

BUSHBURY HOLDINGS LIMITED

Report and Financial Statements

for the year ended 31 December 2014

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BUSHBURY HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

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BUSHBURY HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M B Hughes (Chairman)
B F Tinklin
R Nicholls

SECRETARY

R Nicholls

REGISTERED OFFICE

Unit 8
Boscomoor Lane Industrial Estate
Penkridge
Staffordshire
ST19 5QY

BANKERS

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

SOLICITORS

SGH Martineau LLP
No 1 Colmore Square
Birmingham
B4 6AA

AUDITOR

Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

BUSHBURY HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

RESULTS

The consolidated profit for the year on ordinary activities before taxation amounted to £362,958 (2013 – £1,407,530). The directors do not propose a final dividend (2013 – £Nil). The retained profit for the year of £287,297 (2013 – £1,085,571) has been transferred to reserves.

ACTIVITY

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

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

No changes to the principal activities are expected in the foreseeable future.

DIRECTORS

The directors during the year were as follows:

M B Hughes (Chairman)
B F Tinklin
R Nicholls

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

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

BUSHBURY HOLDINGS LIMITED

DIRECTORS' REPORT

AUDITOR

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

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



R NICHOLLS

Secretary

Registered Office:

Unit 8
Boscomoor Lane Industrial Estate
Penkridge
Staffordshire
ST19 5QY

BUSHBURY HOLDINGS LIMITED

STRATEGIC REPORT

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The Francis Crick contract was largely completed by end 2013 resulting in the group reverting to lower levels of turnover and profitability during 2014. In addition the group retained the additional property taken on for this contract in anticipation of receiving a further substantial order. This order whilst still anticipated was not received during the year and consequently the increased overhead reduced the profitability in the period.

However with the Group's order book remaining at a healthy level and with further product development, the directors anticipate, subject to unforeseen circumstances, another satisfactory performance in the current financial year.

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

RISKS

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

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group operates a bank overdraft, which has a multilateral guarantee across all Group companies, further details can be found in note 12.

KEY PERFORMANCE INDICATORS

Key performance indicators for the Group are as follows:

	2014	2013
	£	£
Turnover	4,233,963	6,860,847
Operating profit	248,362	1,371,681
Retained profit	287,297	1,085,571

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



R NICHOLLS

Secretary

Registered Office:

Unit 8, Boscomoor Lane Industrial Estate
Penkridge
Staffordshire
ST19 5QY

BUSHBURY HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Bushbury Holdings Limited for the year ended 31 December 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Note of Historical Cost Profits and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2014 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006


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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BUSHBURY HOLDINGS LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jane Whitlock (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK

27 March 2015

BUSHBURY HOLDINGS LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****Year ended 31 December 2014**

	Note	2014	2013
		£	£
TURNOVER	2		
Continuing operations		4,233,963	6,860,847
Cost of sales		<u>(3,209,046)</u>	<u>(4,554,234)</u>
GROSS PROFIT		1,024,917	2,306,613
Distribution expenses		(107,666)	(140,841)
Administration expenses		<u>(668,889)</u>	<u>(794,091)</u>
OPERATING PROFIT			
Continuing operations	4	<u>248,362</u>	<u>1,371,681</u>
Interest receivable	5	<u>114,596</u>	<u>35,849</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		362,958	1,407,530
Tax charge on profit on ordinary activities	6	<u>(75,661)</u>	<u>(321,959)</u>
PROFIT FOR THE FINANCIAL YEAR	15, 16	<u><u>287,297</u></u>	<u><u>1,085,571</u></u>

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

BUSHBURY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2014

	2014	2013
	£	£
Profit for the financial year	287,297	1,085,571
Actuarial (loss)/gain relating to the pension scheme before deferred tax	(844,000)	420,000
Deferred tax credit/(charge) relating to actuarial loss	169,000	(85,000)
	<hr/>	<hr/>
Total recognised (loss)/gain since the last annual report	(387,703)	1,420,571
	<hr/>	<hr/>

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 31 December 2014

	2014	2013
	£	£
Reported profit on ordinary activities before taxation	362,958	1,407,530
Differences between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	1,811	2,095
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	364,769	1,409,625
	<hr/>	<hr/>
Historical cost profit retained for the year after taxation	289,108	1,087,266
	<hr/>	<hr/>

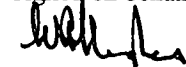
BUSHBURY HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET 31 December 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	8		959,407		947,708
CURRENT ASSETS					
Stocks	10	722,547		715,595	
Debtors	11	584,859		962,790	
Cash at bank and in hand		2,928,376		3,303,761	
		4,235,782		4,982,146	
CREDITORS: amounts falling due within one year	12	(964,561)		(1,869,699)	
NET CURRENT ASSETS			3,271,221		3,112,447
TOTAL ASSETS LESS CURRENT LIABILITIES			4,230,628		4,060,155
PROVISION FOR LIABILITIES	13		(30,605)		(29,429)
NET ASSETS BEFORE PENSION LIABILITY			4,200,023		4,030,726
PENSION LIABILITY	21		(939,000)		(382,000)
NET ASSETS AFTER PENSION LIABILITY			3,261,023		3,648,726
CAPITAL AND RESERVES					
Called up share capital	15		100,000		100,000
Capital redemption reserve	16		50,000		50,000
Revaluation reserve	16		287,540		289,351
Profit and loss account	16		2,823,483		3,209,375
SHAREHOLDERS' FUNDS	17		3,261,023		3,648,726

These consolidated financial statements of Bushbury Holdings Limited, registered number 2110875, were approved and authorised for issue by the Board of Directors on 27 March 2015.

Signed on behalf of the Board of Directors



M B HUGHES



R NICHOLLS

Directors

BUSHBURY HOLDINGS LIMITED

COMPANY BALANCE SHEET 31 December 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	9		728,031		730,226
Investments	10		203,170		203,170
			<u>931,201</u>		<u>933,396</u>
CURRENT ASSETS					
Debtors	12	44,810		61,782	
Cash at bank and in hand		<u>1,760,592</u>		<u>1,691,522</u>	
		1,805,402		1,753,304	
CREDITORS: amounts falling due within one year	13	<u>(60,796)</u>		<u>(94,396)</u>	
NET CURRENT ASSETS			<u>1,744,606</u>		<u>1,658,908</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,675,807		2,592,304
PROVISION FOR LIABILITIES	14		<u>(315)</u>		<u>(511)</u>
TOTAL NET ASSETS			<u>2,675,492</u>		<u>2,591,793</u>
CAPITAL AND RESERVES					
Called up share capital	15		100,000		100,000
Capital redemption reserve	16		50,000		50,000
Revaluation reserve	16		6,844		8,655
Profit and loss account	16		<u>2,518,648</u>		<u>2,433,138</u>
SHAREHOLDERS' FUNDS	17		<u>2,675,492</u>		<u>2,591,793</u>

These financial statements of Bushbury Holdings Limited, registered number 2110875, were approved and authorised for issue by the Board of Directors on 27 March 2015.

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 2014

	Note	2014 £	2013 £
Cash (outflow)/inflow from operating activities	17	(8,732)	1,804,041
Returns on investments and servicing of finance	18	7,596	3,849
Taxation		(302,123)	(25,653)
Capital expenditure and financial investment	18	(72,126)	(172,807)
Cash (outflow)/ inflow before use of liquid resources and financing		(375,385)	1,609,430
(Decrease)/Increase in cash in the year		<u>(375,385)</u>	<u>1,609,430</u>

Reconciliation of net cash flow to movement in net funds		2014 £	2013 £
(Decrease)/Increase in cash in the year	19	<u>(375,385)</u>	<u>1,609,430</u>
Change in net debt resulting from cash flows		(375,385)	1,609,430
Net funds at 1 January		<u>3,303,761</u>	<u>1,694,331</u>
Net funds at 31 December		<u>2,928,376</u>	<u>3,303,761</u>

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. ACCOUNTING POLICIES

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

Accounting convention

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

Going concern

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

Consolidation

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

Acquisitions

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

Exchange rates

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

Fixed assets

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

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

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

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

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. ACCOUNTING POLICIES (continued)

Stocks

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

Leased assets

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

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

Investments

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

Taxation

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

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

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

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

Turnover

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

Pension costs

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

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

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

Exceptional items

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

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

2. ANALYSES OF TURNOVER

	2014 £	2013 £
Geographical analysis by origin		
United Kingdom	4,233,963	6,860,847
Geographical analysis of turnover by destination		
United Kingdom	3,853,030	6,532,816
Other European countries	241,633	229,415
Rest of world	139,300	98,616
	4,233,963	6,860,847

3. INFORMATION RELATING TO DIRECTORS AND EMPLOYEES

	2014 £	2013 £
Directors' emoluments		
Emoluments	155,751	184,125
Pension contributions	1,800	1,800
	157,551	185,925

	2014 £	2013 £
Remuneration of the highest paid director		
Emoluments	76,686	96,341
Pension contributions	1,800	1,800

	No	No
Number of directors who are members of defined benefit pension schemes	2	2

	Group		Company	
	2014 No	2013 No	2014 No	2013 No
Average number of persons employed				
Production staff	54	58	-	-
Sales and distribution staff	5	4	-	-
Administrative staff	4	6	2	2
	63	68	2	2
Staff costs during the year (including directors)	£	£	£	£
Wages and salaries	1,464,662	1,778,708	138,552	168,552
Social security costs	154,590	176,038	17,401	21,954
Pension costs	117,282	94,104	17,360	16,057
	1,736,534	2,048,850	173,313	206,563

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

3. INFORMATION RELATING TO DIRECTORS AND EMPLOYEES (continued)

Group pension costs include amounts paid in relation to the defined benefit scheme of £94,354 including the costs of running the scheme (2013: £78,694) and in relation to the defined contribution scheme of £22,928 (2013: £15,410). The corresponding amounts for the company are - £15,560(2013: £14,257) and £1,800 (2013: £1,800). The current service cost in relation to the defined benefit scheme is £nil (2013- £nil), see note 21 for further details.

4. OPERATING PROFIT

	2014 £	2013 £
The operating profit is after charging:		
Depreciation		
Owned assets	62,827	52,586
Profit on disposal of fixed assets	2,400	-
Rentals under operating leases		
Other operating leases	70,500	75,542
Hire of plant and equipment	10,571	10,135
Auditor's remuneration		
Fees payable to the company's auditor for the audit of the company's annual accounts	4,080	3,820
Fees payable to the company's auditor for the audit of the company's subsidiaries, pursuant to legislation	16,420	15,830
Non audit services – tax	6,450	6,500

5. INTEREST RECEIVABLE

	2014 £	2013 £
Bank interest receivable	7,596	3,849
Notional interest on pension scheme (note 21)	107,000	32,000
	<u>114,596</u>	<u>35,849</u>

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
Tax charge for the year comprises:		
Current taxation		
Corporation Tax	45,085	284,123
Total current tax charge	45,085	284,123
Deferred taxation		
Origination and reversal of timing differences	30,576	37,836
Total deferred tax charge (note 13)	30,576	37,836
Tax charge on profit on ordinary activities	75,661	321,959

The actual tax charge for the current and previous year varies from the standard rate for reasons set out in the following reconciliation:

	2014 £	2013 £
Factors affecting credit for the year		
Profit on ordinary activities before tax	362,958	1,407,530
Tax charge on ordinary activities at standard rate of 20% (2013–20%)	72,592	281,507
Expenses not deductible for tax purposes	2,715	3,838
Depreciation in excess of/(less than capital) allowances	(1,269)	(27,657)
Movement in short term timing differences	93	38
Difference in tax rates	434	40,397
Adjustment in respect of pension scheme	(29,480)	(14,000)
Total current tax charge	45,085	284,123

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

	2014 £	2013 £
Profits dealt with in the accounts of the parent company	83,699	112,320

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

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

8. TANGIBLE FIXED ASSETS

The Group	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2014	735,000	200,940	1,287,983	2,223,923
Additions	6,250	-	68,276	74,526
Disposals	-	-	(44,284)	(44,284)
Revaluation	-	-	-	-
At 31 December 2014	741,250	200,940	1,311,975	2,254,165
Accumulated depreciation				
At 1 January 2014	7,440	200,533	1,068,242	1,276,215
Charge for year	7,440	407	54,980	62,827
Disposals	-	-	(44,284)	(44,284)
Revaluation	-	-	-	-
At 31 December 2014	14,880	200,940	1,078,938	1,294,758
Net book value				
At 31 December 2014	726,370	-	233,037	959,407
At 31 December 2013	727,560	407	219,741	947,708

The value of freehold land not depreciated is £450,000 (2013: £450,000).

Comparable amounts determined according to the historical cost convention:

	£
Freehold land and buildings	
Cost	551,076
Accumulated depreciation	(116,642)
Net book value	
At 31 December 2014	434,434
At 31 December 2013	433,813

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

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

8. TANGIBLE FIXED ASSETS (continued)

The Company	Freehold land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2014	735,000	3,015	738,015
Addition	6,250	-	6,250
At 31 December 2014	741,250	3,015	744,265
Accumulated depreciation			
At 1 January 2014	7,440	349	7,789
Charge for year	7,440	1,005	8,445
At 31 December 2014	14,880	1,354	16,234
Net book value			
At 31 December 2014	726,370	1,661	728,031
At 31 December 2013	727,560	2,666	730,226

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

Comparable amounts determined according to the historical cost convention:

	£
Freehold land and buildings	
Cost	551,076
Accumulated depreciation	(116,642)
Net book value	
At 31 December 2014	434,434
At 31 December 2013	433,813

9. INVESTMENTS HELD AS FIXED ASSETS

The Company

Shares in subsidiary companies	£
Cost	
At 1 January 2014 and 31 December 2014	216,080
Provisions for impairment	
At 1 January 2014 and 31 December 2014	12,910
Net book value	203,170

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

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.	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.

Epstone Limited (reg. number 02367225) has taken advantage of the s394A exemption from preparing individual accounts.

10. STOCKS

	Group	
	2014	2013
	£	£
Raw materials and components	421,819	354,731
Work in progress	177,124	269,415
Finished goods	123,604	91,449
	<u>722,547</u>	<u>715,595</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	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	522,918	914,900	-	-
Other debtors	627	4,145	-	-
Amounts due from subsidiary companies	-	-	36,069	55,662
Prepayments and accrued income	61,314	43,745	8,741	6,120
	<u>584,859</u>	<u>962,790</u>	<u>44,810</u>	<u>61,782</u>

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2014**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	379,609	448,872	15,443	9,779
Amounts owed to subsidiary companies	-	-	100	1,807
Corporation tax	27,085	284,123	21,812	20,000
Other taxes including social security	123,960	474,765	15,253	20,577
Other creditors	280,018	245,580	270	270
Accruals and deferred income	153,889	416,359	7,918	41,963
	<u>964,561</u>	<u>1,869,699</u>	<u>60,796</u>	<u>94,396</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 2014 was £Nil (2013 - £ Nil).

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

13. DEFERRED TAXATION

	Group £	Company £
Deferred taxation (liability)/asset		
Balance at 1 January 2014	(29,429)	(511)
Profit and loss account charge	(30,576)	196
Deferred taxes directly recognised in reserves	29,400	-
	<u>(30,605)</u>	<u>(315)</u>
Balance at 31 December 2014	(30,605)	(315)

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

Group	Provided 2014 £	Provided 2013 £	Not Provided 2014 £	Not Provided 2013 £
Depreciation in advance of capital allowances	(31,354)	(30,085)	-	-
Revenue losses	-	-	-	-
Capital losses	-	-	28,652	28,652
Other short term timing differences	749	656	-	-
	<u>(30,605)</u>	<u>(29,429)</u>	<u>28,652</u>	<u>28,652</u>
Deferred tax (liability)/asset	(30,605)	(29,429)	28,652	28,652

Company	Provided 2014 £	Provided 2013 £	Not Provided 2014 £	Not Provided 2013 £
Depreciation in advance of capital allowances	(345)	(541)	-	-
Capital losses	-	-	15,272	15,272
Other short term timing differences	30	30	-	-
	<u>(315)</u>	<u>(511)</u>	<u>15,272</u>	<u>15,272</u>
Deferred tax (liability)/asset	(315)	(511)	15,272	15,272

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 £28,652 (2013: £28,652, company £15,272 (2013: £15,272)). 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.

The tax rate for the year is 20%, as profit did not exceed £300,000. For the exceeding amount, tax rate was 23% up to 1 April 2014 and 21% thereafter. The tax rate of UK corporation tax will further decrease to 20% from 1 April 2015.

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

14. CALLED UP SHARE CAPITAL

	2014 £	2013 £
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. RESERVES

The Group	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2014	50,000	289,351	3,209,375
Profit for the financial year	-	-	287,297
Actuarial (loss) relating to the pension scheme	-	-	(675,000)
Transfer of amount equivalent to additional depreciation on revalued assets	-	(1,811)	1,811
Balance at 31 December 2014	50,000	287,540	2,823,483
The Company			
Balance at 1 January 2014	50,000	8,655	2,433,138
Profit for the financial year	-	-	83,699
Transfer of amount equivalent to additional depreciation on revalued assets	-	(1,811)	1,811
Balance at 31 December 2014	50,000	6,844	2,518,648

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

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
The Group	2014 £	2013 £	2014 £	2013 £
Profit for the financial year	287,297	1,085,571	83,699	112,320
Actuarial (loss)/profit relating to the pension scheme	(675,000)	335,000	-	-
Net (reduction)/addition to shareholders' funds	(387,703)	1,420,571	83,699	112,320
Opening shareholders' funds	3,648,726	2,228,155	2,591,793	2,479,473
Closing shareholders' funds	3,261,023	3,648,726	2,675,492	2,591,793

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

17. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2014 £	2013 £
Operating profit	248,362	1,371,681
Depreciation	62,827	52,586
Profit on sale of assets	(2,400)	-
Stocks - (increase)	(6,952)	(126,664)
Debtors - decrease/(increase)	377,931	(487,844)
Creditors - (decrease)/increase	(648,100)	1,034,282
Adjustment for pension funding	(147,400)	(72,000)
Net cash (outflow)/inflow from operating activities	(115,732)	1,772,041

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	7,596	3,849
Net cash inflow for returns on investments and servicing of finance	7,596	3,849
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(74,526)	(172,807)
Sale of tangible fixed assets	2,400	-
Net cash outflow for capital expenditure and financial investment	(72,126)	(172,807)

19. MOVEMENT IN NET FUNDS

	At 1 Jan 2014 £	Cash Flow £	At 31 Dec 2014 £
Cash in hand and at bank	3,303,761	(375,385)	2,928,376

20. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 December 2014, the Group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 2014 £	2013 £
In respect of commitments that expire:		
Within 1 year	76,000	76,000
Within 2-5 years	-	-

Capital commitments

The Group and company has contracts for capital expenditure on hand amounting to £Nil (2013 - £Nil).

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

21. PENSION COSTS

The Group operates a defined contribution pension scheme for all qualifying employees. The total cost charged to profit and loss of £22,928 (2013 - £15,410) 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 2014 (2013 - £Nil).

The Group operates a defined benefit pension scheme, the assets of which are held separately from those of the Group. The scheme is closed to new members. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary, the most recent valuation being at 5 April 2014. The contributions made by the Group over the financial year to the pension scheme have been £40,400 (2013 - £39,600).

The most recent actuarial valuation showed that, at 5 April 2014, the scheme had a past service shortfall of £739,000 which is being cleared by payments at a rate of £48,100 per annum (rising by 3% in December of each year) to bring the funding level back to 100% by December 2024. The market value of the scheme's assets at that date was £6,868,000. 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 5.35% per annum and a rate of inflation of 2.9%.

FRS 17 is adopted in full and requires disclosure of the assets and liabilities as at 31 December 2014 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 2014.

The full actuarial valuation carried out at 5 April 2014 was updated to 31 December 2014 by a qualified independent actuary. The Projected Unit valuation method has been used.

The major financial assumptions used by the actuary at 31 December 2014 were (in nominal terms):

	2014 % pa	2013 % pa	2012 % pa
Rate of increase in salaries	-	-	-
Rate of increase in pensions in payment	2.80	3.30	2.80
Rate of increase of pensions in deferment	1.90	2.40	2.05
Discount rate	3.50	4.50	4.40
Inflation assumption: RPI	2.80	3.30	2.80
Inflation assumption: CPI	1.90	2.40	2.05
Expected return on plan assets	6.38	6.22	5.60
Pre-retirement mortality (non-pensioners)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)
Post-retirement mortality (non-pensioners)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)
Post-retirement mortality (pensioners)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)	S1PA CMI 2010(1.5%) (rated up 2 years)

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

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

21. PENSION COSTS (continued)

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

	31 December 2014			31 December 2013			31 December 2012		
	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	7.10	5,467	78%	7.10	5,416	78%	6.20	4,679	75%
Gilts	3.60	287	4%	3.60	310	5%	2.70	243	4%
Bonds	4.50	751	11%	4.50	695	10%	4.40	781	13%
Cash and other	2.80	460	7%	.50	482	7%	3.30	474	8%
Total market value of assets		6,965			6,903			6,177	
Present value of liabilities		(8,139)			(7,380)			(7,146)	
Deficit in the scheme		(1,174)			(477)			(969)	
Related deferred tax asset		235			95			194	
Net pension liability		(939)			(382)			(775)	

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

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

Current service cost
Past service cost

2014
£'000

-
-

Total operating cost

-

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

Interest on pension scheme liabilities
Expected return on pension scheme assets

(325)
432

(310)
342

Total finance gain/(cost)

107
32

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

Actual return less expected return on pension scheme assets
Experience gains arising on pension scheme liabilities
Changes in financial assumptions underlying pension scheme liabilities

(86)
79
(837)

583
-
(163)

Actuarial (loss)/gain recognised in the statement of total recognised
gains and losses

(844)
420

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

21. PENSION COSTS (continued)

	2014 £'000	2013 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 January	7,380	7,146
Interest cost	325	310
Actuarial losses	758	163
Benefits paid	(324)	(239)
At 31 December	8,139	7,380

	2014 £'000	2013 £'000
Changes in the fair value of scheme assets were as follows:		
At 1 January	6,903	6,177
Expected return on assets	432	342
Actuarial gains	(86)	583
Employer contributions	40	40
Benefits paid	(324)	(239)
At 31 December	6,965	6,903

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Movements in deficit during the year					
Deficit in schemes at 1 January	(477)	(969)	(872)	(745)	(1,226)
Current service cost	-	-	-	-	-
Employers' contributions received	40	40	40	406	151
Other finance costs	107	32	(11)	14	(1)
Actuarial gain/(loss)	(844)	420	(126)	(547)	331
Deficit in the schemes as at 31 December	(1,174)	(477)	(969)	(872)	(745)

BUSHBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

21. PENSION COSTS (continued)

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
History of experience gains and losses					
Difference between the expected and actual return on scheme assets:					
Amount (£)	(86)	583	277	(607)	352
Percentage of scheme assets as at 31 December	1.2%	8.4%	4.5%	10.5%	6.0%
Experience gains on scheme liabilities					
Amount (£)	-	-	-	536	-
Percentage of scheme liabilities as at 31 December	-	-	-	8.0%	-
Total amount recognised in statement of total recognised gains and losses					
Amount (£)	(844)	420	(126)	(547)	331
Percentage of scheme liabilities as at 31 December	10.4%	5.7%	1.8%	8.2%	5.0%

22. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

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

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