

M F & T LIMITED

REGISTRAR

ABBREVIATED REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 1997

28-01-12

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**M F & T LIMITED**

**ABBREVIATED REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 1997**

**COMPANY INFORMATION**

**COMPANY REGISTRATION NUMBER**

2801412

**REGISTERED OFFICE**

Queensway  
Stem Lane Industrial Estate  
New Milton  
Hampshire BH25 5NN

**DIRECTORS**

J S Sexton  
D Amey  
J F Robinson

**COMPANY SECRETARY**

J F Robinson

**AUDITORS**

Lyon Pilcher  
Park House  
102-108 Above Bar  
Southampton  
Hampshire SO14 7NH

**BANKERS**

Midland Bank Plc  
87 Station Road  
New Milton  
Hampshire BH25 6JE

**SOLICITORS**

Paris Smith & Randall  
Number 1  
London Road  
Southampton  
Hampshire SO15 2AE

## **MF & T LIMITED**

**YEAR ENDED 31 OCTOBER 1997**

### **REPORT OF THE DIRECTORS**

The Directors present their report and the financial statements for the year ended 31 October 1997.

#### **PRINCIPAL ACTIVITY**

The principal activity of MF&T Limited is the design and manufacture of filtration equipment.

#### **BUSINESS REVIEW**

The company's third full trading year showed continuing improvement in the trading performance. Sales rose by 20% over the previous year and operating profit by a healthy 54%. Although there is still some progress to be made on achieving a satisfactory Return on Sales, all of the component parts are in place for this to occur. Most importantly, margins continue to improve across all established areas of business.

The growth in sales in 1996/97 was driven primarily by the improvement in gas sales as the industry invested in the natural gas infrastructure to support the growth in gas fuelled power stations. However, sales of industrial elements were also above plan and the diversification into other non-gas areas, particularly liquid filtration and skid-based filtration systems, also assisted the overall growth.

The new year has started well, with a healthy order book and the highest level of enquiries for the last five years. The most important goal for the forthcoming year is that of continued and sustainable margin improvement. Therefore, the diversification process started in 1997 will continue with the long-term aim of reducing the dependency of the business on the cyclical requirements of the gas industry, supported by the move into areas of improved margins. In the short term, the strategy for improving margins may result in flat, or even lower, sales in the forthcoming year. However, the management are confident that the long-term aims of growing sales and improving margins are compatible.

#### **RESULTS AND DIVIDENDS**

The profit after taxation for the year was £77,509 (1996: £60,158).

The directors recommend that no dividend be paid.

#### **DIRECTORS**

The directors in office during the year were as follows:-

J S Sexton  
D Amey  
J F Robinson

The directors held no interest in the shares of the company during the year. Their interests in the shares of the holding company, 2Fi Holdings Limited, are disclosed in the financial statements of that company.

## **M F & T LIMITED**

### **REPORT OF THE DIRECTORS** (continued)

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that year. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 proper accounting records which disclose with reasonable accuracy at any time, the financial position of the company and to 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**

The auditors, Lyon Pilcher, are deemed to be reappointed in accordance with Section 386 Companies Act 1985.

#### **BY ORDER OF THE BOARD**

  
DIRECTOR

J.S. SEXTON

Date: 20.4.98

AUDITORS' REPORT  
TO MF&T LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 5 to 9 together with the full financial statements of the company for the year ended 31 October 1997 prepared under Section 226 of the Companies Act 1985.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

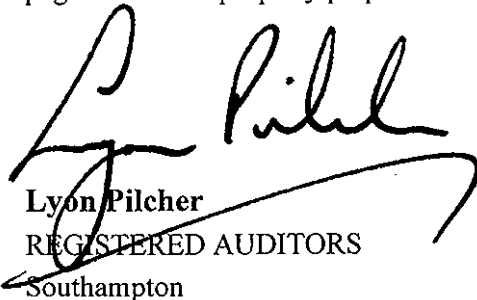
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**OPINION**

In our opinion, the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 9 are properly prepared in accordance with those provisions.



Lyon Pilcher  
REGISTERED AUDITORS  
Southampton

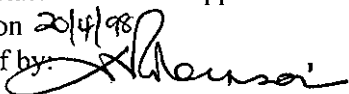
Dated: 22 APRIL 1998

**M F & T LIMITED****ABBREVIATED BALANCE SHEET AS AT 31 OCTOBER 1997**

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
FIXED ASSETS			
Tangible Assets	1	94,561	81,776
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks		318,885	238,444
Debtors		366,385	286,385
Cash at bank and in hand		339	275
		<hr/>	<hr/>
		685,609	525,104
CREDITORS: Amounts falling due within one year	2	493,398	392,644
		<hr/>	<hr/>
NET CURRENT ASSETS		192,211	132,460
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		286,772	214,236
CREDITORS: Amounts falling due after more than one year	3	(39,376)	(44,684)
PROVISIONS FOR LIABILITIES AND CHARGES		(27,890)	(27,555)
		<hr/>	<hr/>
NET ASSETS		£219,506	£141,997
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	4	250,000	250,000
Profit and loss account		(30,494)	(108,003)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		£219,506	£141,997
		<hr/>	<hr/>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements were approved  
by the Board of Directors on 20/4/98  
and are signed on its behalf by:



J. F. ROBINSON

## **M F & T LIMITED**

### **ACCOUNTING POLICIES**

#### **Basis of Accounting**

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable Accounting Standards.

#### **Cash Flow Statement**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 from preparing a cash flow statement, as it qualifies as a small company.

#### **Depreciation**

Depreciation is calculated to write-off the cost, less estimated residual values, of tangible fixed assets over their expected useful lives. Depreciation rates are as follows:-

Plant and Machinery	- plant and equipment 12.5% per annum
	- tools 25% per annum
Motor Vehicles	- 25% per annum
Office Equipment	- 20% per annum
Computer Equipment	- 25% per annum

#### **Stocks and Work in Progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, labour and production overheads.

#### **Deferred Taxation**

Deferred Taxation arises when items are recognised for tax purposes in periods that differ from the periods in which the items are recognised for accounting purposes. Provision is made for deferred taxation at current rates of tax in accordance with the liability method, to the extent to which it is probable that a taxation liability or asset will crystallise.

#### **Assets held under Finance Leases and Hire Purchase Agreements**

Fixed Assets held under Hire Purchase Agreements, and those financed by leasing agreements which give rights approximating to ownership (ie., finance leases) are treated in accordance with Statement of Standard Accounting Practice 21 (SSAP 21) as if purchased outright. The corresponding obligations are included in creditors. Depreciation is provided, depending on the type of fixed assets, by the rates and methods set out above. The related finance costs are charged to the Profit and Loss Account in proportion to the outstanding balances of the contracts. All other leases are treated as operating leases. Their annual rentals are charged to the Profit and Loss Account in the year in which they become payable.

## **M F & T LIMITED**

### **ACCOUNTING POLICIES**

#### **Pension Costs**

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

#### **Foreign Currencies**

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for:-

- (i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date (other than those in (ii) below); and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract, which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.



**M F & T LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 1997****1. TANGIBLE FIXED ASSETS**

	<u>Total</u> £
<b>COST</b>	
At 1 November 1996	168,243
Additions	43,835
	<hr/>
At 31 October 1997	212,078
	<hr/>
<b>DEPRECIATION</b>	
At 1 November 1996	86,467
Charge for the Year	31,050
	<hr/>
At 31 October 1997	117,517
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 October 1997	£94,561
	<hr/>
At 31 October 1996	£81,776
	<hr/>

**2. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>1997</u> £	<u>1996</u> £
Secured creditors consist of:-		
(a) Net obligations under finance leases and hire purchase agreements	£17,223	£17,222
	<hr/>	<hr/>
(b) Bank overdraft (secured by a fixed and floating charge over the assets of the company)	£129,050	£87,191
	<hr/>	<hr/>
(c) Bank loan (secured by a fixed and floating charge over the assets of the company)	£6,987	£6,759
	<hr/>	<hr/>

## M F & T LIMITED

### NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1997 (Continued)

#### 3. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1997</u>	<u>1996</u>
Net obligations under finance leases and hire purchase agreements	£14,700	£13,165
	<hr/>	<hr/>
Bank loan	£24,676	£31,519
	<hr/>	<hr/>

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

The bank loan is secured by a fixed and floating charge over the assets of the company and is wholly repayable within five years.

#### 4. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
Authorised: 500,000 ordinary shares of £1 each	£500,000	£500,000
	<hr/>	<hr/>
Allotted, issued and fully paid: 250,000 ordinary shares of £1 each	£250,000	£250,000
	<hr/>	<hr/>

#### 5. ULTIMATE HOLDING COMPANY

The company's immediate and ultimate holding company is 2Fi Holdings Limited, a company registered in England and Wales.