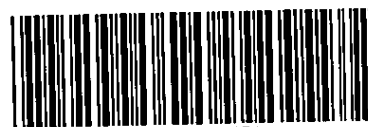


# Financial Statements Colson Castors Limited

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**For the Year Ended 31 December 2010**

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## Company information

<b>Company registration number</b>	411142
<b>Registered office</b>	Golds Green Works Bagnall Street Hilltop West Bromwich West Midlands B70 0TS
<b>Directors</b>	L Tucker R Lilly D J Towell A I B Smith A R Mackenzie C J Smith S C Chahalıs
<b>Secretary</b>	D J Towell
<b>Bankers</b>	National Westminster Bank plc 92 English Street Carlisle CA3 8NF
<b>Solicitors</b>	Ashurst Morris Crisp Broadwalk House 5 Appold Street London EC2A 2HA
<b>Auditor</b>	Grant Thornton UK LLP Registered Auditor Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ

## Index to the financial statements

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## Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 December 2010

### **Principal activity**

The group is principally engaged in the manufacture and distribution of castors and bearings

### **Business review**

The group's profit for the year after taxation amounted to £103,000 (2009 loss - £1,895,000)

The directors do not recommend the payment of a dividend (2009 £Nil)

### **Key performance indicators**

The company monitors its performance by reviewing turnover, gross margin and profit or loss before taxation. Turnover during the year has increased by 30.3% to £16,836,000 (2009 £12,919,000) due to increased demand from existing customers and penetration in the market place. The gross margin has increased from 14.4% to 25.2% due to increased volumes and cost savings within the fixed manufacturing base. Other operating charges have increased by £328,000 resulting in a significant reduction in the loss before taxation from a loss of £2,075,000 to a loss of £13,000.

### **Future developments**

The directors recognise that increased competition has put pressure on prices and margins. We believe our continued investment in our product range, continuing to take opportunities to reduce the cost of products sold, and a review of efficiencies within the organisation will enable us to maintain our position in the market place.

### **Directors**

The directors at the date of this report are set out on page 1.

A I B Smith and A R Mackenzie were appointed as directors of the company on 24 January 2011.

C J Smith and S C Chahal were appointed as directors of the company on 9 February 2011.

R Pritzker resigned as a director on 9 February 2011.

# Report of the directors

## **Financial risk management objectives and policies**

The group uses various financial instruments including intra group loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below. The main risks arising from the group's financial instruments are currency, cash flow and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

### **Currency risk**

The group is exposed to translation and transaction foreign currency risk. The group minimises this risk by maintaining a dollar and euro bank account and hence reduces the exchange rate exposure when receiving and paying money in foreign currencies.

### **Cash flow risk**

The group manages its cash flow risk by the use of intra-group loans.

### **Credit risk**

The group seeks to manage credit risk by only selling to reputable and credit worthy customers. New customers have background, credit and references checked. Existing customers have their credit limits reviewed on a quarterly basis.

## **Directors' Responsibilities Statement**

The directors are responsible for preparing the Report of the Directors 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 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Report of the directors

### Directors' Responsibilities Statement (Continued)

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.

In so far as each of the directors is aware:

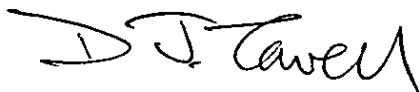
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditors

Grant Thornton UK LLP offer themselves for reappointment in accordance with Chapter 2 of Part 16 of the Companies Act 2006.

ON BEHALF OF THE BOARD



D J Towell  
Secretary

Date ~~28~~ September 2011

Company no 411142

## Report of the independent auditors to the members of Colson Castors Limited

We have audited the financial statements of Colson Castors Limited for the year ended 31 December 2010 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated statement of total recognized gains and losses 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 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 3, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group 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 matters prescribed by the Companies Act 2006**

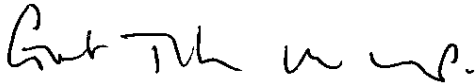
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Report of the independent auditors to the members of Colson Castors Limited (continued)

### **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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



David White  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP,  
Statutory Auditor, Chartered Accountants  
Birmingham

Date 28 September 2011



## Principal accounting policies

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. There have been no changes in accounting policy during the year.

### **Cash flow statement**

No cash flow statement has been presented in these financial statements on the grounds that the company is a wholly owned subsidiary undertaking and the financial statements of Castors International Limited present a consolidated cash flow statement incorporating the company.

### **Consolidation**

The group accounts consolidate the accounts of Colson Castors Limited and all its subsidiary undertakings drawn up to 31 December each year. As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account for Colson Castors Limited has not been presented.

### **Investments**

Investments in subsidiary undertakings are stated at cost less amounts written off.

### **Related party transactions**

The company has utilised the exemption under FRS8 as a wholly owned subsidiary undertaking not to disclose transactions with other entities that are subsidiaries of Castors International Limited.

### **Turnover**

Turnover is the total amount receivable by the group on delivery of goods supplied and services provided, excluding VAT and trade discounts.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are initially recorded at cost.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, by equal annual instalments over their expected useful lives. The rates generally applicable are:

Freehold buildings	- over 20 - 25 years
Plant and machinery	- over 3 - 10 years
Fixtures and fittings	- over 3 - 5 years
Motor vehicles	- over 4 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

## Principal accounting policies

### Pension costs and other post-retirement benefits

#### Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period

#### Defined Benefit Scheme

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

### Leased assets

Rentals under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

### Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials and component parts	- on a first in first out basis
WIP and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

## Principal accounting policies

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### **Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

### **Research and development**

Research and development is charged to profits in the period in which it is incurred

### **Tooling**

Tooling expenditure is written off as incurred

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as they represent a constant proportion of the capital outstanding.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Consolidated profit and loss account

	Note	2010 £'000	2009 £'000
<b>Turnover</b>	1	16,836	12,919
Cost of sales		12,590	11,055
<b>Gross profit</b>		<u>4,246</u>	<u>1,864</u>
Distribution costs		(711)	(871)
Administrative expenses		(3,556)	(3,068)
Other operating income		8	
<b>Operating loss and loss on ordinary activities before taxation</b>	2	<u>(13)</u>	<u>(2,075)</u>
Tax on loss on ordinary activities	4	116	180
<b>Profit/(loss) on ordinary activities after taxation</b>	13	<u>103</u>	<u>(1,895)</u>

All of the activities of the group are classed as continuing

**The accompanying principal accounting policies and notes form an integral part of these financial statements.**

## Consolidated balance sheet

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible assets	6	<u>3,549</u>	<u>3,767</u>
<b>Current assets</b>			
Stocks	8	6,093	6,107
Debtors	9	26,006	27,491
Cash at bank and in hand		<u>351</u>	<u>217</u>
		32,450	33,815
<b>Creditors: amounts falling due within one year</b>	11	<u>(28,944)</u>	<u>(30,567)</u>
<b>Net current assets</b>		<u>3,506</u>	<u>3,248</u>
<b>Total assets less current liabilities</b>		<b>7,055</b>	<b>7,015</b>
<b>Pensions liability</b>	16	<u>(2,140)</u>	<u>(2,660)</u>
<b>Net assets</b>		<u><b>4,915</b></u>	<u><b>4,355</b></u>
<b>Capital and reserves</b>			
Called up share capital	12	7,500	7,500
Profit and loss account	13	<u>(2,585)</u>	<u>(3,145)</u>
<b>Equity shareholders' funds</b>	14	<u><b>4,915</b></u>	<u><b>4,355</b></u>

The financial statements were approved by the Board of Directors on ~~28~~ September 2011 and signed on its behalf by



D J Towell  
 Director  
 Company number: 411142

**The accompanying principal accounting policies and notes form an integral part of these financial statements.**

## Company balance sheet

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible assets	6	3,448	3,618
Investments	7	948	948
		<u>4,396</u>	<u>4,566</u>
<b>Current assets</b>			
Stocks	8	4,244	4,173
Debtors	9	21,362	23,214
Cash at bank and in hand		311	167
		<u>25,917</u>	<u>27,554</u>
<b>Creditors, amounts falling due within one year</b>	11	<u>(29,663)</u>	<u>(31,126)</u>
<b>Net current liabilities</b>		<u>(3,746)</u>	<u>(3,572)</u>
<b>Total assets less current liabilities</b>		<b>650</b>	<b>994</b>
<b>Pensions liability</b>	16	(2,140)	(2,660)
<b>Net liabilities</b>		<u>(1,490)</u>	<u>(1,666)</u>
<b>Capital and reserves</b>			
Called up share capital	12	7,500	7,500
Profit and loss account	13	(8,990)	(9,166)
<b>Equity shareholders' deficit</b>	14	<u>(1,490)</u>	<u>(1,666)</u>

The financial statements were approved by the Board of Directors on ~~27~~<sup>28</sup> September 2011 and signed on its behalf by



D J Towell  
 Director  
 Company number 411142

**The accompanying principal accounting policies and notes form an integral part of these financial statements.**

## Consolidated statement of total recognised gains and losses

	2010 £000	2009 £000
<b>Profit/(loss) for the financial year</b>	<b>103</b>	<b>(1,895)</b>
Actuarial gain/(loss) in respect of defined benefit pension scheme	666	(1,770)
Deferred tax in respect of defined benefit pension scheme	(209)	481
<b>Total recognised gains and losses for the year</b>	<b>560</b>	<b>(3,184)</b>

**The accompanying principal accounting policies and notes form an integral part of these financial statements.**

## Notes to the financial statements

### **1 Turnover**

Turnover represents the amount of goods sold and services provided during the year stated net of value added tax. Turnover relates solely to the group's principal activity.

An analysis of turnover by geographical market is given below

	2010 £'000	2009 £'000
United Kingdom	11,037	8,142
Europe	2,787	2,264
North America	1,911	1,338
Rest of world	1,101	1,175
	<b>16,836</b>	<b>12,919</b>

### **2 Operating loss**

Operating loss is stated after charging/(crediting)

	2010 £'000	2009 £'000
Depreciation of owned fixed assets	251	287
Impairment of plant and machinery	-	108
Auditor's remuneration - audit services	40	42
- accountancy services	4	4
- taxation	6	4
Operating lease rentals - plant and machinery	80	109
Loss/(profit) on disposal of fixed assets	8	(8)
Net loss on foreign exchange	17	79



## Notes to the financial statements

### **3 Staff costs**

Staff costs during the year were as follows

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>3,104</b>	2,885
Social security costs	<b>253</b>	252
Other pension costs	<b>204</b>	177
	<b>3,561</b>	<b>3,314</b>

The average number of employees of the group during the year was

	<b>2010</b>	<b>2009</b>
	<b>Number</b>	<b>Number</b>
Production	<b>112</b>	105
Administration	<b>39</b>	48
	<b>151</b>	<b>153</b>

Remuneration in respect of directors was as follows

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Emoluments	<b>190</b>	150
Pension contributions to defined contribution pension schemes	<b>4</b>	4
	<b>194</b>	<b>154</b>

During the year no directors (2009 None) participated in defined benefit pension schemes and 2 directors (2009 2) participated in a money purchase pension scheme

## Notes to the financial statements

### **4 Tax on loss on ordinary activities**

#### *a) Tax on loss on ordinary activities*

The tax credit represents

	2010 £'000	2009 £'000
Group relief receivable at 28% (2009 28%)	(116)	(180)
Total current tax	(116)	(180)
Deferred taxation		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	(116)	(180)

Unrealised tax losses of approximately £7,275,000 (2009 £7,405,000) remain available to offset against future taxable trading profits

The directors review annually their assessment of whether suitable trading profits will be available for the foreseeable future and have concluded that it is reasonable to assume that the profits are foreseeable for three years and therefore have included a deferred tax asset of £150,000 (2009 £150,000)

#### *b) Factors affecting current tax credit*

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are reconciled below:

	2010 £'000	2009 £'000
Loss on ordinary activities before tax	(13)	(2,075)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(3)	(581)
Effect of		
Permanent timing differences	7	-
Accelerated capital allowances and other timing differences	(64)	276
(Decrease)/increase in unprovided tax losses	(56)	125
Current tax credit for the period	(116)	(180)

### **5 (Loss)/profit attributable to members of the parent company**

The company loss included in the financial statements of the parent company is £281,000 (2009 profit £2,013,000)

## Notes to the financial statements

### **6 Tangible fixed assets**

<b>Group</b>	<b>Freehold land and buildings £'000</b>	<b>Plant and machinery £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 January 2010	4,310	5,394	250	25	9,979
Additions	-	33	-	8	41
Disposals	-	(144)	-	-	(144)
At 31 December 2010	<u>4,310</u>	<u>5,283</u>	<u>250</u>	<u>33</u>	<u>9,876</u>
<b>Depreciation</b>					
At 1 January 2010	887	5,089	211	25	6,212
Provided in the year	105	115	23	8	251
On disposals	-	(136)	-	-	(136)
At 31 December 2010	<u>992</u>	<u>5,068</u>	<u>234</u>	<u>33</u>	<u>6,327</u>
<b>Net book amount</b>					
At 31 December 2010	<u>3,318</u>	<u>215</u>	<u>16</u>	<u>-</u>	<u>3,549</u>
At 31 December 2009	<u>3,423</u>	<u>305</u>	<u>39</u>	<u>-</u>	<u>3,767</u>

Tangible fixed assets include £1,010,000 (2009 £1,010,000) of freehold land which is not depreciated

<b>Company</b>	<b>Freehold land and buildings £'000</b>	<b>Plant and machinery £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 January 2010	4,310	3,428	250	25	8,013
Additions	-	33	-	8	41
Disposals	-	(135)	-	-	(135)
At 31 December 2010	<u>4,310</u>	<u>3,326</u>	<u>250</u>	<u>33</u>	<u>7,919</u>
<b>Depreciation</b>					
At 1 January 2010	887	3,272	211	25	4,395
Provided in the year	105	67	23	8	203
Disposals	-	(127)	-	-	(127)
At 31 December 2010	<u>992</u>	<u>3,212</u>	<u>234</u>	<u>33</u>	<u>4,471</u>
<b>Net book amount</b>					
At 31 December 2010	<u>3,318</u>	<u>114</u>	<u>16</u>	<u>-</u>	<u>3,448</u>
At 31 December 2009	<u>3,423</u>	<u>156</u>	<u>39</u>	<u>-</u>	<u>3,618</u>

Tangible fixed assets include £1,010,000 (2009 £1,010,000) of freehold land which is not depreciated

## Notes to the financial statements

### 7 Investments

#### Company

£'000

Subsidiary undertakings

Cost and net book value at 1 January 2010 and 31 December 2010

948

The company has the following wholly owned subsidiary undertakings

Subsidiary undertakings	Country of incorporation	Principal activity
Flexello Limited	England and Wales	Manufacture of castors
British Castors Limited	England and Wales	Dormant
Global Castors Limited	England and Wales	Dormant
JBD Plastics Limited	England and Wales	Dormant
The Revvo Castor Company Limited	England and Wales	Dormant

### 8 Stocks

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Raw materials and consumables	1,592	1,238	1,327	996
Work in progress	1,612	1,709	1,209	1,117
Finished goods	2,889	3,160	1,708	2,060
	<u>6,093</u>	<u>6,107</u>	<u>4,244</u>	<u>4,173</u>

### 9 Debtors

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade debtors	3,591	2,477	2,821	1,448
Amounts due from group undertakings	21,936	24,518	18,215	21,424
Other debtors	57	27	57	23
Deferred taxation (note 10)	150	150	-	-
Prepayments and accrued income	156	136	153	136
Group relief receivable	116	183	116	183
	<u>26,006</u>	<u>27,491</u>	<u>21,362</u>	<u>23,214</u>

## Notes to the financial statements

### 10 Deferred taxation

	£'000
At 31 December 2009	(150)
Charge to the profit and loss account	-
At 31 December 2010	<u>(150)</u>

The amounts of deferred taxation provided and unprovided on the financial statements are

	Provided 2010 £'000	Unprovided 2010 £'000	Provided 2009 £'000	Unprovided 2009 £'000
Accelerated capital allowances	-	(564)	-	(722)
Other timing differences	-	(148)	-	(141)
	<u>-</u>	<u>(712)</u>	<u>-</u>	<u>(863)</u>
Trading losses	(150)	(1,816)	(150)	(1,923)
Deferred tax asset	<u>(150)</u>	<u>(2,528)</u>	<u>(150)</u>	<u>(2,786)</u>

### 11 Creditors: amounts falling due within one year

	Group 2010 £'000	2009 £'000	Company 2010 £'000	2009 £'000
Trade creditors	1,274	736	1,134	722
Amounts due to group undertakings	26,906	29,190	27,772	29,747
Other taxes and social security costs	144	117	144	117
Accruals and other creditors	620	524	613	540
	<u>28,944</u>	<u>30,567</u>	<u>29,663</u>	<u>31,126</u>

### 12 Share capital

	2010 £'000	2009 £'000
Authorised		
7,500,000 ordinary shares of £1 each	<u>7,500</u>	<u>7,500</u>
Allotted, called up and fully paid		
7,500,000 ordinary shares of £1 each	<u>7,500</u>	<u>7,500</u>

## Notes to the financial statements

### 13 Profit and loss account

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Balance brought forward	(3,145)	39	(9,166)	(9,890)
Profit/(loss) for the financial year	103	(1,895)	(281)	2,013
Defined benefit pension scheme	457	(1,289)	457	(1,289)
Balance carried forward	<u>(2,585)</u>	<u>(3,145)</u>	<u>(8,990)</u>	<u>(9,166)</u>

### 14 Reconciliation of movements in shareholders' funds

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Opening shareholders' funds	4,355	7,539	(1,666)	(2,390)
Profit/(loss) for the financial year	103	(1,895)	(281)	2,013
Actuarial gains/(losses) on pension funds	666	(1,770)	666	(1,770)
Movement on pension scheme deferred tax liability relating to balance sheet items	(209)	481	(209)	481
Closing shareholders' funds/(deficit)	<u>4,915</u>	<u>4,355</u>	<u>(1,490)</u>	<u>(1,666)</u>

### 15 Guarantees and other financial commitments

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as set out below

	2010	2010	2009	2009
	Land and	Other	Land and	Other
	buildings		buildings	
	£'000	£'000	£'000	£'000
Operating leases which expire				
Within one year	-	-	-	-
Within 2 to 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

At 31 December 2010 and 31 December 2009, the group and company had no capital commitments

## Notes to the financial statements

### 16 Pensions

Eligible employees of the group are members of defined benefit or defined contribution pension schemes operated by the group. The schemes' funds are administered by trustees, and are independent of the group's finances. Contributions are determined with the advice of independent qualified actuaries.

The group operates two defined benefit schemes, The Colson Castor Company Pension Scheme ("Colson Castor Scheme") and Revvo Castor Company Limited Retirement Benefits Scheme ("Revvo Castor Scheme"). A full actuarial valuation of the Colson Castor Scheme was carried out at 31 December 2009 by a qualified independent actuary and a full actuarial valuation of the Revvo Castor Scheme was carried out at 31 January 2008.

The major assumptions used by the actuaries were:

	Revvo Castor Scheme			Colson Castor Scheme		
	2010	2009	2008	2010	2009	2008
Rate of increase of pensions in payment	3.40%	3.50%	2.75%	3.70%	3.80%	3.00%
Rate of increase of pensions in deferment	2.90%	3.50%	2.75%	3.70%	3.80%	3.00%
Discount rate	5.40%	5.65%	6.30%	5.70%	5.90%	6.90%
Inflation assumption	3.40%	3.50%	2.75%	3.70%	3.80%	3.00%

The post-retirement mortality assumptions used to value the benefit obligation at 31 December 2009 and 31 December 2010 are based on the A92 (Ultimate) and PA92 mortality tables with the medium cohort improvement table with a one year upwards age rating and a 1% pa underpin on future improvements.

The assumed life expectancy in years on retirement at age 65 is:

		Revvo Castor Scheme			Colson Castor Scheme		
		2010	2009	2008	2010	2009	2008
Retiring today	Male	21.8	21.7	22.0	21.8	21.8	21.1
	Female	25.2	24.7	25.0	25.2	25.1	24.0
Retiring in 20 years time	Male	23.7	23.7	23.1	23.7	23.7	22.2
	Female	27.2	26.7	26.1	27.2	27.1	25.0

## Notes to the financial statements

### **16 Pensions (continued)**

The amounts charged/(credited) in the profit or loss account are as follows

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Current service cost	-	-
Interest on obligations	859	762
Expected return on scheme assets	(809)	(636)
Past service cost	-	-
	<b>50</b>	<b>126</b>

The actual return on scheme assets was £1,555k (2009 £1,947k)

The amounts recognised in the company and consolidated balance sheets at 31 December were

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Equities	7,476	9,423
Bonds	814	1,052
Fixed interest	1,532	783
Index linked gilts	1,222	28
Cash and other	1,641	171
Total market value of assets	<b>12,685</b>	<b>11,457</b>
Present value of liabilities	<b>(15,632)</b>	<b>(15,151)</b>
Deficit	<b>(2,947)</b>	<b>(3,694)</b>
Deferred tax asset	807	1,034
Net pension liability	<b>(2,140)</b>	<b>(2,660)</b>

Changes in the present value of the defined benefit obligation are as follows

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	15,151	11,982
Interest cost	859	762
Actuarial losses	80	3,080
Benefits paid	(458)	(673)
Closing defined benefit obligation	<b>15,632</b>	<b>15,151</b>



## Notes to the financial statements

### 16 Pensions (continued)

Changes in the fair value of plan assets are as follows

	2010 £000	2009 £000
Opening fair value of scheme assets	11,457	9,936
Expected return	809	636
Actuarial gains	746	1,310
Contributions by employer	362	362
Benefits paid	(689)	(787)
Closing fair value of scheme assets	12,685	11,457

The company expects to contribute £362,000 to the Schemes in the next accounting year

The major categories of scheme assets as a percentage of total scheme assets, and expected return, are as follows

	2010		2009	
	% total scheme assets	Expected return	% total scheme assets	Expected return
Equities	59.60%	8.00%	82.30%	7.70%
Bonds	6.50%	5.30%	9.20%	5.30%
Fixed interest	12.60%	4.40%	6.80%	4.40%
Index linked gilts	9.70%	4.40%	0.20%	4.40%
Cash and other	13.10%	0.50%	1.50%	0.50%

The expected returns on assets is taken as the weighted average of returns on individual asset classes

Amounts for the current and the previous four periods are as follows

	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
Defined benefit obligation	15,632	15,151	11,982	13,994	13,373
Scheme assets	12,685	11,457	9,936	12,379	11,358
Deficit	(2,947)	(3,694)	(2,046)	(1,615)	(2,015)
Experience adjustment on scheme liabilities	158	110	(297)	333	410
Experience adjustment on scheme assets	746	1,310	(2,931)	104	508
Total amount recognised in the statement of total recognised gains and losses	(666)	(1,770)	(748)	27	2,098

The asset values reported above are bid values, with the exception of the figures as at 31 December 2007 and 31 December 2006 which are the mid-values as previously disclosed

## Notes to the financial statements

### 17 Ultimate parent undertaking

The parent undertaking and controlling party of the largest group for which consolidated financial statements are drawn up and of which the company is a member is the Colson Group Inc, a company incorporated in the United States of America. The parent undertaking of the smallest group is Castors International Limited, a company incorporated in England and Wales.

In the directors' opinion the company's ultimate parent undertaking at the year end was The Colson Group Inc.

### 18 Related party transactions

The company has utilised the exemption under FRS8 as a wholly owned subsidiary undertaking not to disclose transactions with other entities that are subsidiaries of Castors International Limited.

Transactions with other related parties who are part of the Colson Group Inc group, are as follows:

	Balances due to		Balances due from	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Colson BV	18	39	18	14
Transportwielon	15	-	21	119
EHl Australia	-	-	51	3
Revvo US	114	-	153	87
Colson Guangzhou	34	77	51	10
Colson Group E/O	-	-	147	8
Castors International Limited	26,236	28,548	21,217	24,216
Rhombus France	-	-	178	2
Rhombus Germany	2	6	38	4
Rhombus Castors Limited	-	-	62	53
Rhombus Malaysia	88	331	-	-
Guangzhou Jarvis China	323	175	-	-
Nantong Logic Wheel	76	14	-	-
Can Am	-	-	-	2
	<b>26,906</b>	<b>29,190</b>	<b>21,936</b>	<b>24,518</b>

## Notes to the financial statements

### 18 Related party transactions - continued

	Purchases from		Sales to	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Colson BV	156	157	82	117
Transportwielen	66	45	214	487
EHl Australia	-	-	17	34
Revvo US	461	412	1,451	944
Colson Guangzhou	228	277	37	22
Colson Group E/O	-	1	-	22
Guangzhou Jarvis Caster	1,721	887	-	88
Rhombus France	1	4	57	8
Rhombus Germany	113	59	457	7
Rhombus Castors Limited	-	338	-	-
Rhombus Malaysia	691	132	-	7
Colson Asia E/O	-	-	-	7
Can Am	-	4	-	11
Albion Industries	-	5	-	-
Colson Castor Corporation	5	4	-	-
Nantong Logic Wheel	13	22	-	-
Medcastor	-	-	10	12
Jonesboro	-	-	15	-
Colson Canada	-	-	9	-
	<b>3,455</b>	<b>2,347</b>	<b>2,349</b>	<b>1,766</b>