

Registered Number : 2801412

M F & T Limited

Annual report and financial statements  
for the year ended 30 November 2002





# **M F & T Limited**

## **Annual report and financial statements for the year ended 30 November 2002**

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# **M F & T Limited**

## **Directors and advisers for the year ended 30 November 2002**

### **Directors**

J S Sexton

D Amey

J F Robinson

### **Company Secretary**

J F Robinson

### **Registered Office**

Queensway

Stem Lane

New Milton

Hampshire

BH25 5NN

### **Auditors**

PricewaterhouseCoopers

Benson House

33 Wellington Street

Leeds

LS1 4JP

### **Solicitors**

Paris Smith & Randall

Number 1

London Road

Southampton

Hampshire

SO15 2AE

### **Bankers**

Barclays Bank plc

21 Tuesday Market Place

King's Lynn

Norfolk

PE30 1JX



# **M F & T Limited**

## **Directors' report for the year ended 30 November 2002**

The directors present their report and the audited financial statements of the company for the year ended 30 November 2002.

### **Principal activities**

The company's principal activity during the period continued to be the design and manufacture of filtration equipment. As explained below, the company was dormant from 30 November 2002.

### **Review of business and future developments**

The level of business during the year was considered satisfactory.

On 30 November 2002 the trade, assets, and liabilities of the company were transferred to Porvair Filtration Group Limited at book value and from that date the company was dormant. Porvair Filtration Group Limited is an intermediate parent undertaking of Filters for Industry Limited.

### **Results and dividends**

The company's loss for the year ended 30 November 2002 was £62,000 (13 months ended 30 November 2001: profit of £6,000). The directors do not recommend payment of a final dividend (13 months ended 30 November 2001: £Nil per share), and accordingly the loss of £62,000 has been deducted from reserves (13 months ended 30 November 2001: £6,000 profit added to reserves).

### **Directors and their interests**

Details of the directors who held office during the year are presented on page 1.

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 parent undertaking, Porvair plc, and in Porvair Filtration Group Limited, an intermediate parent undertaking, are shown in the financial statements of Porvair Filtration Group Limited.

### **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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 November 2002 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**

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, a resolution to appoint the new firm PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

**By order of the Board**



**J Robinson**  
**Company Secretary**  
22 January 2003

# **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, the accounting policies 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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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.

### **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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

Leeds

22 January 2003

# MF & T Limited

## Profit and loss account for the year ended 30 November 2002

	Note	Year ended 30 November 2002 £'000	13 months ended 30 November 2001 £'000
Turnover	1	1,716	1,421
Cost of sales		(1,535)	(1,184)
<b>Gross profit</b>		<b>181</b>	<b>237</b>
Distribution costs		(148)	(109)
Administrative expenses		(97)	(112)
<b>Operating (loss)/profit</b>	2	<b>(64)</b>	<b>16</b>
Net interest payable	6	(23)	(5)
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(87)</b>	<b>11</b>
Tax credit/(charge)	7	25	(5)
<b>Retained (loss)/profit for the financial period</b>	15	<b>(62)</b>	<b>6</b>

On 30 November 2002 the trade, assets and liabilities of MF&T Limited were transferred at book value to Porvair Filtration Group Limited. As a consequence, all of the above results relate to discontinued 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.

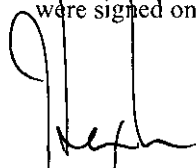


# MF & T Limited

## Balance sheet as at 30 November 2002

	Note	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Tangible assets	8	-	651
<b>Current assets</b>			
Stocks	9	-	487
Debtors	10	246	261
		246	748
<b>Creditors - amounts falling due within one year</b>	11	-	(650)
<b>Net current assets</b>		246	98
<b>Total assets less current liabilities</b>		246	749
<b>Creditors - amounts falling due after more than one year</b>	12	-	(405)
<b>Provisions for liabilities and charges</b>	13	-	(36)
<b>Net assets</b>		246	308
<b>Capital and reserves</b>			
Called up share capital	14	250	250
Profit and loss account	15	(4)	58
<b>Equity shareholders' funds</b>	16	246	308

The financial statements on pages 5 to 15 were approved by the board of directors on 22 January 2003 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.

A summary of the more important accounting policies, which have been applied consistently is set out below.

### 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.

### 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		12.5-25%

### 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.

### Deferred tax

The company provides for deferred tax on a full provision basis, where an obligation has arisen which will crystallise in future periods. Deferred tax 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.

# MF & T Limited

## Notes to the financial statements for the year ended 30 November 2002

### 1 Segmental reporting

The company's turnover (which originates entirely in the United Kingdom) and operating profit relate entirely to its principal activity. The geographical analysis of turnover by destination is:

	Year ended 30 November 2002 £'000	13 months ended 30 November 2001 £'000
United Kingdom	1,221	1,348
Rest of Europe	314	58
Rest of World	181	15
<b>Total</b>	<b>1,716</b>	<b>1,421</b>

### 2 Operating (loss)/profit

	Year ended 30 November 2002 £'000	13 months ended 30 November 2001 £'000
<b>Operating (loss)/profit is stated after charging:</b>		
Depreciation of tangible fixed assets - owned assets	35	27
- assets under hire purchase contract	4	4
Auditors remuneration		
- audit services	5	5

### 3 Directors' emoluments

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



# M F & T Limited

## 4 Employee costs

The payroll cost of all employees comprised:

	Year ended 30 November 2002 £'000	13 months ended 30 November 2001 £'000
Wages and salaries	570	551
Social security costs	52	51
Other pensions costs	19	12
<b>Staff costs</b>	<b>641</b>	<b>614</b>

## 5 Employee information

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

	Year ended 30 November 2002	13 months ended 30 November 2001
Production	17	17
Other	12	11
	<b>29</b>	<b>28</b>

## 6 Net interest payable

	Year ended 30 November 2002 £'000	13 months ended 30 November 2001 £'000
Interest payable on loans from related undertakings	22	2
Bank interest payable	1	2
Interest payable on hire purchase contracts	-	1
	<b>23</b>	<b>5</b>



# M F & T Limited

## 7 Tax credit/(charge)

	Year ended 30 November 2002 £'000	13 months ended 30 November 2001 £'000
<b>Tax (credit)/charge on the (loss)/profit for the period</b>		
UK corporation tax at 30% (2001: 30%)	(17)	(1)
Adjustment in respect of prior years	5	-
Current tax	(12)	(1)
Deferred tax	(13)	6
	(25)	5
 Reconciliation of current tax charge to result for the year:-		
(Loss)/profit on ordinary activities before tax	(87)	11
Expected corporation tax at the standard rate of 30% (2001: 30%)	(26)	3
Differences arising explained by:-		
Accelerated capital allowances and other timing differences	6	
Permanent differences	3	
Adjustments in respect of prior periods	5	
Other	-	(4)
	(12)	(1)



# M F & T Limited

## 8 Tangible assets

	Land and buildings	Motor vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 December 2001	582	12	236	830
Additions	-	-	30	30
Disposals	-	-	(5)	(5)
Transfer to parent undertaking	(582)	(12)	(261)	(855)
<b>At 30 November 2002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation</b>				
At 1 December 2001	10	8	161	179
Charge for the period	9	3	27	39
Disposals	-	-	(5)	(5)
Transfer to parent undertaking	(19)	(11)	(183)	(213)
<b>At 30 November 2002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book amount</b>				
<b>At 30 November 2002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 30 November 2001	572	4	75	651

The net book value of the company's fixed assets includes £Nil (2001: £8,000) in respect of assets held under hire purchase contracts and finance leases.

## 9 Stocks

	2002 £'000	2001 £'000
Raw materials and consumables	-	342
Work in progress	-	31
Finished goods and goods for resale	-	114
	-	487

# MF & T Limited

## 10 Debtors

	2002	2001
	£'000	£'000
Trade debtors	-	226
Amounts owed by related undertakings	246	23
Corporation tax	-	1
Other debtors	-	1
Prepayments and accrued income	-	10
	246	261

## 11 Creditors – Amounts falling due within one year

	2002	2001
	£'000	£'000
Bank overdraft (secured)	-	130
Trade creditors	-	224
Amounts owed to related undertakings	-	13
Amounts owed to parent undertakings	-	173
Other tax and social security	-	27
Net obligations under finance leases and hire purchase agreements	-	3
Other creditors	-	33
Accruals	-	47
	-	650

## 12 Creditors – Amounts falling due after more than one year

	2002	2001
	£'000	£'000
Amounts due to group undertakings	-	405



# M F & T Limited

## 13 Provisions for liabilities and charges

	Deferred tax	Other	Total
	£'000	£'000	£'000
At 1 December 2001	10	26	36
Transfer to profit and loss account	(13)	-	(13)
Transfer to parent undertaking	3	(26)	(23)
<b>At 30 November 2002</b>	-	-	-

	2002 £'000	2001 £'000
<b>Deferred tax provided in the accounts comprises</b>		
Accelerated capital allowances	-	10
Other timing differences	-	-
	-	10

## 14 Called up share capital

	2002 £	2001 £
<b>Authorised</b>		
500,000 ordinary shares of £1 each	500	500
<b>Allotted and fully paid</b>		
250,000 ordinary shares of £1 each	250	250

## 15 Profit and loss account

	£'000
At 1 December 2001	58
Retained loss for the financial year	(62)
<b>At 30 November 2002</b>	<b>(4)</b>

# MF & T Limited

## 16 Reconciliation of movements in equity shareholders' funds

	Year ended 30 November 2002 £'000	13 months ended 30 November 2001 £'000
Retained (loss)/profit for the financial period	(62)	6
Opening equity shareholders' funds	308	302
Closing equity shareholders' funds	246	308

## 17 Pension commitments

The company participates in a defined contribution pension scheme for eligible employees who wish to participate. Contributions of £15,415 (2001: £12,304) were charged to the profit and loss account during the year.

## 18 Contingent liabilities

The company has cross guarantees with its bankers to cover the bank borrowing of Porvair Filtration Group Limited, Filters for Industry Limited, Microfiltrex Limited and MF&T Limited. At 30 November 2002 these net borrowing amounted to £Nil (2001: £Nil).

## 19 Ultimate parent undertaking

The company's immediate parent undertaking is 2fi Holdings Limited, a company registered in England.

The company's ultimate parent undertaking is Porvair plc, a company registered in England which is the parent undertaking of the smallest and largest group to consolidate these financial statements. 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.

## 20 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.

# MF & T Limited

## 21 Related party transactions

MF&T Limited conducted the following transactions during the period with other entities within the Porvair plc group on normal commercial terms:

	Sales £'000		Purchases £'000		Recharges made £'000		Recharges Received £'000	
	2002	2001	2002	2001	2002	2001	2002	2001
Filters for Industry Limited	10	53	-	-	166	2	32	4
Microfiltrex Limited	27	-	-	-	-	-	52	2
Porvair Filtration Group	2	-	-	-	1	-	-	-
2Fi Holdings Limited	-	-	-	-	-	-	-	27
Porvair plc	-	-	-	-	-	-	2	-
	39	53	-	-	167	2	86	33

Balances outstanding with related parties at the period end are disclosed in notes 10,11 and 12.

