

**BUSHBURY HOLDINGS LIMITED**

**Report and Financial Statements**

**31 December 2013**

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COMPANIES HOUSE

# **BUSHBURY HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# **BUSHBURY HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

M B Hughes (Chairman)  
B F Tinklin  
R Nicholls

### **SECRETARY**

R Nicholls

### **REGISTERED OFFICE**

Unit 8  
Boscomoor Lane Industrial Estate  
Penkridge  
Staffordshire  
ST19 5QY

### **BANKERS**

HSBC Bank plc  
130 New Street  
Birmingham  
B2 4JU

### **SOLICITORS**

SGH Martineau LLP  
No 1 Colmore Square  
Birmingham  
B4 6AA

### **AUDITOR**

Deloitte LLP  
Four Brindleyplace  
Birmingham  
B1 2HZ

# **BUSHBURY HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

### **RESULTS**

The consolidated profit for the year on ordinary activities before taxation amounted to £1,407,530 (2012 – £218,291). The directors do not propose a final dividend (2012 - £Nil). The retained profit for the year of £1,085,571 (2012 – £171,860) has been transferred to reserves.

### **ACTIVITY**

Bushbury Holdings Limited is principally engaged in the provision of management consultancy services and is the parent company of the following subsidiaries:

- Eastfield Engineering Limited - engaged in the supply of off-highway vehicle cab conditioning equipment, specialist filters and spares for this and for vehicle cabs;
- Epstone Limited – dormant with effect from 1 January 2012;
- M.C. Air Filtration Limited - manufactures high efficiency air filters and associated equipment.

### **DIRECTORS**

The directors during the year were as follows:

M B Hughes (Chairman)  
B F Tinklin  
R Nicholls

All the directors served throughout the year and to the date of signing these accounts.

The Articles of Association of the company contain an indemnity in favour of all of the directors of the company that, subject to law, indemnifies the directors from the assets of the company against any liability incurred by them in defending any proceedings in which judgement is given in their favour (or otherwise disposed of without any finding or admission of any material breach of duty on their part).

### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

1. So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
2. The director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of Companies Act 2006.

# **BUSHBURY HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **AUDITOR**

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



R NICHOLLS

Secretary

Registered Office:

Unit 8  
Boscomoor Lane Industrial Estate  
Penkridge  
Staffordshire  
ST19 5QY

# BUSHBURY HOLDINGS LIMITED

## STRATEGIC REPORT

### REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The group enjoyed an excellent year due to the effect of a substantial contract being completed in addition to its normal turnover. Underlying order intakes have remained firm resulting in an encouraging work in hand level at the start of 2014. An active product development programme is being pursued together with plans for further expansion of manufacturing capabilities. Accordingly the directors anticipate, subject to unforeseen circumstances, a continuing satisfactory performance in the current year.

The group has sufficient cash reserves to finance its activities for the twelve month period from the signing of these accounts. As a result of the significant cash balances held, combined with a strong order book, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After reviewing forecasts, extending for a period of at least twelve months from the date of approval of these financial statements, the directors have a reasonable expectation that the group will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing financial statements.

### RISKS

The Group's principal financial assets are bank balances and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group operates a bank overdraft, which has a multilateral guarantee across all group companies, further details can be found in note 13.

### KEY PERFORMANCE INDICATORS

Key performance indicators for the group are as follows:

	2013	2012
	£	£
Turnover	6,860,847	3,458,186
Operating profit	1,371,681	225,527
Retained profit	1,085,571	171,860

Approved by the Board of Directors  
and signed on behalf of the Board



R NICHOLLS

Secretary

Registered Office:

Unit 8  
Boscomoor Lane Industrial Estate  
Penkridge  
Staffordshire  
ST19 5QY

# **BUSHBURY HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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 the group and of 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSHBURY HOLDINGS LIMITED**

We have audited the financial statements of Bushbury Holdings Limited for the year ended 31 December 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Note of Historic Cost Profits and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 23. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **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 2013 and of the group's 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 matter prescribed by the Companies Act 2006**

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BUSHBURY HOLDINGS 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.



Jane Whitlock (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, UK

27 March 2014

**BUSHBURY HOLDINGS LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****Year ended 31 December 2013**

	Note	2013	2012
		£	£
<b>TURNOVER</b>	2		
Continuing operations		6,860,847	3,458,186
Cost of sales		(4,554,234)	(2,528,748)
<b>GROSS PROFIT</b>		2,306,613	929,438
Distribution expenses		(140,841)	(104,397)
Administration expenses		(794,091)	(599,514)
<b>OPERATING PROFIT</b>			
Continuing operations	4	1,371,681	225,527
Interest payable	5	-	(11,000)
Interest receivable	6	35,849	3,764
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,407,530	218,291
Tax charge on profit on ordinary activities	7	(321,959)	(46,431)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16,17	1,085,571	171,860

The results for the current and previous financial years derive from continuing operations.

# **BUSHBURY HOLDINGS LIMITED**

## **CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**Year ended 31 December 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,085,571	171,860
Actuarial gain/ (loss) relating to the pension scheme before deferred tax	420,000	(126,000)
Deferred tax (charge)/credit relating to actuarial loss	(85,000)	17,000
Unrealised surplus on revaluation of property	-	10,750
	<u>1,420,571</u>	<u>73,610</u>
<b>Total recognised gains and losses since the last annual report</b>	<b>1,420,571</b>	<b>73,610</b>

## **CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**Year ended 31 December 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Reported profit on ordinary activities before taxation	1,407,530	218,291
Differences between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	2,095	2,095
	<u>1,409,625</u>	<u>220,386</u>
Historical cost profit on ordinary activities before taxation	<u>1,409,625</u>	<u>220,386</u>
Historical cost profit retained for the year after taxation	<u>1,087,266</u>	<u>173,955</u>

# BUSHBURY HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET


31 December 2013

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	9		947,708		827,487
<b>CURRENT ASSETS</b>					
Stocks	11	715,595		588,931	
Debtors	12	962,790		474,946	
Cash at bank and in hand		3,303,761		1,694,331	
		4,982,146		2,758,208	
<b>CREDITORS: amounts falling due within one year</b>	13	(1,869,699)		(576,947)	
<b>NET CURRENT ASSETS</b>			3,112,447		2,181,261
<b>PROVISION FOR LIABILITIES</b>	14		(29,429)		(5,593)
<b>NET ASSETS BEFORE PENSION LIABILITY</b>			4,030,726		3,003,155
<b>PENSION LIABILITY</b>	22		(382,000)		(775,000)
<b>NET ASSETS AFTER PENSION LIABILITY</b>			3,648,726		2,228,155
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		100,000		100,000
Capital redemption reserve	16		50,000		50,000
Revaluation reserve	16		289,351		291,446
Profit and loss account	16		3,209,375		1,786,709
<b>SHAREHOLDERS' FUNDS</b>	17		3,648,726		2,228,155

These financial statements of Bushbury Holdings Limited, registered number 2110875, were approved and authorised for issue by the Board of Directors on 26 March 2014.

Signed on behalf of the Board of Directors

  
M B HUGHES

  
R NICHOLLS  
Directors

# BUSHBURY HOLDINGS LIMITED

## COMPANY BALANCE SHEET

31 December 2013

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	9		730,226		735,822
Investments	10		203,170		203,170
			<u>933,396</u>		<u>938,992</u>
<b>CURRENT ASSETS</b>					
Debtors	12	61,782		26,647	
Cash at bank and in hand		<u>1,691,522</u>		<u>1,565,557</u>	
		1,753,304		1,592,204	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(94,396)</u>		<u>(51,581)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,658,908</u>		<u>1,540,623</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,592,304		2,479,615
<b>PROVISION FOR LIABILITIES</b>	14		<u>(511)</u>		<u>(142)</u>
<b>TOTAL NET ASSETS</b>			<u>2,591,793</u>		<u>2,479,473</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		100,000		100,000
Capital redemption reserve	16		50,000		50,000
Revaluation reserve	16		8,655		10,750
Profit and loss account	16		<u>2,433,138</u>		<u>2,318,723</u>
<b>SHAREHOLDERS' FUNDS</b>	17		<u>2,591,793</u>		<u>2,479,473</u>

These financial statements of Bushbury Holdings Limited, registered number 2110875, were approved and authorised for issue by the Board of Directors on 26 March 2014.

Signed on behalf of the Board of Directors



M B HUGHES



R NICHOLLS

Directors

# **BUSHBURY HOLDINGS LIMITED**

## **CONSOLIDATED CASH FLOW STATEMENT**

**Year ended 31 December 2013**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>Cash inflow from operating activities</b>	<b>18</b>	<b>1,772,041</b>	<b>604,370</b>
<b>Returns on investments and servicing of finance</b>	<b>19</b>	<b>35,849</b>	<b>(7,236)</b>
<b>Taxation</b>		<b>(25,653)</b>	<b>2,232</b>
<b>Capital expenditure and financial investment</b>	<b>19</b>	<b>(172,807)</b>	<b>(192,017)</b>
<b>Cash inflow before use of liquid resources and financing</b>		<b>1,609,430</b>	<b>407,349</b>
<b>Increase in cash in the year</b>		<b>1,609,430</b>	<b>407,349</b>

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<b>Reconciliation of net cash flow to movement in net funds</b>		<b>2013 £</b>	<b>2012 £</b>
<b>Increase in cash in the year</b>	<b>20</b>	<b>1,609,430</b>	<b>407,349</b>
<b>Change in net debt resulting from cash flows</b>		<b>1,609,430</b>	<b>407,349</b>
<b>Net funds at 1 January</b>		<b>1,694,331</b>	<b>1,286,982</b>
<b>Net funds at 31 December</b>		<b>3,303,761</b>	<b>1,694,331</b>

# **BUSHBURY HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the current and prior year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings.

#### **Going concern**

The group has sufficient cash reserves to finance its activities for the next twelve months. As a result of the significant cash balances held, combined with a strong order book, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After reviewing forecasts, extending for a period of at least 12 months from the date of approval of these financial statements, the directors have a reasonable expectation that the group will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing financial statements.

#### **Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all its subsidiary undertakings drawn up to 31 December each year. The results of the subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. The company only profit and loss account for Bushbury Holdings Limited has not been presented as permitted by section 408 of the Companies Act 2006.

#### **Acquisitions**

On the acquisition of a business, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill. Prior to 31 December 1998 this was written off directly to reserves in the year of acquisition as a matter of accounting policy.

#### **Exchange rates**

Balances denominated in foreign currencies have been translated into sterling at the rates ruling at the balance sheet date. Realised exchange differences in the course of trading have been taken to the profit and loss account.

#### **Fixed assets**

Property, plant and equipment are stated at cost (except for any revaluation) less accumulated depreciation and any provision for impairment.

Properties are revalued every three years, or as considered appropriate by the directors, with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

Depreciation is provided on a straight line basis, to write off the assets concerned over their estimated useful lives, at the following annual rates:

Freehold land	Nil
Freehold buildings	2.5%
Short leasehold land and buildings	Over life of lease
Plant and machinery	10% - 50%

# **BUSHBURY HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

### **1. ACCOUNTING POLICIES (continued)**

#### **Stocks**

Stocks, including work-in-progress, are valued at the lower of cost and net realisable value. Cost represents materials, direct labour and an appropriate proportion of overheads.

#### **Leased assets**

Where fixed assets are financed by leasing agreements which give rights approximating to ownership, the assets are treated as if they had been purchased and the capital element of the leasing commitments is shown as obligations under finance leases. The rentals payable are apportioned between interest, which is charged to profit and loss account, and capital, which reduces the outstanding obligation.

Operating lease rentals payable are charged to profit and loss account on a straight line basis over the lease term.

#### **Investments**

Investments held as fixed assets are stated at cost less provision for any impairment

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in respect of all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current taxes and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from revaluations of fixed assets where there is no binding contract to dispose of those assets.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover from the sale of goods is recognised when the goods are despatched.

#### **Pension costs**

For the defined benefit scheme the operating cost for providing pensions and other post retirement benefits, as calculated periodically by independent actuaries, is charged to the group's operating profit or loss in the year that those benefits are earned by the employees. The financial returns expected on the pension schemes' assets are recognised in the year in which they arise as part of finance income and the effect of the unwinding of the discounted value of the pension scheme's liabilities is treated as part of finance costs. The changes in value of the pension scheme's assets and liabilities are reported as actuarial gains or losses as they arise in the consolidated statement of total recognised gains and losses. The pension scheme's surpluses, to the extent they are considered recoverable, or deficits are recognised in full and presented in the balance sheet net of any related deferred tax.

The pension scheme operates for several of the Group subsidiaries and as such Bushbury Holdings Limited is unable to identify its individual share of the underlying assets and liabilities of the pension plan.

For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Exceptional items**

Exceptional items are income or expenditure, which individually or, if of a similar type, in aggregate should, in the opinion of the directors, be disclosed by virtue of their size or nature if the financial statements are to give a true and fair view.



# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 2. ANALYSES OF TURNOVER

	2013 £	2012 £
<b>Geographical analysis by origin</b>		
United Kingdom	6,860,847	3,458,186
<b>Geographical analysis of turnover by destination</b>		
United Kingdom	6,532,816	3,055,977
Other European countries	229,415	178,999
Rest of world	98,616	223,210
	6,860,847	3,458,186

### 3. INFORMATION RELATING TO DIRECTORS AND EMPLOYEES

	2013 £	2012 £
<b>Directors' emoluments</b>		
Emoluments	184,125	153,659
Pension contributions	1,800	1,800
	185,925	155,459
	No	No
Number of directors who are members of defined benefit pension schemes	2	2

	Group		Company	
	2013 No	2012 No	2013 No	2012 No
<b>Average number of persons employed</b>				
Production staff	58	42	-	-
Sales and distribution staff	4	3	-	-
Administrative staff	6	6	2	2
	68	51	2	2
<b>Staff costs during the year (including directors)</b>	£	£	£	£
Wages and salaries	1,778,708	1,206,136	168,552	125,964
Social security costs	176,038	125,671	21,954	15,716
Pension costs	94,104	100,298	16,057	16,032
	2,048,850	1,432,105	206,563	157,712

Group pension costs include amounts paid in relation to the defined benefit scheme of £78,694 including the costs of running the scheme (2012: £85,800) and in relation to the defined contribution scheme of £15, (2012: £14,498). The corresponding amounts for the company are - £14,257 (2012: £14,232) and £15,410 (2012: £1,800). The current service cost in relation to the defined benefit scheme is £Nil (2012- £nil), see note 22 for further details.

# **BUSHBURY HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

### **4. OPERATING PROFIT**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
The operating profit is after charging:		
Depreciation		
Owned assets	52,586	38,155
Rentals under operating leases		
Other operating leases	75,542	13,292
Hire of plant and equipment	10,135	8,487
Auditor's remuneration		
Fees payable to the company's auditor for the audit of the company's annual accounts	3,820	3,570
Fees payable to the company's auditor for the audit of the company's subsidiaries, pursuant to legislation	15,830	15,830
Non audit services – tax	6,500	7,400
	<u>6,500</u>	<u>7,400</u>

### **5. INTEREST PAYABLE**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Notional interest on pension scheme (note 22)	-	11,000
	<u>-</u>	<u>11,000</u>

### **6. INTEREST RECEIVABLE**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	3,849	3,764
Notional interest on pension scheme (note 22)	32,000	-
	<u>35,849</u>	<u>3,764</u>

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 £	2012 £
Tax charge for the year comprises:		
<b>Current taxation</b>		
Corporation Tax	284,123	25,653
Adjustment in respect of prior years	-	-
Total current tax charge	284,123	25,653
<b>Deferred taxation</b>		
Origination and reversal of timing differences	37,836	20,614
Adjustment in respect of prior years	-	164
Total deferred tax charge (note 14)	37,836	20,778
Tax charge on profit on ordinary activities	321,959	46,431
<b>Factors affecting credit for the year</b>		
Profit on ordinary activities before tax	1,407,530	218,291
Tax charge on ordinary activities at standard rate of 20% (2012–20%)	281,507	43,658
Expenses not deductible for tax purposes	3,838	2,408
Industrial buildings allowance	-	-
Depreciation in excess of/(less than capital) allowances	(27,657)	(3,438)
Movement in short term timing differences	38	10
Difference in tax rates	40,397	200
Adjustment in respect of pension scheme	(14,000)	(6,000)
Utilisation of losses	-	(11,185)
Losses carried forward	-	-
Total current tax charge	284,123	25,653

### 8. PROFIT FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF BUSHBURY HOLDINGS LIMITED

	2013 £	2012 £
Profits dealt with in the accounts of the parent company	112,320	155,052

The company has taken advantage of section 408 of Companies Act 2006 and consequently a profit and loss account for the company alone is not provided.

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 9. TANGIBLE FIXED ASSETS

The Group	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 January 2013	735,000	200,940	1,128,806	2,064,746
Additions	-	-	172,807	172,807
Disposals	-	-	(13,630)	(13,630)
Revaluation	-	-	-	-
At 31 December 2013	735,000	200,940	1,287,983	2,223,923
<b>Accumulated depreciation</b>				
At 1 January 2013	-	200,090	1,037,169	1,237,259
Charge for year	7,440	443	44,703	52,586
Disposals	-	-	(13,630)	(13,630)
Revaluation	-	-	-	-
At 31 December 2013	7,440	200,533	1,068,242	1,276,215
<b>Net book value</b>				
At 31 December 2013	727,560	407	219,741	947,708
At 31 December 2012	735,000	850	91,637	827,487

The value of freehold land not depreciated is £450,000 (2012: £450,000).

Comparable amounts determined according to the historical cost convention:

	£
<b>Freehold land and buildings</b>	
Cost	544,826
Accumulated depreciation	111,013
<b>Net book value</b>	433,813
At 31 December 2013	
At 31 December 2012	439,158

The freehold land and buildings were valued as at 31 December 2012 by Messrs Harrisons, Chartered Surveyors, who are independent of the company. In their opinion the open market value for the existing use at that time was £735,000. This valuation was incorporated in the balance sheet at 31 December 2012 and the profit arising on revaluation taken against revaluation reserve. The directors are of the opinion that property values have stabilised during the year and consequently that the current valuation remains appropriate.

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 9. TANGIBLE FIXED ASSETS (continued)

The Company	Freehold land and buildings £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 January 2013	735,000	2,497	737,497
Addition	-	2,153	2,153
Disposal	-	(1,635)	(1,635)
At 31 December 2013	735,000	3,015	738,015
<b>Accumulated depreciation</b>			
At 1 January 2013	-	1,675	1,675
Charge for year	7,440	309	7,749
Disposal	-	(1,635)	(1,635)
At 31 December 2013	7,440	349	7,789
<b>Net book value</b>			
At 31 December 2013	727,560	2,666	730,226
At 31 December 2012	735,000	822	735,822

The value of freehold land not depreciated is £450,000 (2012: £450,000).

Comparable amounts determined according to the historical cost convention:

	£
<b>Freehold land and buildings</b>	
Cost	544,826
Accumulated depreciation	(111,013)
<b>Net book value</b>	
At 31 December 2013	433,813
At 31 December 2012	439,158

### 10. INVESTMENTS HELD AS FIXED ASSETS

#### The Company

<b>Shares in subsidiary companies</b>	£
<b>Cost</b>	
At 1 January 2013 and 31 December 2013	216,080
<b>Provisions for impairment</b>	
At 1 January 2013 and 31 December 2013	12,910
<b>Net book value</b>	203,170

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 10. INVESTMENTS HELD AS FIXED ASSETS (continued)

Name	Principal activity	Proportion of ordinary shares held
Eastfield Engineering Limited	Supplier of off-highway vehicle cab conditioning equipment, together with specialist air filters and spares for this and for vehicle cabs.	100%
M.C. Air Filtration Limited	Manufacture of high efficiency air filters and associated equipment	100%
Epstone Limited	Dormant with effect from 1st January 2012.	100%

All of the companies were incorporated and registered in England and Wales.

### 11. STOCKS

	Group	
	2013 £	2012 £
Raw materials and components	354,731	374,308
Work in progress	269,415	120,272
Finished goods	91,449	94,351
	<u>715,595</u>	<u>588,931</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

### 12. DEBTORS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	914,900	433,668	-	-
Other debtors	4,145	4,739	-	-
Amounts due from subsidiary companies	-	-	55,662	20,765
Prepayments and accrued income	43,745	36,539	6,120	5,882
	<u>962,790</u>	<u>474,946</u>	<u>61,782</u>	<u>26,647</u>

# **BUSHBURY HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

### **13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	665,007	269,459	9,779	6,989
Amounts owed to subsidiary companies	-	-	1,807	9,469
Corporation tax	284,123	25,653	20,000	5,653
Other taxes including social security	474,765	147,015	20,577	15,826
Other creditors	29,445	10,857	270	728
Accruals and deferred income	416,359	123,963	41,963	12,916
	<u>1,869,699</u>	<u>576,947</u>	<u>94,396</u>	<u>51,581</u>

The company is party to a multilateral guarantee securing the bank overdraft and borrowings of other group companies. Its maximum potential liability in relation to these guarantees at 31 December 2013 was £Nil (2012 - £ Nil).

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2013

	Group £	Company £
<b>Deferred taxation (liability)/asset</b>		
Balance at 1 January 2013	(5,593)	(142)
Profit and loss account charge	(37,836)	(20,778)
Deferred taxes directly recognised in reserves	14,000	20,409
	<hr/>	<hr/>
Balance at 31 December 2013	(29,429)	(511)

	Provided 2013 £	Provided 2012 £	Not Provided 2013 £	Not Provided 2012 £
Group				
Depreciation in advance of capital allowances	(30,085)	(6,216)	-	-
Revenue losses	-	-	-	-
Capital losses	-	-	28,652	28,652
Other short term timing differences	656	623	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Deferred tax (liability)/asset	(29,429)	(5,593)	28,652	28,652

Company	Provided 2013 £	Provided 2012 £	Not Provided 2013 £	Not Provided 2012 £
Depreciation in advance of capital allowances	(541)	(172)	-	-
Capital losses	-	-	15,272	15,272
Other short term timing differences	30	30	-	-
Deferred tax (liability)/asset	(511)	(142)	15,272	15,272

A deferred tax asset has not been recognised in respect of timing differences relating to certain capital losses and other short term timing differences. The amount of the asset not recognised is for the group £28,652 (2012: £28,652, company –£15,272 (2012: £15,272)). The asset would be recovered if these losses could be utilised going forward.

The tax rate for the year is a blended rate: 20% for profit up to £ 300,000, while for the exceeding amount was 24% up to 1 April 2013 and 23% thereafter. The tax rate of UK corporation tax will further decrease from 23% to 21% on 1 April 2014, and to 20% from 1 April 2015.



# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 15. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised: 160,000 Ordinary shares of £1 each	160,000	160,000
Allotted and fully paid: 100,000 Ordinary shares of £1 each	100,000	100,000

### 16. RESERVES

The Group	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2013	50,000	291,446	1,786,709
Profit for the financial year			1,085,571
Actuarial profit relating to the pension scheme			335,000
Transfer of amount equivalent to additional depreciation on revalued assets		(2,095)	
Balance at 31 December 2013	50,000	289,351	3,209,375
The Company			
Balance at 1 January 2013	50,000	10,750	2,318,723
Profit for the financial year			112,320
Transfer of amount equivalent to additional depreciation on revalued assets		(2,095)	2,095
Balance at 31 December 2013	50,000	8,655	2,433,138

The cumulative amount of goodwill eliminated against reserves prior to 31 December 1998 is £20,862.

### 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Profit for the financial year	1,085,571	171,860	112,3230	155,052
Actuarial profit/(loss) relating to the pension scheme	335,000	(109,000)	-	-
Profit on revaluation of land and buildings	-	10,750	-	10,750
Net addition to shareholders' funds	1,420,571	73,610	112,320	165,802
Opening shareholders' funds	2,228,155	2,154,545	2,479,473	2,313,671
Closing shareholders' funds	3,648,726	2,228,155	2,591,793	2,479,473

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 18. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2013 £	2012 £
Operating profit	1,371,681	225,527
Depreciation	52,586	38,155
Stocks - decrease/(increase)	(126,664)	149,673
Debtors - decrease/(increase)	(487,844)	259,724
Creditors - increase/(decrease)	1,034,282	(39,709)
Adjustment for pension funding	(72,000)	(29,000)
<b>Net cash outflow from operating activities</b>	<b>1,772,041</b>	<b>604,370</b>

### 19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013 £	2012 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	-	(11,000)
Interest received	35,849	3,764
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>35,849</b>	<b>(7,236)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(172,807)	(192,017)
Sale of tangible fixed assets	-	-
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(172,807)</b>	<b>(192,017)</b>

### 20. MOVEMENT IN NET FUNDS

	At 1 Jan 2013 £	Cash Flow £	At 31 Dec 2013 £
Cash in hand and at bank	1,694,331	1,609,430	3,303,761

### 21. FINANCIAL COMMITMENTS

#### Operating lease commitments

At 31 December 2013, the group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 2013 £	2012 £
In respect of commitments that expire:		
Within 1 year	76,000	11,000
Within 2-5 years	-	-

#### Capital commitments

The group and company has contracts for capital expenditure on hand amounting to £Nil (2012 - £Nil).

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 22. PENSION COSTS

The group operates a defined contribution pension scheme for all qualifying employees. The total cost charged to income of £15,410 (2012 - £14,498) represents contributions payable to this scheme by the group at rates specified in the rules of the plan. There are no accrued contributions at 31 December 2013 (2012 - £Nil).

The group operates a defined benefit pension scheme, the assets of which are held separately from those of the group. The scheme is closed to new members. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary, the most recent valuation being at 5 April 2011. The contributions made by the group over the financial year to the pension scheme have been £39,600 (2012 - £39,600).

The most recent actuarial valuation showed that, at 5 April 2011, the scheme had a past service shortfall of £595,000 which is being cleared by a payment of £367,600 made during 2011 followed by payments at a rate of £39,600 per annum to bring the funding level back to 100% by June 2019. The market value of the scheme's assets at that date was £5,891,000. The actuarial valuation was carried out on the basis of the projected unit costing method and the assumptions used comprised an assumed rate of investment return of 7.25% per annum and a rate of inflation of 3.3%.

FRS 17 is adopted in full and requires disclosure of the assets and liabilities as at 31 December 2013 calculated in accordance with the requirements of FRS17. The assets of the schemes have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions.

The following FRS 17 valuation was performed at 31 December 2013.

The full actuarial valuation carried out at 5 April 2011 was updated to 31 December 2013 by a qualified independent actuary. The Projected Unit valuation method has been used.

The major financial assumptions used by the actuary at 31 December 2013 were (in nominal terms):

	2013 % pa	2012 % pa	2011 % pa
Rate of increase in salaries	-	-	-
Rate of increase in pensions in payment	3.30	2.80	2.90
Rate of increase of pensions in deferment	2.40	2.05	2.15
Discount rate	4.50	4.40	4.90
Inflation assumption: RPI	3.30	2.80	2.90
Inflation assumption: CPI	2.40	2.05	2.15
Expected return on plan assets	6.22	5.60	5.40
Pre-retirement mortality (non-pensioners)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)
Post-retirement mortality (non-pensioners)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)
Post-retirement mortality (pensioners)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)

All members of the pension scheme became deferred as 30 September 2002 and therefore no increase in salaries is included in the assumptions and no current service charge.

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 22. PENSION COSTS (continued)

The assets in the scheme and the expected rates of return were:

	31 December 2013			31 December 2012			31 December 2011		
	Long term expected rate of return %	Value £000	%	Long term expected rate of return %	Value £000	%	Long term expected rate of return %	Value £000	%
Equities	7.10	5,416	78%	6.20	4,679	75%	6.00	4,254	74%
Gilts	3.60	310	5%	2.70	243	4%	2.50	261	5%
Bonds	4.50	695	10%	4.40	781	13%	4.90	635	11%
Cash	.50	482	7%	3.30	474	8%	3.40	636	11%
Total market value of assets		6,903			6,177			5,786	
Present value of liabilities		(7,380)			(7,146)			(6,658)	
Deficit in the scheme		(477)			(969)			(872)	
Related deferred tax asset		95			194			183	
Net pension liability		(382)			(775)			(689)	

The amount charged to profit, and amount charged to other finance income, under FRS17 accounting for pensions is:

#### Analysis of the amount which has been charged to operating profit is as follows:

	2013 £'000	2012 £'000
Current service cost	-	-
Past service cost	-	-
Total operating cost	-	-

#### Analysis of the amount which has been charged to other finance income is as follows:

Interest on pension scheme liabilities	(310)	(321)
Expected return on pension scheme assets	342	310
Total finance gain/(cost)	32	(11)

#### Analysis of the amount which has been recognised in the Statement of Total Recognised Gains and Losses is as follows:

Actual return less expected return on pension scheme assets	583	277
Experience gains arising on pension scheme liabilities	-	-
Changes in financial assumptions underlying pension scheme liabilities	(163)	(403)
Actuarial gain/(loss) recognised in the statement of total recognised gains and losses	420	(126)

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 22. PENSION COSTS (continued)

	2013 £'000	2012 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 January	7,146	6,658
Interest cost	310	321
Actuarial losses	163	403
Benefits paid	(239)	(236)
<b>At 31 December</b>	<b>7,380</b>	<b>7,146</b>

	2013 £'000	2012 £'000
Changes in the fair value of scheme assets were as follows:		
At 1 January	6,177	5,786
Expected return on assets	342	310
Actuarial gains	583	277
Employer contributions	40	40
Benefits paid	(239)	(236)
<b>At 31 December</b>	<b>6,903</b>	<b>6,177</b>

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
<b>Movements in deficit during the year</b>					
Deficit in schemes at 1 January	(969)	(872)	(745)	(1,226)	(759)
Current service cost	-	-	-	-	-
Employers' contributions received	40	40	406	151	149
Other finance costs	32	(11)	14	(1)	(65)
Actuarial gain/(loss)	420	(126)	(547)	331	(551)
<b>Deficit in the schemes as at 31 December</b>	<b>(477)</b>	<b>(969)</b>	<b>(872)</b>	<b>(745)</b>	<b>(1,226)</b>

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 22. PENSION COSTS (continued)

History of experience gains and losses					
Difference between the expected and actual return on scheme assets:					
Amount (£)	583	277	(607)	352	606
Percentage of scheme assets as at 31 December	8.4%	4.5%	10.5%	6.0%	11.6%
Experience gains on scheme liabilities					
Amount (£)	-	-	536	-	-
Percentage of scheme liabilities as at 31 December	-	-	8.0%	-	-
Total amount recognised in statement of total recognised gains and losses					
Amount (£)	420	(126)	(547)	331	(551)
Percentage of scheme liabilities as at 31 December	5.7%	1.8%	8.2%	5.0%	8.5%

### 23. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The company is ultimately controlled by Mr M B Hughes, Chairman, who owns 56.4% of the share capital.

As the company wholly owns the subsidiaries, it has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose transactions with other wholly owned companies in the group.