

REYNOLDS BOUGHTON LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2009

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REYNOLDS BOUGHTON LIMITED

COMPANY INFORMATION

DIRECTORS

K Gallagher
J Park (resigned 31 December 2008)
B Husselbee (appointed 1 January 2009)

COMPANY SECRETARY

P Maidstone

COMPANY NUMBER

418439

REGISTERED OFFICE

Graycar Business Park
Barton under Needwood
Staffordshire
DE13 8EN

AUDITORS

Smith Cooper
Chartered Accountants & Statutory Auditors
Wilmot House
St James Court
Friargate
Derby
DE1 1BT

REYNOLDS BOUGHTON LIMITED

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REYNOLDS BOUGHTON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2009

The directors present their report and the financial statements for the year ended 31 August 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

There were no changes to the principal activities of the company during the year, which continue to be the manufacture of waste disposal equipment, military logistic systems and specialised vehicle chassis. The range of waste disposal equipment offered to customers has been extended during the financial period by acquisition.

A summary of the results for the year's trading is given on page 5.

Profit before exceptional items and after tax was £236k which compares to a profit after tax of £390k for the previous year. Exceptional costs of £287k were incurred during the period solely as a result of the acquisition of the business of Trio Skips and Hooks Limited.

Trading during the year continued to be negatively affected by the general economic downturn which led to significantly reduced activity levels for all Reynolds Boughton Limited customers. A combination of lower activity levels within our customers' businesses and deferment of normal equipment replacement programmes due to uncertain market sentiment and restricted credit availability, led to markedly lower sales volumes for the companies' core products. Sales in 2009 of £6.678m represents a decline of 20% on the previous year's sales of £8.387m.

On 1st October 2008, the parent company T T Boughton and Sons acquired the assets and business of Trio Skips and Hooks Limited to enable expansion of the waste disposal business into the Skip Loader market which is directly adjacent to and complementary with several of the historical product ranges.

The directors consider that the key financial performance indicators of the business are turnover, profit before tax, profit before tax return on sales and return on capital employed. Return on capital employed is calculated as profit before interest and tax and exceptional items divided by capital employed, which constitutes assets less current liabilities plus bank loans/overdrafts and other short term borrowings.

REYNOLDS BOUGHTON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (continued)

The financial performance indicators for the year ending August 2009 are

- Profit after tax and before exceptional items of £236k, a decrease of 40% on the profit after tax of £390k in 2008
- Profit after tax and before exceptional items, on sales is 3.5%
- Return on capital employed is 20%

The Directors would like to thank all employees, customers and suppliers for their effort and support during 2009

The principal risks for the forthcoming year lie in the general economy and the availability of bank credit, with acquisitions of capital equipment continuing to be deferred in many cases. There are risks as the business prepares resources for higher activity levels that will result from market recovery. Whilst waste is produced in all economic cycles and the drivers for re-cycling, namely global warming, land fill taxes and sustainable energy continue, volumes of waste remain lower than normal as productivity and the value of re-cycleable material remains depressed, and the economic life of transportation equipment has been extended.

However, the business continues to weather this difficult trading period well, with very low gearing and it is well positioned to benefit from market recovery with a broad customer base and an increased range of well established products.

RESULTS

The loss for the year, after taxation, amounted to £51 thousand (2008 - profit £390 thousand)

DIRECTORS

The directors who served during the year were

K Gallagher
J Park (resigned 31 December 2008)
B Husselbee (appointed 1 January 2009)

PROVISION OF INFORMATION TO AUDITORS

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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

REYNOLDS BOUGHTON LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2009**

AUDITORS

Under section 487 of the Companies Act 2006, Smith Cooper will be deemed to have been reappointed as auditor(s) 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on **22 April 2010** and signed on its behalf



P Maidstone
Secretary

REYNOLDS BOUGHTON LIMITED

INDEPENDENT AUDITORS' REPORT TO REYNOLDS BOUGHTON LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 14, together with the financial statements of Reynolds Boughton Limited for the year ended 31 August 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 14 have been properly prepared in accordance with the regulations made under that section.

Janet Morgan (Senior statutory auditor)
for and on behalf of

SMITH COOPER
Chartered Accountants
Registered Auditors
Wilmot House
St James Court
Friargate
Derby
DE1 1BT

Date 22 April 2010

REYNOLDS BOUGHTON LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2009**

	Note	Pre- exceptional costs 2009 £000	Exceptional costs 2009 £000	Total 2009 £000	2008 £000
TURNOVER	1	<u>6,678</u>	-	<u>6,678</u>	<u>8,387</u>
GROSS PROFIT		2,066	(10)	2,056	2,000
Staff costs (including exceptional item)		(1,622)	(277)	(1,899)	(1,448)
Depreciation and amortisation		<u>(189)</u>	-	<u>(189)</u>	<u>(149)</u>
OPERATING PROFIT/(LOSS)	2	255	(287)	(32)	403
Interest receivable		6	-	6	-
Interest payable	5	<u>(25)</u>	-	<u>(25)</u>	<u>(13)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>236</u>	<u>(287)</u>	<u>(51)</u>	<u>390</u>
Tax on (loss)/profit on ordinary activities	6	-	-	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	15	<u>236</u>	<u>(287)</u>	<u>(51)</u>	<u>390</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2009 £000	2008 £000
REPORTED (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(51)</u>	<u>390</u>
Realisation of valuation gains of previous periods	<u>61</u>	<u>61</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>10</u>	<u>451</u>
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	<u>10</u>	<u>451</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

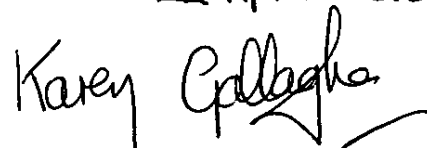
The notes on pages 7 to 14 form part of these financial statements

REYNOLDS BOUGHTON LIMITED
REGISTERED NUMBER: 418439

ABBREVIATED BALANCE SHEET
AS AT 31 AUGUST 2009

	Note	£000	2009 £000	£000	2008 £000
FIXED ASSETS					
Intangible fixed assets	7		428		190
Tangible fixed assets	8		313		241
			<u>741</u>		<u>431</u>
CURRENT ASSETS					
Stocks	9	583		535	
Debtors	10	575		782	
Cash at bank		-		957	
		<u>1,158</u>		<u>2,274</u>	
CREDITORS: amounts falling due within one year	11	(903)		(1,106)	
NET CURRENT ASSETS			<u>255</u>		<u>1,168</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>996</u>		<u>1,599</u>
CREDITORS: amounts falling due after more than one year	12		(74)		(626)
NET ASSETS			<u>922</u>		<u>973</u>
CAPITAL AND RESERVES					
Called up share capital	14		500		500
Revaluation reserve	15		129		190
Profit and loss account	15		293		283
SHAREHOLDERS' FUNDS	16		<u>922</u>		<u>973</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 were approved and authorised for issue by the board and were signed on its behalf on 22 April 2010



K Gallagher
Director

The notes on pages 7 to 14 form part of these financial statements

REYNOLDS BOUGHTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of intangible fixed assets and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.4 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.

Internally developed intangible fixed assets are capitalised at market value and amortised over the remaining life of the patent of 13 years.

1.5 Tangible fixed assets and depreciation

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

Plant & Machinery	-	5 - 12 years
Motor Vehicles	-	4 years
Fixtures & Fittings	-	4 year

1.6 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.

1.7 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.

REYNOLDS BOUGHTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2009

1. ACCOUNTING POLICIES (continued)

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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.

1.10 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.

1.11 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.

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2009 £000	2008 £000
Amortisation - intangible fixed assets	79	61
Depreciation of tangible fixed assets		
- owned by the company	104	56
- held under finance leases	6	32
Auditors' remuneration	8	8
Operating lease rentals		
- plant and machinery	48	41
- other operating leases	211	181
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REYNOLDS BOUGHTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2009

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2009 £000	2008 £000
Wages and salaries	1,689	1,249
Social security costs	176	124
Other pension costs	35	74
	<u>1,900</u>	<u>1,447</u>

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

	2009 No.	2008 No
Production, sales and distribution	75	50
Administration	10	7
	<u>85</u>	<u>57</u>

4. DIRECTORS' REMUNERATION

	2009 £000	2008 £000
Emoluments	<u>98</u>	<u>98</u>
Company pension contributions to money purchase pension schemes	<u>2</u>	<u>61</u>
Amounts paid to third parties for directors' remuneration services	<u>30</u>	<u>36</u>

During the year retirement benefits were accruing to 1 director (2008 - 1) in respect of money purchase pension schemes

5. INTEREST PAYABLE

	2009 £000	2008 £000
On bank loans and overdrafts	21	8
On finance leases and hire purchase contracts	4	5
	<u>25</u>	<u>13</u>

REYNOLDS BOUGHTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2009

6. TAXATION

Factors affecting tax charge for the year

There is no corporation tax charge on the result for the year (2008 £Nil)

Factors that may affect future tax charges

The company has tax losses of £100,000 (2008, £6,000) for use against profits arising in future periods

7. INTANGIBLE FIXED ASSETS

	Patents and trademarks £000	Goodwill £000	Total £000
Cost			
At 1 September 2008	800	-	800
Additions	-	317	317
At 31 August 2009	800	317	1,117
Amortisation			
At 1 September 2008	610	-	610
Charge for the year	61	18	79
At 31 August 2009	671	18	689
Net book value			
At 31 August 2009	129	299	428
At 31 August 2008	190	-	190

REYNOLDS BOUGHTON LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2009**

8. TANGIBLE FIXED ASSETS

	Plant and machinery £000	Motor vehicles £000	Furniture, fittings and equipment £000	Total £000
Cost or valuation				
At 1 September 2008	669	161	333	1,163
Additions	193	7	-	200
Disposals	(61)	(6)	(45)	(112)
At 31 August 2009	801	162	288	1,251
Depreciation				
At 1 September 2008	494	100	328	922
Charge for the year	75	30	5	110
On disposals	(43)	(6)	(45)	(94)
At 31 August 2009	526	124	288	938
Net book value				
At 31 August 2009	275	38	-	313
At 31 August 2008	175	61	5	241

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

	2009 £000	2008 £000
Plant and machinery	-	21
Motor vehicles	14	71
	14	92

9. STOCKS

	2009 £000	2008 £000
Raw materials	328	314
Work in progress	255	221
	583	535

The difference between purchase price or production cost of stocks and their replacement cost is not material

REYNOLDS BOUGHTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2009

10. DEBTORS

	2009 £000	2008 £000
Trade debtors	470	700
Prepayments and accrued income	105	82
	<u>575</u>	<u>782</u>

11. CREDITORS: Amounts falling due within one year

	2009 £000	2008 £000
Bank overdraft	188	-
Net obligations under finance leases and hire purchase contracts	7	31
Trade creditors	337	493
Social security and other taxes	240	289
Other creditors	13	25
Accruals and deferred income	118	268
	<u>903</u>	<u>1,106</u>

The bank overdraft is secured by way of a charge over the assets of the group

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

	2009 £000	2008 £000
Net obligations under finance leases and hire purchase contracts	3	9
Amounts owed to group undertakings	71	617
	<u>74</u>	<u>626</u>

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

	2009 £000	2008 £000
Between one and five years	<u>3</u>	<u>9</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed repayment date
They will not be paid within 12 months

13. DEFERRED TAXATION

	2009 £000	2008 £000
At beginning and end of year	<u>-</u>	<u>-</u>

REYNOLDS BOUGHTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2009

13. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	2009 £000	2008 £000
Accelerated capital allowances	1	(9)
Tax losses carried forward	(28)	(2)
Other timing differences	(6)	(27)
Deferred tax asset not recognised	33	38
	<u>-</u>	<u>-</u>

The deferred tax asset noted above has not been recognised in the financial statements

14. SHARE CAPITAL

	2009 £000	2008 £000
Allotted, called up and fully paid		
500,000 Ordinary shares of £1 each	<u>500</u>	<u>500</u>

15. RESERVES

	Revaluation reserve £000	Profit and loss account £000
At 1 September 2008	190	283
Loss for the year		(51)
Transfer between Revaluation reserve and P/L account	(61)	61
At 31 August 2009	<u>129</u>	<u>293</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £000	2008 £000
Opening shareholders' funds	973	583
(Loss)/profit for the year	(51)	390
Closing shareholders' funds	<u>922</u>	<u>973</u>

REYNOLDS BOUGHTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2009

17. CONTINGENT LIABILITIES

The company has given an unlimited guarantee to secure the bank borrowings of other companies in the T T Boughton & Sons Limited group. At 31 August 2009 total group borrowings amounted to £458,000 (2008 £nil)

The company is part of a group VAT registration and therefore is liable for other companies within the group registration. At 31 August 2009 the current group VAT liability amounted to £92,000 (2008 £131,000) which has been paid subsequent to the year end

18. PENSION COMMITMENTS

During the year the company has made contributions to a group stakeholder pension scheme. The total pension cost for the company was £35,000 (2008 £74,000). At 31 August 2009 there were outstanding contributions of £nil (2008 £78,000)

19. OPERATING LEASE COMMITMENTS

At 31 August 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2009	2008	2009	2008
	£000	£000	£000	£000
Expiry date:				
Within 1 year	-	-	2	15
Between 2 and 5 years	221	181	28	12

20. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of TT Boughton & Sons Limited and is included in the consolidated financial statements of TT Boughton & Sons Limited, which are publicly available. Consequently the company has taken advantage of the exemption under FRS8 from disclosing related party transactions with entities that are at least 90% owned by the TT Boughton & Sons Limited group

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 August 2009 the ultimate parent company was T T Boughton & Sons Limited which is the smallest and largest group to consolidate these financial statements. Copies of its financial statements may be obtained from The Secretary, T T Boughton & Sons Limited

There is no ultimate controlling party as no one person or party of persons controls more than 50% of the issued share capital of T T Boughton & Sons Limited