

Registered Number : 2801412

M F & T Limited

Annual report and financial statements
for the 13 months ended 30 November 2001



M F & T Limited

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M F & T Limited

Directors and advisers for the 13 months ended 30 November 2001

Directors

J S Sexton

D Amey

J F Robinson

Company Secretary

J F Robinson

Registered Office

1A Queensway

Stem Lane Industrial Estate

New Milton

Hampshire

BH25 5NN

Auditors

PricewaterhouseCoopers

Benson House

33 Wellington Street

Leeds

LS1 4JP

Solicitors

Paris Smith & Randall

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London Road

Southampton

Hampshire

SO15 2AE

Bankers

Barclays Bank plc

Barclays Business Centre

21 Tuesday Market Place

King's Lynn

Norfolk

PE30 1JX

M F & T Limited

Directors' report for the 13 months ended 30 November 2001

The directors present their report and the audited financial statements of the company for the 13 months ended 30 November 2001.

Principal activities

The company's principal activity during the period continued to be the design and manufacture of filtration equipment.

Review of business and future developments

Both the level of business and the financial position at 30 November 2001 were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

On 1 May 2001 the company's immediate parent undertaking 2fi Holdings Limited, was acquired by Porvair Technology Limited. Consequently, the company's ultimate holding company is Porvair plc.

Results and dividends

The company's profit for the 13 months ended 30 November 2001 is £5,728 (year ended 31 October 2000: £90,695). The directors do not recommend payment of a final dividend (year ended 31 October 2000: £Nil per share), and accordingly £5,728 (year ended 31 October 2000 : £90,695) has been transferred to reserves.

The directors expect to achieve a similar performance in the coming year.

Directors and their interests

Details of the directors who held office during the 13 months are presented on page 3.

None of the directors had any interest in the shares of the company during the period. The interests of the directors in the shares of the ultimate holding company, Porvair plc, and in Porvair Technology Limited, an intermediate holding company, are shown in the financial statements of Porvair Technology Limited.

European Monetary Union

The company has considered the actual and potential effects on the business of economic and monetary union within the European Union, and the introduction of the Euro as a trading currency in 1999. Given the company's current customer base, the impact is considered by the directors to be minimal and the accounting systems currently in place are capable of dealing with the new currency.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications.

M F & T Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of changes arising on the adoption of new accounting standards in the period as explained on page 8. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 30 November 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

During the period, BDO Stoy Hayward resigned as auditors and the directors appointed PricewaterhouseCoopers in their place.

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



J F Robinson
Company Secretary

27 September 2002

M F & T Limited

Independent auditors' report to the members of M F & T Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

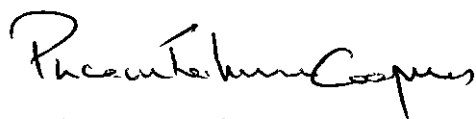
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Leeds

27 September 2002

M F & T Limited

Profit and loss account for the 13 months ended 30 November 2001

		13 months ended 30 November 2001	Year ended 31 October 2000
	Note	£	£
Turnover	1	1,420,632	1,683,388
Cost of sales		(1,183,718)	(1,340,968)
Gross profit		236,914	342,420
Distribution costs		(108,944)	(128,947)
Administrative expenses		(111,987)	(91,240)
Operating profit	2	15,983	122,233
Net interest payable and similar items	6	(5,138)	(6,114)
Profit on ordinary activities before taxation		10,845	116,119
Tax on profit on ordinary activities	7	(5,117)	(25,424)
Retained profit for the financial period	17	5,728	90,695

All items dealt with in arriving at operating profit above relate to continuing operations.

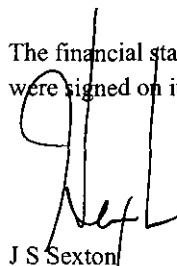
The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

M F & T Limited

Balance sheet as at 30 November 2001

	Note	30 November 2001 £	31 October 2000 £
Fixed assets			
Tangible assets	9	651,067	73,988
Current assets			
Stock	11	487,465	380,329
Debtors	12	260,783	547,912
Cash at bank and in hand		288	558
Current assets		748,536	928,799
Creditors - amounts falling due within one year	13	(649,828)	(634,491)
Net current assets		98,708	294,308
Total assets less current liabilities		749,775	368,296
Creditors - amounts falling due after more than one year	14	(404,893)	(35,259)
Provisions for liabilities and charges	15	(36,423)	(30,306)
Net assets		308,459	302,731
Capital and reserves			
Called up share capital	16	250,000	250,000
Profit and loss account	17	58,459	52,731
Total shareholders' funds	18	308,459	302,731

The financial statements on pages 6 to 16 were approved by the board of directors on 27 September 2002 and were signed on its behalf by:



J S Sexton
Director

M F & T Limited

Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

During the year the Company adopted FRS 18, 'Accounting Policies', and FRS19, 'Deferred tax', with no significant impact. A summary of the more important accounting policies, which have been applied consistently is set out below.

Fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis. Depreciation rates are as follows:

Land & Buildings	- Freehold Land	NIL
	- Buildings	2%
Motor vehicles		33.3%
Fixtures and fittings	- Fixtures and fittings	20%
	- Computer hardware and software	25%
	- Tools	25%
	- Office equipment	20%
	- Plant and machinery	12.5%

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In the case of manufactured products, cost includes all direct expenditure and an appropriate proportion of production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Pensions

The company participates in a defined contribution pension scheme. The costs relating to the scheme are charged to the profit and loss account as they fall due.

Turnover

Turnover represents the invoiced value of goods and services supplied, excluding value added tax and trade discounts. In general, turnover is recognised once goods are despatched to the customer.

Deferred taxation

The company provides for deferred taxation on a full provision basis, where an obligation has arisen which will crystallise in future periods. Deferred taxation assets are only recognised to the extent that they are recoverable.

Leases

Assets acquired under hire purchase or finance lease contracts are recorded in the balance sheet as tangible fixed assets at their equivalent capital value and are depreciated over the useful life of the asset. The corresponding liability is recorded as a creditor and the related finance cost is charged against profit over the contract period.

Payments under operating leases are charged to the profit and loss account in the period in which the payments are made.

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Notes to the financial statements for the 13 months ended 30 November 2001

1 Segmental reporting

The company's turnover and operating profit relate entirely to its principal activity. The geographical analysis of turnover by destination is:

	13 months ended 30 November 2001	Year ended 31 October 2000
	£	£
United Kingdom	1,347,283	1,610,636
Rest of Europe	58,399	26,845
Asia and Australia	14,950	45,907
Total	1,420,632	1,683,388

2 Operating profit

	13 months ended 30 November 2001	Year ended 31 October 2000
	£	£
Operating profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets - owned assets	26,824	18,484
- assets under hire purchase contract	4,207	7,562
Profit / (loss) on disposal of fixed assets	111	(500)
Auditors remuneration		
- audit services	4,700	5,200
Operating lease charges - land and buildings	0	51,250
Hire of plant and machinery	0	2,376

M F & T Limited

3 Directors' emoluments

None of the directors receive emoluments for their services to the company.

4 Employee costs

The payroll cost of all employees including directors comprised:

	13 months ended 30 November 2001 £	Year ended 31 October 2000 £
Wages and salaries	550,543	503,557
Social security costs	50,797	42,652
Other pensions costs	12,304	8,838
Staff costs	613,644	555,047

5 Employee information

The average monthly number of persons (including directors) employed by the company during the period was:

By activity	13 months ended 30 November 2001	Year ended 31 October 2000
Production	17	17
Other	11	12
	28	29

M F & T Limited

6 Net interest payable and similar items

	13 months ended 30 November	Year ended 31 October
	2001	2000
	£	£
Bank interest	79	3
Total interest receivable and similar income	79	3
Interest payable on loans from related undertakings	(1,997)	0
Bank interest payable	(2,363)	(3,986)
Interest payable on hire purchase contracts	(857)	(2,131)
Total interest payable	(5,217)	(6,117)
Net interest payable and similar items	(5,138)	(6,114)

7 Tax on profit on ordinary activities

	30 November	31 October
	2001	2000
	£	£
Taxation on the profit for the period		
UK corporation tax at 30% (2000: 30%)	(1,000)	25,650
Deferred tax	6,117	(226)
	5,117	25,424
Reconciliation of current tax charge to result for the year:-		
Profit on ordinary activities before tax	10,845	116,119
Expected corporation tax at the standard rate of 30% (2000 : 20%)	3,254	23,223
Differences arising explained by :-		
Permanent differences	-	2,427
Other	(4,254)	-
	(1,000)	25,650

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8 Dividends

There were no dividends declared in either the current or prior period.

9 Tangible assets

	Land and buildings	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost or valuation				
At 1 November 2000	-	11,650	200,960	212,610
Additions	-	-	34,995	34,995
Transfers from related undertakings	582,400	-	-	582,400
Disposals	-	-	(200)	(200)
At 30 November 2001	582,400	11,650	235,755	829,805
Accumulated depreciation				
At 1 November 2000	-	4,207	134,415	138,622
Charge for the period	764	4,207	26,060	31,031
Transfers from related undertakings	9,168	-	-	9,168
Disposals	-	-	(83)	(83)
At 30 November 2001	9,932	8,414	160,392	178,738
Net book amount				
At 30 November 2001	572,468	3,236	75,363	651,067
At 31 October 2000	-	7,443	66,545	73,988

The net book value of the company's fixed assets includes £8,448 (2000: £16,641) in respect of assets held under hire purchase contracts and finance leases.

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10 Capital commitments

	30 November 2001 £	31 October 2000 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	5,713	-

11 Stocks

	30 November 2001 £	31 October 2000 £
Raw materials and consumables	341,608	122,000
Work in progress	31,398	181,690
Finished goods and goods for resale	114,459	76,639
	487,465	380,329

12 Debtors

	30 November 2001 £	31 October 2000 £
Trade debtors	226,230	372,242
Amounts owed by related undertakings	23,229	143,736
Corporation tax	1,000	-
Other debtors	253	-
Prepayments and accrued income	10,071	31,934
	260,783	547,912

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13 Creditors – Amounts falling due within one year

	30 November 2001	31 October 2000
	£	£
Bank loan (secured)	-	9,001
Bank overdraft (secured)	129,958	236,991
Trade creditors	223,362	203,917
Amounts owed to related undertakings	12,568	-
Amounts owed to parent undertakings	173,357	10,131
Corporation tax	-	25,650
Other taxation and social security	27,063	57,492
Net obligations under finance leases and hire purchase agreements	2,773	5,134
Other creditors	33,404	33,239
Accruals	47,343	52,936
	649,828	634,491

The bank overdraft and bank loan are secured by a fixed and floating charge over the assets of the company

14 Creditors – Amounts falling due after more than one year

	30 November 2001	31 October 2000
	£	£
Net obligations under finance leases and hire purchase agreements	-	3,032
Bank loan	-	32,227
Amounts due to group undertakings	404,893	-
	404,893	35,259

The net obligations under finance leases and hire purchase agreements are secured on the assets concerned and are wholly repayable within five years.

The amounts due from group undertakings are unsecured, and the company has confirmed that repayment of this balance will not be sought within one year.

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15 Provisions for liabilities and charges

	Deferred taxation	Other provision	Total
	£	£	£
At 1 November 2000	3,883	26,423	30,306
Profit and loss account charge	6,117	-	6,117
At 30 November 2001	10,000	26,423	36,423

Deferred taxation:

The liability for deferred taxation provided, at 30%, relates entirely to accelerated capital allowances.

16 Called up share capital

	30 November 2001 £	31 October 2000 £
Authorised		
500,000 ordinary shares of £1 each	500,000	500,000
Allotted and fully paid		
250,000 ordinary shares of £1 each	250,000	250,000

17 Reserves

	Profit and loss account £
At 1 November 2000	52,731
Retained profit for the financial period	5,728
At 30 November 2001	58,459

MF & T Limited

18 Reconciliation of movements in equity shareholders' funds

	13 months ended 30 November 2001 £	Year ended 31 October 2000 £
Retained profit for the financial period	5,728	90,695
Opening equity shareholders' funds	302,731	212,036
Closing equity shareholders' funds	308,459	302,731

19 Pension commitments

The company participates in a defined contribution pension scheme for eligible employees who wish to participate. Contributions of £12,304 (year ended 31 October 2000 : £8,838) were charged to the profit and loss account during the year.

20 Contingent liabilities

The company has cross guarantees with its bankers to cover the bank borrowing of Porvair Technology Limited, Filters for Industry Limited, Microfiltrex Limited and MF&T Limited. At the 30th November 2001 these net borrowing amounted to £Nil (2000 : guarantee not in place).

21 Ultimate parent undertaking

The company's immediate parent undertaking is 2fi Holdings Limited

The company's ultimate parent undertaking is Porvair plc which is incorporated in Great Britain and registered in England. The only group in which the results of the company are consolidated is that headed by Porvair plc. Copies of Porvair plc's financial statements are available to the public and may be obtained from the company secretary at Porvair plc., Estuary Road, Kings Lynn, Norfolk. PE30 2HS.

22 Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996), as it is a small company as defined by the Companies Act 1985.