

**BUSHBURY HOLDINGS LIMITED**

**Report and Financial Statements**

**31 December 2009**

FRIDAY



\*AZCN1LXR\*

A30

23/07/2010

89

COMPANIES HOUSE

# **BUSHBURY HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

### **CONTENTS**

### **Page**

<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Consolidated profit and loss account</b>	<b>7</b>
<b>Consolidated statement of total recognised gains and losses</b>	<b>8</b>
<b>Consolidated balance sheet</b>	<b>9</b>
<b>Balance sheet</b>	<b>10</b>
<b>Consolidated cash flow statement</b>	<b>11</b>
<b>Notes to the financial statements</b>	<b>12</b>

# **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  
22-24 Colmore Row  
Birmingham  
B3 2QD

### **SOLICITORS**

Martineau  
No 1 Colmore Square  
Birmingham  
B4 6AA

### **AUDITORS**

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 2009

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

## **RESULTS**

The profit for the year on ordinary activities before taxation amounted to £329,698 (2008 – £204,321) An interim dividend of £100,000 (2008-£Nil) was paid in the year and the directors do not propose a final dividend (2008 - £Nil) The retained profit for the year of £154,077 (2008 - £159,126) 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 manufacture of off-highway vehicle cab conditioning equipment, spares for this and for vehicle cabs and refurbishment of railway carriage window frames,
- Epstone Limited - invests in freehold property,
- M C Air Filtration Limited - manufactures high efficiency air filters and associated equipment,

## **REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The group's operating performance during 2009 showed considerable improvement arising from reduced overheads and a limited recovery in sales Whilst trading conditions remain challenging, order intake has stabilised and the directors anticipate, subject to unforeseen circumstances, a further 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 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

## **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

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)

# **BUSHBURY HOLDINGS LIMITED**

## **DIRECTORS' REPORT (continued)**

### **DISCLOSURE OF INFORMATION TO AUDITORS**

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 auditors are 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 auditors are aware of that information

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

### **AUDITORS**

Deloitte LLP have expressed their willingness to continue in office as auditors 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**

### **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,
- 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 AUDITORS' REPORT TO THE MEMBERS OF BUSHBURY HOLDINGS LIMITED**

We have audited the financial statements of Bushbury Holdings Limited for the year ended 31 December 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Individual 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 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 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, 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 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**

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.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, 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 Auditors

Birmingham, UK

4 May 2010



**BUSHBURY HOLDINGS LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****Year ended 31 December 2009**

	Note	2009	2008
		£	£
<b>TURNOVER</b>	2		
Continuing operations		3,502,804	3,375,600
Cost of sales	3	(2,487,898)	(2,546,931)
		<u>1,014,906</u>	<u>828,669</u>
Distribution expenses	3	(120,484)	(137,099)
Administration expenses	3	(505,847)	(542,584)
Exceptional expenses	3	-	(85,782)
		<u></u>	<u></u>
<b>OPERATING PROFIT</b>			
Continuing operations	4	388,575	63,204
Interest payable	5	(65,000)	-
Interest receivable	6	6,123	141,117
		<u></u>	<u></u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		329,698	204,321
Tax charge on profit on ordinary activities	7	(75,621)	(45,195)
		<u></u>	<u></u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<u>254,077</u>	<u>159,126</u>

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis. Accordingly, a note of the historical cost profits and losses for the period is not given.

# **BUSHBURY HOLDINGS LIMITED**

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

**Year ended 31 December 2009**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	254,077	159,126
Actuarial loss relating to the pension scheme before deferred tax	(551,000)	(789,000)
Deferred tax credit relating to actuarial loss	115,600	165,700
Unrealised deficit on revaluation of property	-	(262,500)
	<u>          </u>	<u>          </u>
<b>Total recognised gains and losses since the last annual report</b>	<b>(181,323)</b>	<b>(726,674)</b>
	<u>          </u>	<u>          </u>

# BUSHBURY HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET 31 December 2009

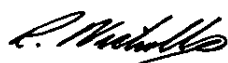
	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	9	1,006,836	978,849
<b>CURRENT ASSETS</b>			
Stocks	11	618,981	545,594
Debtors	12	466,932	616,264
Cash at bank and in hand		<u>1,716,249</u>	<u>1,555,777</u>
		2,802,162	2,717,635
<b>CREDITORS amounts falling due within one year</b>	13	<u>(580,499)</u>	<u>(560,127)</u>
<b>NET CURRENT ASSETS</b>		<u>2,221,663</u>	<u>2,157,508</u>
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		3,228,499	3,136,357
<b>PROVISION FOR LIABILITIES</b>	14	(4,465)	-
<b>PENSION LIABILITY</b>	22	<u>(969,000)</u>	<u>(600,000)</u>
<b>NET ASSETS AFTER PENSION LIABILITY</b>		<u>2,255,034</u>	<u>2,536,357</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	570,606	575,326
Profit and loss account	16	<u>1,534,428</u>	<u>1,811,031</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>2,255,034</u>	<u>2,536,357</u>

These financial statements of Bushbury Holdings Limited, registered number 2110875, were approved and authorised for issue by the Board of Directors on 29 April 2010

Signed on behalf of the Board of Directors



M B HUGHES



R NICHOLLS

Directors

# BUSHBURY HOLDINGS LIMITED

## BALANCE SHEET 31 December 2009

	Note	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
Tangible assets	9		427		856
Investments	10		216,080		216,080
			<u>216,507</u>		<u>216,936</u>
<b>CURRENT ASSETS</b>					
Debtors	12	30,617		43,250	
Cash at bank and in hand		<u>619,790</u>		<u>700,633</u>	
		650,407		744,815	
<b>CREDITORS amounts falling due within one year</b>	13	<u>(30,925)</u>		<u>(32,831)</u>	
<b>NET CURRENT ASSETS</b>			<u>619,482</u>		<u>711,052</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			835,989		927,988
<b>PROVISION FOR LIABILITIES</b>	14		<u>(12)</u>		<u>(91)</u>
<b>TOTAL NET ASSETS</b>			<u>835,977</u>		<u>927,897</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		100,000		100,000
Capital redemption reserve	16		50,000		50,000
Profit and loss account	16		<u>685,977</u>		<u>777,897</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>835,977</u>		<u>927,897</u>

These financial statements of Bushbury Holdings Limited, registered number 2110875, were approved and authorised for issue by the Board of Directors on 29 April 2010

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 2009

	Note	2009 £	2008 £
Cash inflow/(outflow) from operating activities	18	322,587	(120,885)
Returns on investments and servicing of finance	19	6,123	69,117
Taxation		1	(106,408)
Capital expenditure and financial investment	19	(68,239)	(4,778)
Cash inflow/(outflow) before use of liquid resources and financing		260,472	(162,954)
Financing		(100,000)	-
Increase/(decrease) in cash in the year		160,472	(162,954)

---

Reconciliation of net cash flow to movement in net funds	20	2009 £	2008 £
Increase/(decrease) in cash in the year		160,472	(162,954)
Change in net debt resulting from cash flows		160,472	(162,954)
Net funds at 1 January		1,555,777	1,718,731
Net funds at 31 December		1,716,249	1,555,777

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings. 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. 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 subsidiaries. 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. For all years after (and including) 31 December 1998, this goodwill will be capitalised and amortised over its useful economic life.

#### 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%

#### 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.

# **BUSHBURY HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 December 2009**

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

#### **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.

The current tax payable is based on taxable profit for the year.

Deferred tax is provided in full on 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.

#### **Pension costs**

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. In this context, materiality is assessed at the segment level.

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2009

### 2 ANALYSES OF TURNOVER

	2009 £	2008 £
<b>Geographical analysis by location</b>		
United Kingdom	3,502,804	3,375,600
<b>Geographical analysis of turnover by destination</b>		
United Kingdom	3,404,314	3,253,890
Other European countries	82,623	113,860
Rest of world	15,867	7,850
	3,502,804	3,375,600

### 3 INFORMATION RELATING TO DIRECTORS AND EMPLOYEES

	2009 £	2008 £
<b>Directors' emoluments</b>		
Emoluments	147,152	143,220
Pension contributions	1,800	1,800
	148,952	145,020
	No	No
Number of directors who are members of defined benefit pension schemes	2	2

	Group		Company	
	2009 No	2008 No	2009 No	2008 No
<b>Average number of persons employed</b>				
Production staff	41	40	-	-
Sales and distribution staff	3	3	-	-
Administrative staff	8	8	2	2
	52	51	2	2
	£	£	£	£
<b>Staff costs during the year (including directors)</b>				
Wages and salaries	1,088,989	1,052,222	125,464	124,464
Social security costs	112,950	109,961	14,910	14,748
Pension costs	206,339	212,683	34,198	35,906
	1,408,278	1,374,866	174,572	175,118

Group pension costs include amounts paid in relation to the defined benefit scheme of £195,155 (including the costs of running the scheme) (company - £32,398) and in relation to the defined contribution scheme of £11,184 (company - £1,800). The current service cost in relation to the defined benefit scheme is £nil, see note 22 for further details.



# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2009

### 4 OPERATING PROFIT

	2009 £	2008 £
The operating profit is after charging		
Depreciation		
Owned assets	40,252	43,357
Rentals under operating leases		
Other operating leases	16,500	16,500
Hire of plant and equipment	10,718	11,997
Auditors' remuneration		
Fees payable to the company's auditor for the audit of the company's annual accounts	3,470	3,470
Fees payable to the company's auditor for the audit of the company's subsidiaries, pursuant to legislation	16,646	17,865
Non audit services – tax	4,325	6,281

### 5. INTEREST PAYABLE

	2009 £	2008 £
Notional interest on pension scheme (note 22)	65,000	-

### 6 INTEREST RECEIVABLE

	2009 £	2008 £
Bank interest receivable	6,115	69,117
Corporation tax repayments	8	-
Notional interest on pension scheme (note 22)	-	72,000
	6,123	141,117

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2009

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009 £	2008 £
Tax charge for the year comprises		
<b>Current taxation</b>		
Corporation Tax	53,489	(511)
Adjustment in respect of prior years	(1)	-
Total current tax	53,488	(511)
<b>Deferred taxation</b>		
Origination and reversal of timing differences	23,218	45,706
Adjustment in respect of prior years	(1,085)	-
Total deferred tax	22,133	45,706
Tax charge on profit on ordinary activities	75,621	45,195
<b>Factors affecting credit for the year</b>		
Profit on ordinary activities before tax	329,698	204,321
Tax charge on ordinary activities at standard rate of 21% (2008–20 75%)	69,237	42,397
Expenses not deductible for tax purposes	2,504	4,371
Industrial buildings allowance	(801)	(1,144)
Capital allowances in excess of depreciation	(5,596)	(6)
Loss carried back	-	536
Movement in short term timing differences	(22)	(1,040)
Difference in tax rates	5,806	-
Losses not relieved or carried forward	-	951
Adjustment in respect of pension scheme	(17,640)	(46,065)
Adjustments in respect of prior years	-	(511)
Total current tax	53,489	(511)

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

	2009 £	2008 £
Profits dealt with in the accounts of the parent company	8,080	23,423

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 (continued)

Year ended 31 December 2009

### 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 2009	900,000	200,940	1,053,356	2,154,296
Additions	-	-	70,039	70,039
Disposals	-	-	(43,209)	(43,209)
At 31 December 2009	900,000	200,940	1,080,186	2,181,126
<b>Accumulated depreciation</b>				
At 1 January 2009	-	197,746	977,701	1,175,447
Charge for year	9,500	619	30,133	40,252
Disposals	-	-	(41,409)	(41,409)
At 31 December 2009	9,500	198,365	966,425	1,174,290
<b>Net book value</b>				
At 31 December 2009	890,500	2,575	113,761	1,006,836
At 31 December 2008	900,000	3,194	75,655	978,849

The value of freehold land not depreciated is £520,000 (2008 £520,000)

Comparable amounts determined according to the historical cost convention

	£
<b>Freehold land and buildings</b>	
Cost	406,826
Accumulated depreciation	91,328
<b>Net book value</b>	
At 31 December 2009	315,498
At 31 December 2008	320,278

The freehold land and buildings were valued as at 31 December 2007 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 £1,175,000. However the Directors considered that the value had fallen during 2008 and having consulted appropriate property indices had concluded that their best estimate of value at 31 December 2008 was £900,000. This valuation was incorporated in the balance sheet at 31 December 2008 and the deficit arising on revaluation taken against revaluation reserve. The same indices indicate that values have stabilised during 2009 and consequently the directors consider that the current valuation remains appropriate.

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2009

### 9 TANGIBLE FIXED ASSETS (continued)

The Company		Plant and machinery £
<b>Cost</b>		
At 1 January 2009		2,822
At 31 December 2009		2,822
<b>Accumulated depreciation</b>		
At 1 January 2009		1,966
Charge for year		429
At 31 December 2009		2,395
<b>Net book value</b>		
At 31 December 2009		427
At 31 December 2008		856

### 10 INVESTMENTS HELD AS FIXED ASSETS

#### The Company

<b>Shares in subsidiary companies</b>	£
<b>At cost</b>	
At 1 January 2009 and 31 December 2009	216,080

Name	Principal activity	Proportion of ordinary shares held
Eastfield Engineering Limited	Manufacture of off-highway vehicle cab conditioning equipment, spares for this and for vehicle cabs and refurbishment of railway carriage window frames	100%
M C Air Filtration Limited	Manufacture of high efficiency air filters and associated equipment	100%
Epstone Limited	Investment in freehold property	100%

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

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2009

### 11 STOCKS

	Group	
	2009	2008
	£	£
Raw materials and components	353,029	355,414
Work in progress	157,104	114,486
Finished goods	108,848	75,694
	<u>618,981</u>	<u>545,594</u>

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

### 12 DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	431,712	548,282	-	-
Amounts due from subsidiary companies	-	-	26,994	38,888
Prepayments and accrued income	34,709	67,403	3,623	4,362
Deferred tax asset (note 14)	-	68	-	-
Corporation tax	511	511	-	-
	<u>466,932</u>	<u>616,264</u>	<u>30,617</u>	<u>43,250</u>

### 13 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	325,353	313,871	7,209	6,536
Corporation tax	53,489	-	2,243	-
Other taxes including social security	99,060	114,679	12,123	13,880
Other creditors	10,760	9,150	270	270
Accruals and deferred income	91,837	122,427	9,080	12,145
	<u>580,499</u>	<u>560,127</u>	<u>30,925</u>	<u>32,831</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 2009 was £Nil (2008 -£ Nil)

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2009

### 14. DEFERRED TAXATION

	Group £	Company £
Deferred taxation asset/(liability)		
Balance at 1 January 2009	68	(91)
Profit and loss account charge	(4,533)	79
Balance at 31 December 2009	(4,465)	(12)

The amounts provided in the accounts and the amounts not provided are as follows

Group	Provided 2009 £	Provided 2008 £	Not Provided 2009 £	Not Provided 2008 £
Depreciation in advance of capital allowances	(5,555)	(1,044)	-	-
Revenue losses	-	-	-	951
Capital losses	-	-	44,133	44,171
Other short term timing differences	1,090	1,112	-	-
Capital gain on revaluation	-	-	(25,792)	(31,521)
Deferred tax asset/(liability)	(4,465)	68	18,341	13,601

Company	Provided 2009 £	Provided 2008 £	Not Provided 2009 £	Not Provided 2008 £
Depreciation in advance of capital allowances	(44)	(122)	-	-
Capital losses	-	-	-	16,073
Other short term timing differences	32	31	16,035	-
Deferred tax (liability)/asset	(12)	(91)	16,035	16,073

#### Factors that may affect future tax charges

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 £18,341 (company - £16,035). The asset would be recovered if these losses could be utilised going forward.

Deferred tax has not been provided on the revaluation of fixed assets. This tax will only become payable if the assets are sold at a future date.

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2009

### 15. CALLED UP SHARE CAPITAL

	2009 £	2008 £
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 2009	50,000	575,326	1,811,031
Profit for the financial year	-	-	254,077
Dividend paid on equity shares	-	-	(100,000)
Actuarial loss relating to the pension scheme	-	-	(435,400)
Transfer of amount equivalent to additional depreciation on revalued assets	-	(4,720)	4,720
Balance at 31 December 2009	50,000	570,606	1,534,428
<b>The Company</b>			
Balance at 1 January 2009	50,000	-	777,897
Profit for the financial year	-	-	8,080
Dividend paid on equity shares	-	-	(100,000)
Balance at 31 December 2009	50,000	-	685,977

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

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

The Group	2009 £	2008 £
Profit for the financial year	254,077	159,126
Dividend	(100,000)	-
Actuarial loss relating to the pension scheme	(435,400)	(623,300)
Deficit on revaluation of land and buildings	-	(262,500)
Net reduction in to shareholders' funds	(281,323)	(726,674)
Opening shareholders' funds	2,536,357	3,263,031
Closing shareholders' funds	2,255,034	2,536,357

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2009

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

	2009 £	2008 £
Operating profit	388,575	63,204
Depreciation	40,252	43,357
Increase in stocks	(73,387)	(22,788)
Decrease/(increase) in debtors	149,264	(29,365)
Decrease in creditors	(33,117)	(25,293)
Decrease in pension liability	(149,000)	(150,000)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>322,587</b>	<b>(120,885)</b>

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

	2009 £	2008 £
<b>Returns on investments and servicing of finance</b>		
Interest received	6,123	69,117
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>6,123</b>	<b>69,117</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(70,039)	(10,397)
Sale of tangible fixed assets	1,800	5,619
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(68,239)</b>	<b>(4,778)</b>
<b>Financing</b>		
Dividend	(100,000)	-
<b>Net cash outflow from financing</b>	<b>(100,000)</b>	<b>-</b>

### 20. MOVEMENT IN NET FUNDS

	At 1 Jan 2009 £	Cash Flow £	At 31 Dec 2009 £
Cash in hand and at bank	1,555,777	160,472	1,716,249

### 21. FINANCIAL COMMITMENTS

#### Operating lease commitments

At 31 December 2009, the group was committed to making the following payments during the next year in respect of operating leases

	Land and buildings 2009 £	2008 £
In respect of commitments that expire		
Within 1 year	-	-
Within 2-5 years	16,500	16,500



# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2009

### Capital commitments

The group and company has contracts for capital expenditure on hand amounting to £Nil (2008 - £Nil)

### 22. PENSION COSTS

The group operates a defined contribution pension scheme for all qualifying employees. The total cost charged to income of £11,184 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 2009.

The group operates a defined benefit pension scheme, the assets of which are held separately from those of the group. 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 2008. The contributions made by the group over the financial year to the pension scheme have been £148,800 (2008 - £150,000).

The most recent actuarial valuation showed that, at 5 April 2008, the scheme had a past service shortfall of £1,378,000 which is being cleared by payments at a rate of £147,600 per annum increasing annually in line with inflation to bring the funding level back to 100% by June 2019. The market value of the scheme's assets at that date was £5,301,000. 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 6.75% per annum and a rate of inflation of 3.4%.

FRS 17 is adopted in full and requires disclosure of the assets and liabilities as at 31 December 2009 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 2009.

The full actuarial valuation carried out at 5 April 2008 was updated to 31 December 2009 by a qualified independent actuary. The Projected Unit valuation method has been used.

The major financial assumptions used by the actuary at 31 December 2009 were (in nominal terms)

	2009 % pa	2008 % pa	2007 % pa
Rate of increase in salaries	-	-	-
Rate of increase in pensions in payment	3.30	2.70	3.40
Rate of increase of pensions in deferment	3.30	2.70	3.40
Discount rate	5.70	6.50	5.80
Inflation assumption	3.30	2.70	3.40
Expected return on plan assets	6.94	6.03	7.16
Pre-retirement mortality (non-pensioners)	PA92 YOB medium cohort(rated up2years)	PA92 YOB medium cohort(rated up2years)	PA92 C2020
Post-retirement mortality (non-pensioners)	PA92 YOB medium cohort(rated up2years)	PA92 YOB medium cohort(rated up2years)	PA92 C2020
Post-retirement mortality (pensioners)	PA92 YOB medium cohort(rated up2years)	PA92 YOB medium cohort(rated up2years)	PA92 C2020

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2009

### 22 PENSION COSTS (continued)

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

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

	31 December 2009			31 December 2008			31 December 2007		
	Long term expected rate of return	Value	%	Long term expected rate of return	Value	%	Long term expected rate of return	Value	%
	%	£000	%	%	£000	%	%	£000	%
Equities	7.55	4,190	80%	6.70	3,356	74%	7.55	4,750	82%
Property	6.50	-	0%	5.70	-	0%	6.60	-	0%
Gilts	4.50	445	9%	3.70	299	7%	4.55	277	5%
Bonds	5.70	299	6%	6.50	424	9%	5.80	319	6%
Cash	1.80	282	5%	2.00	429	10%	5.50	418	7%
Total market value of assets		5,219			4,508			5,764	
Present value of liabilities		(6,445)			(5,267)			(5,956)	
Deficit in the scheme		(1,226)			(759)			(192)	
Related deferred tax asset		257			159			38	
Net pension liability		(969)			(600)			(154)	

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

#### Analysis of the amount which would have been charged to operating profit is as follows

	2009 £'000	2008 £'000
Current service cost	-	-
Past service cost	-	-
Total operating cost	-	-

#### Analysis of the amount which would have been charged to other finance income is as follows

Interest on pension scheme liabilities	(332)	(340)
Expected return on pension scheme assets	267	412
Total finance cost	(65)	72

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

Actual return less expected return on pension scheme assets	606	(1,607)
Experience gains arising on pension scheme liabilities	-	(180)
Changes in financial assumptions underlying pension scheme liabilities	(1,157)	998
Actuarial loss recognised in the statement of total recognised gains and losses	(551)	(789)

# BUSHBURY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2009

### 22 PENSION COSTS (continued)

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
<b>Movements in deficit during the year</b>					
Deficit in schemes at 1 January	(759)	(192)	(841)	(1,132)	(1,123)
Current service cost	-	-	-	-	-
Employers' contributions received	149	150	150	161	172
Other finance costs	(65)	72	67	29	7
Actuarial (loss)/gain	(551)	(789)	432	101	(188)
<b>Deficit in the schemes as at 31 December</b>	<b>(1,226)</b>	<b>(759)</b>	<b>(192)</b>	<b>(841)</b>	<b>(1,132)</b>
<b>History of experience gains and losses</b>					
Difference between the expected and actual return on scheme assets					
Amount (£)	606	(1,607)	84	199	540
Percentage of scheme assets as at 31 December	11.6%	35.6%	1.5%	3.8%	11.3%
Experience gains on scheme liabilities					
Amount (£)	-	-	-	-	(107)
Percentage of scheme liabilities as at 31 December					1.8%
Total amount recognised in statement of total recognised gains and losses					
Amount (£)	(551)	(789)	432	101	(188)
Percentage of scheme liabilities as at 31 December	8.5%	15.0%	7.3%	1.6%	3.2%

### 23 CONTROLLING PARTY

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