

BUSHBURY HOLDINGS LIMITED

Annual report and financial statements

For the year ended 31 December 2016

Registered number: 02110875

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BUSHBURY HOLDINGS LIMITED

CONTENTS

Officers and professional advisers	1
Directors' report	2
Strategic report	4
Directors' responsibilities statement	5
Independent Auditor's Report	6
Consolidated profit and loss account	8
Consolidated statement of comprehensive income	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated cash flow statement	13
Notes to the financial statements	14

BUSHBURY HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M B Hughes (Chairman)
B F Tinklin
R Nicholls

COMPANY SECRETARY

R Nicholls

REGISTERED OFFICE

Unit 8
Boscomoor Lane Industrial Estate
Penkridge
Stafford
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
Chartered Accountants and Statutory Auditor
Four Brindleyplace
Birmingham
United Kingdom
B1 2HZ

BUSHBURY HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

RESULTS

The consolidated profit for the year on ordinary activities before taxation amounted to £422,901 (2015 – £56,351 loss). The directors do not propose a final dividend (2015 - £Nil). The retained profit for the year of £336,876 (2015 – £43,509 loss) 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 – the company's business of the supply of off-highway vehicle cab conditioning equipment, specialist filters and spares for this and for vehicle cabs has been transferred to M.C.Air Filtration with effect from 1st January 2017. Assets relating to this business have been transferred to M.C.Air Filtration and the residual assets and liabilities will be discharged with a view to the company becoming dormant during 2017.
- Epstone Limited – dormant with effect from 1 January 2012;
- M.C. Air Filtration Limited - manufactures high efficiency air filters and associated equipment.

With the exception mentioned above, no changes to the principal activities are expected in the foreseeable future.

FUTURE DEVELOPMENTS

Details of future developments can be found in the strategic report on page 4 and form part of this report by cross reference.

EVENTS AFTER THE BALANCE SHEET DATE

Details of significant events since the balance sheet date are contained in Note 19 to the financial statements.

FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

Details of financial risks can be found in the strategic report on page 4 and form part of this report by cross reference.

DIRECTORS

The directors during the year were as follows:

M B Hughes (Chairman)
B F Tinklin
R Nicholls

All the above directors served throughout the year and to the date of signing these financial statements.

Mr M.T.Tinklin was appointed to the board on 11th January 2017

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 (continued)

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

Company Secretary

Registered Office:

Unit 8

Boscomoor Lane Industrial Estate

Penkridge

Stafford

ST19 5QY

BUSHBURY HOLDINGS LIMITED

STRATEGIC REPORT

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

Results for 2016 showed substantial improvement following the measures taken to reduce ongoing production overheads. General order intakes improved and work in hand at year end increased due to a substantial housing order received in December. Accordingly the directors anticipate, subject to unforeseen circumstances, continued profitable trading in 2017.

The triennial revaluation of the defined benefit pension plan at 5 April 2014 showed that the plan was 90% funded at that date (2011 - 91%). A recovery plan to eliminate this deficit over ten years has been agreed.

The Group has sufficient cash reserves to finance its activities for the twelve month period from the signing of these financial statements. 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 12.

The Board considers that the effect of "Brexit" will have negligible impact on the group's trading.

KEY PERFORMANCE INDICATORS

Key performance indicators for the Group are as follows:

	2016	2015
	£	£
Turnover	4,137,409	3,694,367
Operating profit/(loss)	439,157	(23,108)
Retained profit/(loss)	336,876	(43,509)

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



R NICHOLLS

Company 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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.

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

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 2016 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 20. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

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, United Kingdom
18 April 2017

BUSHBURY HOLDINGS LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2016**

	Note	2016	2015
		£	£
Turnover	3	4,137,409	3,694,367
Cost of sales		(2,901,120)	(2,957,292)
Gross Profit		1,236,289	737,075
Distribution expenses		(105,022)	(92,204)
Administration expenses		(692,110)	(667,979)
Operating profit/(loss)	5	439,157	(23,108)
Interest payable	6	(16,256)	(33,243)
Profit/(loss) on ordinary activities before taxation		422,901	(56,351)
Tax on profit/(loss) on ordinary activities	7	(86,025)	12,842
Profit/(loss) for the financial year		336,876	(43,509)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2016**

	Note	2016	2015
		£	£
Profit/(loss) for the financial year		336,876	(43,509)
Unrealised profit on revaluation of property	8	188,510	-
Dividend		(100,000)	-
Remeasurement of net defined benefit liability	17	(684,000)	585,000
Tax relating to items of other comprehensive income	13	110,470	(128,980)
Other comprehensive (loss)/profit		(573,530)	456,020
Total comprehensive (loss)/profit		(148,144)	412,511

BUSHBURY HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET At 31 December 2016

	Note	2016	2015
		£	£
Fixed Assets			
Tangible assets	8	1,122,438	944,580
Current Assets			
Stocks	10	716,428	701,856
Debtors	11	2842,034	687,033
Cash at bank and in hand		3,008,942	2,720,290
		<u>4,567,404</u>	<u>4,109,179</u>
Creditors: amounts falling due within one year	12	<u>(927,452)</u>	<u>(799,225)</u>
Net current assets		3,639,952	3,309,954
Net assets before pension liability		4,762,390	4,254,534
Pension Liability	17	<u>(1,237,000)</u>	<u>(581,000)</u>
Net assets after pension liability		<u>3,525,390</u>	<u>3,673,534</u>
Capital and reserves			
Called up share capital	14	100,000	100,000
Capital redemption reserve		50,000	50,000
Revaluation reserve		472,428	285,729
Profit and loss account		<u>2,902,962</u>	<u>3,237,805</u>
Shareholder's Funds		<u>3,525,390</u>	<u>3,673,534</u>

These consolidated financial statements of Bushbury Holdings Limited, registered number 02110875, were approved and authorised for issue by the Board of Directors 18 April 2017.

Signed on behalf of the Board of Directors


M B HUGHES


R NICHOLLS

Directors

BUSHBURY HOLDINGS LIMITED

COMPANY BALANCE SHEET At 31 December 2016


	Note	2016	2015
		£	£
Fixed Assets			
Tangible assets	8	900,000	719,586
Investments	9	180,457	203,170
		<u>1,080,457</u>	<u>922,756</u>
Current assets			
Debtors	11	246,736	147,540
Cash at bank and in hand		1,903,725	1,866,167
		<u>2,150,461</u>	<u>2,013,707</u>
Creditors: amounts falling due within one year	12	<u>(72,741)</u>	<u>(53,074)</u>
Net current assets		2,077,720	1,960,633
Total assets less current liabilities		3,158,177	2,883,389
Pension liability	17	<u>(1,237,000)</u>	<u>(581,000)</u>
Net assets		<u>1,921,177</u>	<u>2,302,389</u>
Capital and reserves			
Called up share capital	14	100,000	100,000
Capital redemption reserve		50,000	50,000
Revaluation reserve		191,732	5,033
Profit and loss account		<u>1,579,445</u>	<u>2,147,356</u>
Shareholders' funds		<u>1,921,177</u>	<u>2,302,389</u>

These financial statements of Bushbury Holdings Limited, registered number 02110875, were approved and authorised for issue by the Board of Directors on 18 April 2017.

The company only profit and loss account for Bushbury Holdings Limited has not been presented as permitted by Section 408 of the Companies Act. The profit for the financial year dealt with in the financial statement of the parent company is £103,808 (2015: £109,877).

Signed on behalf of the Board of Directors


M B HUGHES


R NICHOLLS
Directors

BUSHBURY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY At 31 December 2016

	Called-up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2015	100,000	50,000	287,540	2,823,483	3,261,023
Loss for the financial year	-	-	-	(43,509)	(43,509)
Remeasurement of net defined benefit liability		-	-	585,000	585,000
Tax relating to items of other comprehensive income		-	-	(128,980)	(128,980)
Total comprehensive income	-	-	-	412,511	412,511
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	-	-	(1,811)	1,811	-
At 31 December 2015	100,000	50,000	285,729	3,237,805	3,673,534
Profit for the financial year	-	-	-	336,876	336,876
Surplus on revaluation of land and buildings	-	-	188,510	-	188,510
Dividends paid	-	-	-	(100,000)	(100,000)
Remeasurement of net defined benefit liability	-	-	-	(684,000)	(684,000)
Tax relating to items of other comprehensive income	-	-	-	110,470	110,470
Total comprehensive income/(expense)	-	-	188,510	(336,654)	(148,144)
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	-	-	(1,811)	1,811	-
At 31 December 2016	100,000	50,000	472,428	2,902,962	3,525,390

BUSHBURY HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY At 31 December 2016

	Called-up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2015	100,000	50,000	6,844	1,579,648	1,736,492
Profit for the financial year	-	-	-	109,877	109,877
Remeasurement of net defined benefit liability	-	-	-	585,000	585,000
Tax relating to items of other comprehensive loss	-	-	-	(128,980)	(128,980)
Total comprehensive income	-	-	-	565,897	565,897
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	-	-	(1,811)	1,811	-
At 31 December 2015	100,000	50,000	5,033	2,147,356	2,302,389
Profit for the financial year	-	-	-	103,808	103,808
Surplus on revaluation of land and buildings	-	-	188,510	-	188,510
Dividends paid	-	-	-	(100,000)	(100,000)
Remeasurement of net defined benefit liability	-	-	-	(684,000)	(684,000)
Tax relating to items of other comprehensive loss	-	-	-	110,470	110,470
Total comprehensive income/(expense)	-	-	188,510	(569,722)	(381,212)
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	-	-	(1,811)	1,811	-
At 31 December 2016	100,000	50,000	191,732	1,597,445	1,921,177

BUSHBURY HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT **For the year ended 31 December 2016**

	Note	2016 £	2015 £
Net cash inflow/(outflow) from operating activities	15	431,068	(170,313)
Cashflows from investing activities			
Interest received		5,744	6,757
Proceeds on disposal of property, plant and equipment		-	5,750
Purchases of property, plant and equipment		(48,160)	(50,280)
Net cash used in investing activities		(42,416)	(37,773)
Cashflows from financing activities			
Dividends paid		(100,000)	-
Net cash used in financing activities		(100,000)	-
Net increase/(decrease) in cash and cash equivalents		288,652	(208,086)
Cash and cash equivalents at beginning of year		2,720,290	2,928,376
Cash and cash equivalents at end of year		3,008,942	2,720,290

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below. They have all been applied consistently throughout the current and prior year.

Accounting convention

Bushbury Holdings Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Directors' report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Bushbury Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Bushbury Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-Group transactions and remuneration of key management personnel.

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.

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.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

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 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 all tangible fixed assets, other than assets in the course of construction, 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 on a FIFO basis. 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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits 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.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date. 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.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(d) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Group are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group and Company accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements and estimations in applying the Group and Company accounting policies

The following are the critical judgements and estimations that the directors have made in the process of applying the groups accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Depreciation

The group exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

Property valuation

The group carries its freehold land and buildings at fair value, with changes in fair value being recognised in the revaluation reserve. The group engaged independent valuation specialists to determine fair value at 31 December 2016 who valued the property on an open market existing use basis taking into account their knowledge of market conditions in the area.

Defined benefit pension scheme

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Stock valuation

The group exercises judgement to determine inventory valuation and stock provisioning. Raw materials are valued based on cost.

Finished goods and work in progress are valued based on sales value and average profit margin. All stocks are valued at the lower of cost and net realisable value.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

3. TURNOVER

An analysis of the Group's turnover by geographical market is set out below.

	2016 £	2015 £
Geographical analysis by origin		
United Kingdom	4,137,409	3,694,367
Geographical analysis of turnover by destination		
United Kingdom	3,722,207	3,170,301
Other European countries	189,300	202,649
Rest of world	225,902	321,417
	<u>4,137,409</u>	<u>3,694,367</u>

An analysis of the Group's revenue is as follows:

	2016 £	2015 £
Sale of goods	4,137,409	3,694,367
Turnover	<u>4,137,409</u>	<u>3,694,367</u>

4. INFORMATION RELATING TO DIRECTORS AND EMPLOYEES

	2016 £	2015 £
Directors' emoluments		
Emoluments	157,178	147,485
Pension contributions	1,800	1,800
	<u>158,978</u>	<u>149,285</u>

	2016 £	2015 £
Remuneration of the highest paid director		
Emoluments	78,805	76,651
Pension contributions	1,800	1,800
	<u>80,605</u>	<u>78,451</u>

	No	No
Number of directors who are members of defined benefit pension schemes	<u>2</u>	<u>2</u>

The Directors are the Group's key management personnel.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

4. INFORMATION RELATING TO DIRECTORS AND EMPLOYEES (continued)

	Group	
	2016	2015
	No	No
Average number of persons employed		
Production staff	36	54
Sales and distribution staff	5	5
Administrative staff	7	4
	<u>48</u>	<u>63</u>
Staff costs during the year	£	£
(including directors)		
Wages and salaries	1,399,640	1,407,557
Social security costs	143,371	141,646
Pension costs	141,357	136,608
	<u>1,684,368</u>	<u>1,685,811</u>

Group pension costs include amounts paid in relation to the defined benefit scheme of £115,937 including the costs of running the scheme £115,937 (2015- £117,710) and in relation to the defined contribution scheme of £35,822 (2015- £18,898). The corresponding amounts for the Company are £18,145 (2015- £18,393) and £1,800 (2015- £1,800). The current service cost in relation to the defined benefit scheme is £Nil (2015- £Nil), see note 18 for further details.

5. OPERATING PROFIT/ (LOSS)

	2016	2015
	£	£
The operating profit/(loss) is after charging/(crediting):		
Depreciation of tangible fixed assets (Note 8)	58,812	60,086
Profit on disposal of fixed assets	-	729
Rentals under operating leases		
Other operating leases	21,750	70,500
Hire of plant and equipment	5,916	10,571
Cost of stock recognised as an expense	2,890,681	2,953,779
Impairment of stock recognised as an expense	10,439	3,513
Auditor's remuneration		
Fees payable to the company's auditor for the audit of the company's annual financial statements	4,850	6,490
Fees payable to the company's auditor for the audit of the company's subsidiaries, pursuant to legislation	20,150	19,346
Non audit services – tax	10,500	6,770

6. INTEREST PAYABLE (NET)

	2016	2015
	£	£
Bank interest receivable	(5,503)	(6,653)
Notional interest on pension scheme (Note 17)	22,000	40,000
Other	(241)	(104)
	<u>16,256</u>	<u>33,243</u>

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

7. TAX ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

The tax charge comprises:

	2016	2015
	£	£
Current tax on profit on ordinary activities		
UK corporation tax	87,427	(12,400)
Total current tax	87,427	(12,400)
Prior year adjustment	104	-
Deferred tax		
Origination and reversal of timing differences	(1,506)	(442)
Total deferred tax (see note 13)	(1,506)	(442)
Total tax on profit/(loss) on ordinary activities	86,025	(12,842)

The standard rate of tax applied to reported profit on ordinary activities is 20% (2015- 20%). The applicable tax rate changed to 20% from 1 April 2015.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016	2015
	£	£
Profit/(loss) on ordinary activities before tax	422,901	(56,351)
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 20 % (2015- 20%)	84,581	(11,271)
Effects of:		
- Expenses not deductible for tax purposes	2,953	2,059
- Difference between current and deferred tax rates	(16)	(291)
- Effect of rate change on deferred tax balance	(1,597)	(3,060)
- Profits taxed at a (higher)/ lower rate	-	(279)
- Prior year adjustment	104	-
Total tax charge/(credit) for year	86,025	(12,842)

The reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantially enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) was substantively enacted on 28 October 2015, and an additional reduction to 17% % (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Group's future tax charge accordingly and the deferred tax asset at 31 December 2016 (which has been calculated based on the rate of 17% substantively enacted at the balance sheet date).

There is no expiry date on timing differences.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

8. TANGIBLE FIXED ASSETS

The Group	Freehold land and buildings	Short leasehold land and buildings	Plant and machinery	Assets in the course of construction	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2016	741,250	200,940	1,342,172	-	2,284,362
Additions	-	-	28,028	20,132	48,160
Disposals	-	-	-	-	-
Revaluation	158,750	-	-	-	158,750
At 31 December 2016	900,000	200,940	1,370,200	20,132	2,491,272
Accumulated depreciation					
At 1 January 2016	22,320	200,940	1,116,522	-	1,339,782
Charge for year	7,440	-	51,372	-	58,812
Disposals	-	-	-	-	-
Revaluation	(29,760)	-	-	-	(29,760)
At 31 December 2016	-	200,940	1,167,894	-	1,368,834
Net book value					
At 31 December 2016	900,000	-	202,306	20,132	1,122,438
At 31 December 2015	718,930	-	225,650	-	944,580

The value of freehold land not depreciated is £550,000 (2015- £450,000) applicable to the Group and the Company.

Assets in the course of construction are not depreciated.

Comparable amounts determined according to the historical cost convention applicable to the Group and the Company:

	£
Freehold land and buildings	
Cost	551,076
Accumulated depreciation	(127,900)
Net book value	
At 31 December 2016	423,176
At 31 December 2015	428,805

The freehold land and buildings were valued as at 31 December 2016 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 £900,000. This valuation was incorporated in the balance sheet at 31 December 2016 and the profit arising on revaluation taken against revaluation reserve.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 December 2016**

8. TANGIBLE FIXED ASSETS (continued)

The Company	Freehold land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2016	741,250	3,015	744,265
Addition	-	-	-
Revaluation	158,750	-	158,750
At 31 December 2016	900,000	3,015	903,015
Accumulated depreciation			
At 1 January 2016	22,320	2,359	24,679
Charge for year	7,440	656	8,096
Revaluation	(29,760)	-	(29,760)
At 31 December 2016	-	3,015	3,015
Net book value			
At 31 December 2016	900,000	-	900,000
At 31 December 2015	718,930	656	719,586

9. INVESTMENTS HELD AS FIXED ASSETS

The Company

Shares in subsidiary companies	£
Cost	
At 1 January 2016 and 31 December 2016	216,080
Provisions for impairment	
At 1 January 2016	12,910
Charge in year	22,713
Net book value	180,457

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

9. 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. Business transferred to M.C.Air Filtration Limited with effect from 1st January 2017	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.

The registered office of Eastfield Engineering Limited and Epstone Limited is Unit 8, Boscomoor Lane Industrial Estate, Penkridge, Stafford ST19 5QY. That of M.C.Air Filtration Limited is Motney Hill Road, Gillingham, Kent ME8 7TZ.

Epstone Limited (registered number 02367225) has taken advantage of the s394A exemption from preparing individual financial statements.

10. STOCKS

	Group	
	2016 £	2015 £
Raw materials and components	364,160	394,971
Work in progress	225,205	195,374
Finished goods	127,063	111,511
	<u>716,428</u>	<u>701,856</u>

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

The company does not hold any stock.

11. DEBTORS

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	607,955	507,633	-	-
Other debtors	1,228	244	-	-
Amounts due from subsidiary companies	-	-	27,388	33,788
Prepayments and accrued income	45,018	90,899	9,320	9,453
Corporation Tax	-	12,400	-	-
Deferred Tax (note 13)	187,833	75,857	210,028	104,299
	<u>842,034</u>	<u>687,033</u>	<u>246,736</u>	<u>147,540</u>

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	455,825	259,276	18,379	11,168
Amounts owed to subsidiary companies	-	-	100	100
Corporation tax	87,427	-	27,911	10,873
Other taxes including social security	145,269	123,254	16,322	19,619
Other creditors	129,574	264,400	270	270
Accruals and deferred income	109,357	152,295	9,759	11,044
	<u>927,452</u>	<u>799,225</u>	<u>72,741</u>	<u>53,074</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 2016 was £Nil (2015 - £Nil).

13. DEFERRED TAXATION

	Group	Company
	£	£
Deferred taxation asset		
Balance at 1 January 2016	75,857	104,299
Profit and loss account (charge)/credit	1,506	(4,741)
Deferred taxes directly recognised in reserves	110,470	110,470
Balance at 31 December 2016	<u>187,833</u>	<u>210,028</u>

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

	Provided	Provided	Not Provided	Not Provided
	2016	2015	2016	2015
	£	£	£	£
Group				
Depreciation in advance of capital allowances	(23,343)	(29,612)	-	-
Pension deficit	210,290	104,580	-	-
Capital losses	-	-	24,354	25,786
Other short term timing differences	886	889	-	-
Deferred tax asset	<u>187,833</u>	<u>75,857</u>	<u>24,354</u>	<u>25,786</u>

	Provided	Provided	Not Provided	Not Provided
	2016	2015	2016	2015
	£	£	£	£
Company				
Depreciation in advance of capital allowances	(288)	(308)	-	-
Pension deficit	210,290	104,580	-	-
Capital losses	-	-	12,981	13,744
Other short term timing differences	26	27	-	-
Deferred tax asset	<u>210,028</u>	<u>104,299</u>	<u>12,981</u>	<u>13,744</u>

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

13. DEFERRED TAXATION (continued)

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 £24,354 (2015- £25,786), for the company £12,981(2015- £13,744). 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.

14. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
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

15. NOTES TO THE CASH FLOW STATEMENT

	2016	2015
	£	£
Operating profit/(loss)	439,157	(23,108)
Adjustments for:		
Depreciation of tangible fixed assets	58,812	60,086
Gain on disposal of property, plant and equipment	-	(729)
Adjustment for pension funding	(50,000)	(48,000)
	8,812	11,357
Operating cash flows before movements in working capital		
Decrease/(increase) in inventories	(14,572)	20,691
Decrease/(increase) in receivables	(55,425)	(13,917)
Increase/(decrease) in payables	40,800	(138,251)
	(29,197)	131,477
Cash generated by operations	418,772	(143,228)
Income taxes received/(paid)	12,296	(27,085)
Net cash inflow/(outflow) from operating activities	431,068	(170,313)

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

16. FINANCIAL COMMITMENTS

Operating lease commitments - Group

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016		2015	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within one year	-	-	17,625	-
Between one and five year	-	-	-	-
After five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>17,625</u>	<u>-</u>

The Company has no operating lease commitments.

Capital commitments

The Group and company has contracts for capital expenditure on hand amounting to £Nil (2015 - £Nil).

17. PENSION LIABILITY

Defined contribution schemes

The Group and Company operates a defined contribution pension scheme for all qualifying employees. The total cost charged to profit and loss of £35,822 (2015 - £18,898) 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 2016 (2015 - £Nil).

Defined benefit schemes

The Group and Company operates a defined benefit scheme in the UK. There is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 5 April 2014 and updated to 31 December 2015 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent actuarial valuation showed a deficit of £739,000. The company has agreed with the trustees that it will aim to eliminate the deficit over a period of 10 years from 6 December 2014 by the payment of annual contributions of £48,100 in respect of the deficit, increasing every December by 3%. In addition and in accordance with the actuarial valuation, the group has agreed with the trustees that it will meet expenses of the scheme and levies to the Pension Protection Fund.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

17. PENSION LIABILITY (continued)

The major financial assumptions used by the actuary at 31 December 2016 were (in nominal terms):

	2016 % pa	2015 % pa	2014 % pa
Rate of increase in salaries	-	-	-
Rate of increase in pensions in payment	3.20	2.80	2.80
Rate of increase of pensions in deferment	2.30	1.90	1.90
Discount rate	2.70	3.80	3.50
Inflation assumption: RPI	3.20	2.80	2.80
Inflation assumption: CPI	2.30	1.90	1.90
Pre-retirement mortality (non-pensioners)	S1PA CMI 2013 (1.5%) (rated up 2 years)	S1PA CMI 2013 (1.5%) (rated up 2 years)	S1PA CMI 2010 (1.5%) (rated up 2 years)
Post-retirement mortality (non-pensioners)	S1PA CMI 2013 (1.5%) (rated up 2 years)	S1PA CMI 2013 (1.5%) (rated up 2 years)	S1PA CMI 2010 (1.5%) (rated up 2 years)
Post-retirement mortality (pensioners)	S1PA CMI 2013 (1.5%) (rated up 2 years)	S1PA CMI 2013 (1.5%) (rated up 2 years)	S1PA CMI 2010 (1.5%) (rated up 2 years)

The assets in the scheme as at 31 December 2016 were:

	31 December 2016		31 December 2015		31 December 2014	
	Value £000	%	Value £000	%	Value £000	%
Equities	3,559	46%	5,248	76%	5,467	78%
Gilts	481	6%	260	4%	287	4%
Bonds	2,984	39%	620	8%	751	11%
Cash	682	9%	809	12%	460	7%
Total market value of assets	7,706		6,937		6,965	
Present value of liabilities	(8,943)		(7,518)		(8,139)	
Deficit in the scheme	(1,237)		(581)		(1,174)	
Related deferred tax asset	223		105		235	
Net pension liability	(1,014)		(476)		(939)	

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

17. PENSION LIABILITY (continued)

Amounts recognised in the profit and loss account (see Note 6) in respect of these defined benefit schemes are as follows:

	2016 £	2015 £
Net interest cost	22,000	40,000
Defined benefit costs recognised in profit and loss account	22,000	40,000

Amounts recognised in the statement of other comprehensive income in respect of these defined benefit schemes are as follows:

	2016 £	2015 £
Return on plan assets (excluding amounts included in net interest cost) – gain/(loss)	840,000	(43,000)
Experience gains and losses arising on the plan liabilities – gain	83,000	30,000
Effect of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – (loss)/gain	(1,607,000)	598,000
Total amount recognised in other comprehensive income – (loss)/gain	(684,000)	585,000

The amount included in the Group and Company balance sheet arising from the Group and Company obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2016 £'000	2015 £'000	2014 £'000
Present value of defined benefit obligations	(8,943)	(7,518)	(8,139)
Fair value of scheme assets	7,706	6,937	6,965
Net liability recognised in balance sheet	(1,237)	(581)	(1,174)

Movements in the present value of defined benefit obligations were as follows:

	2016 £'000	2015 £'000
At 1 January	7,518	8,139
Interest cost	279	280
Actuarial gains/(losses)	1,524	(628)
Benefits paid	(378)	(273)
At 31 December	8,943	7,518

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

17. PENSION LIABILITY (continued)

Movements in the fair value of scheme assets were as follows:

	2016 £'000	2015 £'000
At 1 January	6,937	6,965
Interest income	257	240
Actuarial gains/(losses)	840	(43)
Contributions from the employer	50	48
Benefits paid	(378)	(273)
At 31 December	<u>7,706</u>	<u>6,937</u>

18. FINANCIAL INSTRUMENTS

The carrying values of the Group financial assets and liabilities are summarised by category below:

	2016 £	2015 £
Financial assets		
Measured at undiscounted amount receivable		
• Trade and other debtors (see note 11)	609,183	507,877
	<u>609,183</u>	<u>507,877</u>
Financial liabilities		
Measured at undiscounted amount payable		
• Trade and other creditors (see note 12)	585,399	523,676
	<u>585,399</u>	<u>523,676</u>

19. POST BALANCE SHEET EVENTS

Eastfield Engineering Limited – the company's business of the supply of off-highway vehicle cab conditioning equipment, specialist filters and spares for this and for vehicle cabs has been transferred to M.C.Air Filtration with effect from 1st January 2017. Assets relating to this business have been transferred to M.C.Air Filtration and the residual assets and liabilities will be discharged with a view to the company becoming dormant during 2017.

20. 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.