more than one year	15		(39,472)		(55,174)
PROVISIONS FOR LIABILITIES					
Deferred tax	16	(14,951)		(11,945)	
Other provisions	17	(9,004)		(8,004)	
			<u>(23,955)</u>		<u>(19,949)</u>
NET ASSETS			<u>447,268</u>		<u>761,116</u>
CAPITAL AND RESERVES					
Called up share capital	20		97,000		97,000
Capital redemption reserve	21		3,000		3,000
Profit and loss account	21		347,268		661,116
SHAREHOLDERS' FUNDS	22		<u>447,268</u>		<u>761,116</u>

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

S Norville
Director



Date: 18 August 2015

The notes on pages 8 to 19 form part of these financial statements.

FILTRATION CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 applicable accounting standards.

1.2 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods supplied during the year, exclusive of Value Added Tax. The company does not recognise turnover in respect of conditional, refundable surcharges made to customers which may be credited upon return of goods subject to satisfactory supplier inspection.

1.4 Research and development

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

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	Over 3 to 10 years
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1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	Over 10 years
Motor vehicles	-	Over 4 years
Fixtures and fittings	-	Over 5 years
Computer equipment	-	Over 3 years
Leasehold Improvements	-	Over life of lease

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost is calculated using the average price of materials on a first in first out basis. Delivery costs of unsold batteries are also included in the value of stocks.

FILTRATION CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.14 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.

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company.

A geographical analysis of turnover is as follows:

	2015 £	2014 £
United Kingdom	12,341,055	13,967,134
Other EC Countries	3,527,760	3,643,263
Rest of the World	505,198	501,083
	<u>16,374,013</u>	<u>18,111,480</u>

3. EXCEPTIONAL OTHER OPERATING INCOME

	2015 £	2014 £
Loan waived on sale of associated undertaking	<u>-</u>	<u>300,000</u>

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Amortisation - intangible fixed assets	55,278	50,000
Depreciation of tangible fixed assets:		
- owned by the company	47,393	46,080
- held under hire purchase agreements	38,282	39,788
Auditor's remuneration	13,000	13,000
Operating lease rentals:		
- vehicles	126,460	166,582
Difference on foreign exchange	141,780	18,534
Research and development expenditure written off	619	2,532
Property rentals	265,266	257,593
Loan waived on sale of associated undertaking	-	(300,000)
	<u> </u>	<u> </u>

5. STAFF COSTS

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

	2015	2014
	£	£
Wages and salaries	1,380,619	1,839,608
Social security costs	100,988	155,372
Other pension costs	24,000	10,000
	<u> </u>	<u> </u>
	<u>1,505,607</u>	<u>2,004,980</u>

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

	2015	2014
	No.	No.
Production staff	32	36
Office and management	36	43
	<u> </u>	<u> </u>
	<u>68</u>	<u>79</u>

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

6. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	<u>101,653</u>	<u>247,595</u>
Company pension contributions to defined contribution pension schemes	<u>24,000</u>	<u>10,000</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £45,852 (2014 - £97,959).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24,000 (2014 - £10,000).

7. INTEREST PAYABLE

	2015 £	2014 £
Bank interest	48,754	53,978
On finance leases and hire purchase contracts	9,061	11,389
Other interest payable	106,432	8,197
	<u>164,247</u>	<u>73,564</u>

8. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	88,023	132,154
Adjustments in respect of prior periods	2,711	(51,713)
Total current tax	<u>90,734</u>	<u>80,441</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	3,006	(8,948)
Tax on profit on ordinary activities	<u>93,740</u>	<u>71,493</u>

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2014 - lower than)* the standard rate of corporation tax in the UK of 21% *(2014 - 23%)*. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>365,534</u>	<u>735,605</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% <i>(2014 - 23%)</i>	76,762	169,189
Effects of:		
Expenses not deductible for tax purposes	2,565	12,838
Depreciation for year in excess of Capital allowances	-	7,627
Goodwill amortisation	10,500	11,500
Adjustments to tax charge in respect of prior periods	2,711	(51,713)
Loans waived	-	(69,000)
Capital allowances in excess of depreciation	(1,804)	-
Current tax charge for the year (see note above)	<u>90,734</u>	<u>80,441</u>

9. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>585,642</u>	<u>512,925</u>

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

10. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 April 2014	500,000
Additions	38,000
At 31 March 2015	<u>538,000</u>
Amortisation	
At 1 April 2014	350,000
Charge for the year	55,278
At 31 March 2015	<u>405,278</u>
Net book value	
At 31 March 2015	<u><u>132,722</u></u>
At 31 March 2014	<u><u>150,000</u></u>

The company purchased the goodwill of A & N Fabrications Limited for a consideration of £38,000 on 24 October 2014. This is to be amortised over 3 years. The directors do not consider any impairment necessary to the value of this goodwill at year end.

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 2014	395,537	168,002	579,666	1,143,205
Additions	21,588	36,386	59,701	117,675
Disposals	-	(65,706)	-	(65,706)
At 31 March 2015	<u>417,125</u>	<u>138,682</u>	<u>639,367</u>	<u>1,195,174</u>
Depreciation				
At 1 April 2014	299,783	116,350	474,185	890,318
Charge for the year	20,461	4,663	60,551	85,675
On disposals	-	(17,826)	-	(17,826)
At 31 March 2015	<u>320,244</u>	<u>103,187</u>	<u>534,736</u>	<u>958,167</u>
Net book value				
At 31 March 2015	<u><u>96,881</u></u>	<u><u>35,495</u></u>	<u><u>104,631</u></u>	<u><u>237,007</u></u>
At 31 March 2014	<u><u>95,754</u></u>	<u><u>51,652</u></u>	<u><u>105,481</u></u>	<u><u>252,887</u></u>

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

11. TANGIBLE FIXED ASSETS (continued)

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

	2015 £	2014 £
Plant and machinery	28,785	42,423
Motor vehicles	34,921	50,616
Furniture, fittings and equipment	50,915	36,820
	<u>114,621</u>	<u>129,859</u>

12. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	<u>2,075,915</u>	<u>2,197,860</u>

13. DEBTORS

	2015 £	2014 £
Trade debtors	2,917,062	3,169,613
Amounts owed by group undertakings	1,779,231	1,802,053
Other debtors	1,811	183,501
Prepayments and accrued income	450,054	415,251
	<u>5,148,158</u>	<u>5,570,418</u>

14. CREDITORS:

Amounts falling due within one year

	2015 £	2014 £
Net obligations under hire purchase contracts	39,570	44,949
Trade creditors	3,771,167	3,544,016
Amounts owed to group undertakings	1,062,992	735,684
Corporation tax	47,585	319,926
Other taxation and social security	203,169	178,196
Other creditors	1,846,164	2,160,473
Accruals and deferred income	384,072	464,319
	<u>7,354,719</u>	<u>7,447,563</u>

The company has bank facilities in place which are secured by a standard debenture and are subject to set off arrangements for compensating balances.

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

14. CREDITORS:
Amounts falling due within one year (continued)

Other creditors includes £1,772,285 (2014 - £2,003,924) 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, and the company's bankers hold an Omnibus Guarantee and set-off agreement.

The liability under hire purchase is secured upon the assets concerned.

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

	2015 £	2014 £
Net obligations under hire purchase contracts	39,472	55,174

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015 £	2014 £
Between one and five years	39,472	55,174

The liability under hire purchase is secured upon the assets concerned.

16. DEFERRED TAXATION

	2015 £	2014 £
At beginning of year	11,945	20,893
Charge for/(released during) year (P&L)	3,006	(8,948)
At end of year	14,951	11,945

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	16,752	14,546
Short term timing differences	(1,801)	(2,601)
	14,951	11,945

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

17. PROVISIONS

	Warranty provision £
At 1 April 2014	8,004
Additions	1,000
At 31 March 2015	9,004

The warranty provision is the company's best estimate of the cost of fulfilling the obligations based on the underlying claims rate.

18. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within 1 year	-	-	38,645	9,333
Between 2 and 5 years	219,125	219,125	68,700	102,494
Total	219,125	219,125	107,345	111,827

FILTRATION CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

19. RELATED PARTY TRANSACTIONS

On 31 January 2014 the company was acquired by FCL Organisation Limited. Under the terms of the arrangement, the previous shareholders (D Norville, D Johnson and M Jones) received shares in the new holding company, FCL Organisation Limited.

The company has taken advantage of the exemptions from disclosure of inter-group transactions conferred in Financial Reporting Standard 8.

Filtration Control Solutions Limited is owned 75% by the parent company, FCL Organisation Limited.

During the year the company made sales of £nl (2014 - £54,975) to Filtration Control Solutions Limited. The company also made management charges of £36,000 (2014 - £36,000) to Filtration Control Solutions Limited. The company also purchased goods from Filtration Control Solutions Limited of £74,750 (2014 - £14,782).

At the balance sheet date £4,828 (2014 - £5,487) was due from Filtration Control Solutions Limited and £11,904 (2014 - £1,628) was owed to Filtration Control Solutions Limited in respect of trading transactions.

At the balance sheet date the company owed £1,055,916 (2014 - £735,684) 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 £106,432 (2014 - £4,484) 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.

20. SHARE CAPITAL

	2015 £	2014 £
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
	<hr/>	<hr/>
	97,000	97,000
	<hr/>	<hr/>

Each class of share ranks pari passu in all respects.

FILTRATION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

21. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 April 2014	3,000	661,116
Profit for the financial year		271,794
Dividends: Equity capital		(585,642)
	<u>3,000</u>	<u>347,268</u>
At 31 March 2015	<u>3,000</u>	<u>347,268</u>

22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	761,116	609,929
Profit for the financial year	271,794	664,112
Dividends (Note 9)	(585,642)	(512,925)
	<u>447,268</u>	<u>761,116</u>
Closing shareholders' funds	<u>447,268</u>	<u>761,116</u>

23. 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 14).

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is under the control of FCL Organisation Limited, a company incorporated in England and Wales. At 31 January 2014 the company was acquired by FCL Organisation Limited.

The directors consider there to be no ultimate controlling party.