

# **Bowers Metrology (UK) Limited**

## Report and Accounts

30 September 2009

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COMPANIES HOUSE

# Bowers Metrology (UK) Limited

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Registered No 02951538

## **DIRECTORS**

B C Beazer  
P J Dyson  
S D Millington  
S P White

## **SECRETARY**

J Dallman

## **AUDITOR**

Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
2 Broadfield Court  
Sheffield  
S8 0XF

## **BANKERS**

HSBC Bank plc  
Unit 4 Europa Court  
Sheffield Business Park  
Sheffield  
S9 1XE

## **SOLICITORS**

hlw  
Commercial House  
Commercial Street  
Sheffield  
S1 2AT

## **REGISTERED OFFICE**

Atlas Way  
Atlas North  
Sheffield  
S4 7QQ

# Bowers Metrology (UK) Limited

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## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 September 2009

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the distribution of precision measuring equipment

As a result of the global economic down-turn turnover has decreased by 19% which has had an adverse effect of the company's profitability. The directors do not expect to return to pre-down-turn levels of trading activity in the forthcoming financial year

The directors believe that the key risks facing the company include, without limitation

- consumer and retail demand deteriorating amid a general prolonged economic slow down,
- current sales prices and product mixes not being maintained,
- the loss of key customers resulting in reduced revenues or significant bad debts,
- raw material, factored product, and utility prices increasing above current levels, and
- unfavourable exchange movements

In managing the business the directors have established controls to enable them to respond to and mitigate the impact of such risks

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as inter-company debtors and inter-company creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods

#### Interest rate risk

The company finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily, this is achieved through utilisation of a pooled banking arrangement within the UK subsidiaries of Bowers Group plc and Spear & Jackson plc, as well as the utilisation of short-term money market deposits. Short term flexibility is achieved by overdraft facilities

#### Currency risk

The company is exposed to transaction and translation foreign exchange risk. In relation to translation risk, transaction exposures are hedged, when known

### RESULTS AND DIVIDEND

The profit on ordinary activities before taxation for the year amounted to £3,000 (2008 – £102,000). The profit for the financial year was £3,000 after charging taxation of £nil (2008 - £ 88,000 after charging taxation of £14,000). The directors do not recommend the payment of a dividend (2008 - £nil)

# Bowers Metrology (UK) Limited

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## DIRECTORS' REPORT

### ULTIMATE PARENT UNDERTAKING

Bowers Metrology (UK) Limited is a wholly owned subsidiary of Bowers Group plc

The entire issued share capital of Bowers Group plc is held by S and J Acquisitions Corp , a company incorporated in the United States of America, whose immediate parent undertaking is Pantene Global Acquisitions Corp ("PGAC"), a company incorporated in the United States of America. In addition to its shareholding in Bowers Group plc, S and J Acquisitions Corp also owns the entire issued share capital of Spear & Jackson plc, a fellow subsidiary undertaking of Bowers Metrology(UK) Limited. 100 % of the common stock of PGAC is owned by United Pacific Industries Limited ("UPI"), a company incorporated in Bermuda and listed on the Hong Kong Stock Exchange.

### DIRECTORS

The directors of the company who served during the year and up to the date of signing this report were

S D Millington

S P White

B C Beazer (appointed 24 March 2009)

P J Dyson (appointed 24 March 2009)

W Fletcher (resigned 30 April 2009)

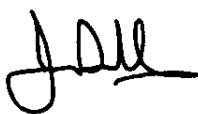
### ADMINISTRATIVE ORGANISATION

Bowers Metrology Limited acts on behalf of the company for the purpose of invoicing customers, collecting debts, and paying creditors and expenses.

### AUDITOR

Grant Thornton UK LLP have expressed their willingness to continue in office as Auditors and a resolution will be proposed to re-appoint them at the Annual General Meeting.

By order of the board



J M Dallman  
Secretary

1 April 2010

## Bowers Metrology (UK) Limited

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The accounts are required by law to 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWERS METROLOGY (UK) LIMITED**

We have audited the financial statements of Bowers (UK) Limited for the year ended 30 September 2009 which comprise the profit and loss account, balance sheet and the related notes. 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWERS (UK) 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

*Michael Redfern*

Michael Redfern  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
SHEFFIELD  
1 April 2010

## Bowers Metrology (UK) Limited

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### PROFIT & LOSS ACCOUNT

for the year ended 30 September 2009

|  | <i>Notes</i> | <i>2009<br/>£000</i> | <i>2008<br/>£000</i> |
|--|--------------|----------------------|----------------------|
| <b>TURNOVER</b>                                      | 2            | 2,686                | 3,334                |
| <b>NET OPERATING COSTS</b>                           | 3            | (2,683)              | (3,232)              |
| <b>OPERATING PROFIT</b>                              | 3            | 3                    | 102                  |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |              | 3                    | 102                  |
| Taxation on profit on ordinary activities            | 6            | -                    | (14)                 |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 | 13           | 3                    | 88                   |

All the above results arose from continuing activities

There are no recognised gains or losses other than the profit for the financial year as set out above

The accompanying notes are an integral part of this profit and loss account

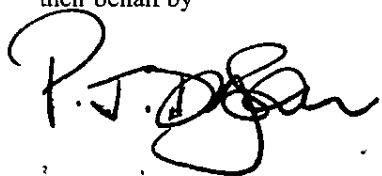


# Bowers Metrology (UK) Limited

## BALANCE SHEET at 30 September 2009

|   | <i>Notes</i> | <i>2009<br/>£000</i> | <i>2008<br/>£000</i> |
|---|--------------|----------------------|----------------------|
| <b>FIXED ASSETS</b>                                   |              |                      |                      |
| Tangible assets                                       | 7            | 90                   | 108                  |
| <b>CURRENT ASSETS</b>                                 |              |                      |                      |
| Stocks  | 8            | 508                  | 713                  |
| Debtors   | 9            | 719                  | 466                  |
|   |              | 1,227                | 1,179                |
| <b>CREDITORS: amounts falling due within one year</b> | 10           | 90                   | 63                   |
| <b>NET CURRENT ASSETS</b>                             |              | 1,137                | 1,116                |
| <b>NET ASSETS</b>                                     |              | 1,227                | 1,224                |
| <b>CAPITAL AND RESERVES</b>                           |              |                      |                      |
| Called up share capital (£2)                          | 12           | -                    | -                    |
| Profit and loss account                               | 13           | 1,227                | 1,224                |
| <b>SHAREHOLDERS' FUNDS</b>                            | 14           | 1,227                | 1,224                |

These accounts were approved by the directors and authorised for issue on 1 April 2010 and are signed on their behalf by



P J Dyson

Company no 02951538

The accompanying notes are an integral part of this balance sheet

# Bowers Metrology (UK) Limited

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## NOTES TO THE ACCOUNTS at 30 September 2009

### 1 ACCOUNTING POLICIES

#### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. The accounting policies of the company have remained unchanged from the prior year.

After making appropriate enquiries and reviewing budgets, profit and cash flow forecasts and business plans, the Directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has more than sufficient resources and available facilities to continue in operational existence for the foreseeable future. For this reason the Directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value of each asset, over its expected useful life, as follows:

|                        |   |               |
|------------------------|---|---------------|
| Plant and machinery    | - | over 5 years  |
| Leasehold improvements | - | over 20 years |

#### *Impairment*

Fixed assets are subject to review for impairment in accordance with Financial Reporting Standard ("FRS") 11 "Impairment of Fixed Assets and Goodwill". Any impairment is recognised in the profit and loss account in the year in which it occurs.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

|   |   |   |
|---|---|---|
| Raw materials, consumables and goods for resale | - | purchase cost on a first-in, first-out basis  |
| Work in progress and finished goods             | - | cost of direct materials and labour plus attributable overheads based on a normal level of activity |

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving, or defective items where appropriate.

# Bowers Metrology (UK) Limited

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## NOTES TO THE ACCOUNTS

at 30 September 2009

### 1 ACCOUNTING POLICIES (Continued)

#### *Deferred taxation*

In accordance with FRS 19, provision for deferred taxation is made in full on all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are regarded as recoverable, and therefore recognised, only when it is regarded as more likely than not that there will be sufficient future taxable profits from which the reversal of the underlying timing differences can be deducted.

Deferred taxation is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred taxation is measured on a non-discounted basis.

Advance corporation tax, which is expected to be recoverable in the future, is deducted from the deferred taxation balance.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves.

#### *Leasing commitments*

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. In addition, certain senior employees are members of a defined benefit scheme administered by a fellow subsidiary undertaking of the company, James Neill Holdings Limited. The amount charged to the profit and loss account represents employer contributions paid in the year unless an actuarial estimate of the provision for pension benefits in the year less an allowance for interest on the scheme prepayment is materially different.

#### *Financial instruments*

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# Bowers Metrology (UK) Limited

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## NOTES TO THE ACCOUNTS

at 30 September 2009

### 1 ACCOUNTING POLICIES (Continued)

#### *Cash flow statement*

The directors have taken advantage of the exemption in FRS 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement

### 2 TURNOVER

Turnover, representing amounts invoiced to third parties, is a continuing activity and the directors regard the company's business as being of one class, the distribution of precision measuring equipment

An analysis of turnover by geographical market is given below

|               | 2009<br>£000      | 2008<br>£000      |
|---------------|-------------------|-------------------|
| Europe        | 2,671             | 3,316             |
| North America | 9                 | 3                 |
| Asia          | 6                 | 15                |
|               | <hr/> 2,686 <hr/> | <hr/> 3,334 <hr/> |

# Bowers Metrology (UK) Limited

## NOTES TO THE ACCOUNTS at 30 September 2009

### 3 OPERATING PROFIT

(a) Operating profit before exceptional items comprises

|   | 2009<br>£000 | 2008<br>£000 |
|---|--------------|--------------|
| Turnover  | 2,686        | 3,334        |
| Change in stocks of finished goods and work in progress | (205)        | 243          |
|   | <u>2,481</u> | <u>3,577</u> |
| Raw materials and consumables                           | 1,247        | 1,986        |
| Staff costs (note 5)                                    | 614          | 767          |
| Depreciation of owned fixed assets                      | 19           | 15           |
| Auditors' remuneration                                  | 8            | 9            |
| - audit services  |              |              |
| - non audit services (taxation)                         | 2            | 2            |
| Operating lease rentals                                 | 37           | 44           |
| - motor vehicles  |              |              |
| - land and buildings                                    | 52           | 53           |
| Other operating charges                                 | 483          | 599          |
|   | <u>2,462</u> | <u>3,475</u> |
| Operating profit before exceptional items               | 19           | 102          |
| (b) Exceptional items                                   |              |              |
| Company reorganisation costs                            | (16)         | -            |
| Operating profit  | <u>3</u>     | <u>102</u>   |

Net operating costs are analysed as

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Other external charges                | 1,551        | 1,851        |
| Staff costs                           | 614          | 767          |
| Depreciation written off fixed assets | 19           | 15           |
| Other operating charges               | 483          | 599          |
| Exceptional items                     | 16           | -            |
|                                       | <u>2,683</u> | <u>3,232</u> |

# Bowers Metrology (UK) Limited

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## NOTES TO THE ACCOUNTS at 30 September 2009

### 4 DIRECTORS' REMUNERATION

|  | <i>2009</i><br><i>£000</i> | <i>2008</i><br><i>£000</i> |
|--|----------------------------|----------------------------|
| Emoluments (excluding pension contributions) | 174                        | 178                        |
|  | <hr/>                      | <hr/>                      |
|  | <i>2009</i><br><i>No</i>   | <i>2008</i><br><i>No</i>   |
| Members of a defined benefit pension scheme  | 2                          | 2                          |
|  | <hr/>                      | <hr/>                      |

### 5 STAFF COSTS

|                       | <i>2009</i><br><i>£000</i> | <i>2008</i><br><i>£000</i> |
|-----------------------|----------------------------|----------------------------|
| Wages and salaries    | 514                        | 649                        |
| Social security costs | 57                         | 68                         |
| Other pension costs   | 43                         | 50                         |
|                       | <hr/>                      | <hr/>                      |
|                       | 614                        | 767                        |
|                       | <hr/>                      | <hr/>                      |

The average number of employees (excluding directors) during the year was as follows

|                       | <i>2009</i><br><i>No</i> | <i>2008</i><br><i>No</i> |
|-----------------------|--------------------------|--------------------------|
| Office and management | 12                       | 14                       |
|                       | <hr/>                    | <hr/>                    |

# Bowers Metrology (UK) Limited

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## NOTES TO THE ACCOUNTS at 30 September 2009

### 6 TAXATION

The taxation arising on the profit on ordinary activities comprises the following

|  | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|
| Deferred taxation origination and reversal of timing differences | -            | 14           |

The effective rate of current taxation assessed on the profit for the year differs from the standard rate of corporation tax in the UK. The differences are as follows

|  | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|
| Tax on profit on ordinary activities at the UK statutory rate of 28% | 1            | 29           |
| Permanently disallowed items   | 3            | 5            |
| Group relief surrendered for which no payment will be received       | (9)          | (32)         |
| Shortfall in capital allowances over qualifying depreciation         | 5            | 4            |
| Movement in general provisions                                       | -            | (1)          |
| Annual effect of prior year special pension contribution             | -            | (5)          |
| Current taxation charge as reported                                  | -            | -            |

A potential deferred tax asset of £12,000 (2008 £13,000), relating to capital allowances in excess of depreciation has not been recognised in these accounts. There is insufficient evidence that these assets will be recoverable within the meaning of FRS 19, 'Deferred Taxation'.

# Bowers Metrology (UK) Limited

## NOTES TO THE ACCOUNTS

at 30 September 2009

### 7 TANGIBLE FIXED ASSETS

|                          | <i>Leasehold<br/>Improvements<br/>£000</i> | <i>Plant and<br/>machinery<br/>£000</i> | <i>Total<br/>£000</i> |
|--------------------------|--|---|-----------------------|
| Cost                     |  |   |                       |
| At 1 October 2008        | 40   | 187                                     | 227                   |
| Additions                | 1  | -                                       | 1                     |
| Disposals                | -  | 41                                      | 41                    |
| At 30 September 2009     | 41   | 146                                     | 187                   |
| Depreciation             |  |   |                       |
| At 1 October 2008        | 18   | 101                                     | 119                   |
| Provided during the year | 8  | 11                                      | 19                    |
| Disposals                | -  | 41                                      | 41                    |
| At 30 September 2009     | 26   | 71                                      | 97                    |
| Net book value           |  |   |                       |
| At 30 September 2009     | 15   | 75                                      | 90                    |
| At 30 September 2008     | 22   | 86                                      | 108                   |

### 8 STOCKS

|                | <i>2009<br/>£000</i> | <i>2008<br/>£000</i> |
|----------------|----------------------|----------------------|
| Finished goods | 508                  | 713                  |

### 9 DEBTORS

|   | <i>2009<br/>£000</i> | <i>2008<br/>£000</i> |
|---|----------------------|----------------------|
| Amounts falling due within one year             |                      |                      |
| Amounts due from fellow subsidiary undertakings | 698                  | 445                  |
| Deferred tax assets (note 11)                   | 16                   | 14                   |
|   | 714                  | 459                  |
| Amounts falling due after more than one year    |                      |                      |
| Deferred tax assets (note 11)                   | 5                    | 7                    |
|   | 719                  | 466                  |



# Bowers Metrology (UK) Limited

## NOTES TO THE ACCOUNTS at 30 September 2009

**10 CREDITORS: amounts falling due within one year**

|  | <i>2009</i> | <i>2008</i> |
|--|-------------|-------------|
|  | <i>£000</i> | <i>£000</i> |
| Amounts due to subsidiary undertakings | 88          | 61          |
| Group relief payable                   | 2           | 2           |
|  | <u>90</u>   | <u>63</u>   |

**11 DEFERRED TAXATION**

Deferred taxation is included in the balance sheet as follows

|  | <i>2009</i> | <i>2008</i> |
|--|-------------|-------------|
|  | <i>£000</i> | <i>£000</i> |
| Debtors receivable within one year (note 9)          | 16          | 14          |
| Debtors receivable after more than one year (note 9) | 5           | 7           |
|  | <u>21</u>   | <u>21</u>   |

Deferred taxation is included in the balance sheet in respect of the following items

|   | <i>2009</i> | <i>2008</i> |
|---|-------------|-------------|
|   | <i>£000</i> | <i>£000</i> |
| Capital allowances in advance of depreciation   | 10          | 10          |
| Other timing differences relating to provisions | 11          | 11          |
|   | <u>21</u>   | <u>21</u>   |

The following deferred tax assets have not been recognised in the accounts

|  | <i>2009</i> | <i>2008</i> |
|--|-------------|-------------|
|  | <i>£000</i> | <i>£000</i> |
| Capital allowances in excess of depreciation | 12          | 13          |

There is insufficient evidence that these assets will be recoverable within the meaning of FRS 19, 'Deferred Taxation'

# Bowers Metrology (UK) Limited

## NOTES TO THE ACCOUNTS at 30 September 2009

### 12 SHARE CAPITAL

|                            | <i>2009</i>  | <i>2008</i>                               | <i>2009</i>  | <i>Authorised</i> |
|----------------------------|--------------|---|--------------|-------------------|
|                            | <i>No</i>    | <i>No</i>                                 | <i>£</i>     | <i>2008</i>       |
|                            |              |   |              | <i>£</i>          |
| Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u>                              | <u>1,000</u> | <u>1,000</u>      |
|                            |              |   |              |                   |
|                            | <i>2009</i>  | <i>Allotted, called up and fully paid</i> | <i>2009</i>  | <i>2008</i>       |
|                            | <i>No</i>    | <i>No</i>                                 | <i>£</i>     | <i>£</i>          |
| Ordinary shares of £1 each | <u>2</u>     | <u>2</u>                                  | <u>2</u>     | <u>2</u>          |

### 13 RESERVES

|                      | <i>Profit and<br/>loss<br/>account<br/>£000</i> |
|----------------------|---|
| At 1 October 2008    | 1,224   |
| Profit for the year  | <u>3</u>  |
| At 30 September 2009 | <u>1,227</u>                                    |

### 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|  | <i>2009</i>  | <i>2008</i>  |
|--|--------------|--------------|
|  | <i>£000</i>  | <i>£000</i>  |
| Shareholders' funds at 1 October 2008    | 1,224        | 1,136        |
| Profit for the financial year            | <u>3</u>     | <u>88</u>    |
| Shareholders' funds at 30 September 2009 | <u>1,227</u> | <u>1,224</u> |

# Bowers Metrology (UK) Limited

## NOTES TO THE ACCOUNTS

at 30 September 2009

### 15 OTHER FINANCIAL COMMITMENTS

At 30 September 2009 the company had annual commitments under non-cancellable operating leases as set out below

|                               | <i>Land and<br/>buildings</i> | <i>Other</i> | <i>Land and<br/>buildings</i> | <i>Other</i> |
|-------------------------------|-------------------------------|--------------|-------------------------------|--------------|
|                               | <i>2009</i>                   | <i>2009</i>  | <i>2008</i>                   | <i>2008</i>  |
|                               | <i>£000</i>                   | <i>£000</i>  | <i>£000</i>                   | <i>£000</i>  |
| Operating leases which expire |                               |              |                               |              |
| In less than one year         | -                             | 7            | -                             | 10           |
| In two to five years          | 75                            | 19           | 75                            | 25           |
|                               | <u>75</u>                     | <u>26</u>    | <u>75</u>                     | <u>35</u>    |

### 16 CONTINGENT LIABILITIES

The bank overdrafts and bank borrowings of Bowers Metrology (UK) Limited, together with those of Bowers Group plc and Spear & Jackson plc and their UK subsidiary undertakings ("the group") have been secured by a mortgage debenture with the HSBC Bank plc, incorporating a fixed first charge on certain of the group's freehold land and buildings, a charge on certain trade receivables of the UK trading subsidiaries and a fixed and floating charge over the group's remaining undertakings and assets

The group's UK bank borrowings with the HSBC Bank plc form a pooled fund. As part of this arrangement, the company has entered into a cross guarantee with the HSBC Bank plc to guarantee any bank overdrafts and borrowings of other undertakings within the pooled fund. At 30 September 2009 the extent of this guarantee was £26,811,000 (2008 - £16,986,000) The net pooled borrowings position at 30 September 2009 was £1,124,000 (2008 - £1,424,000 net pooled cash position)

### 17 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided under FRS 8 not to disclose transactions with other group companies

# Bowers Metrology (UK) Limited

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## NOTES TO THE ACCOUNTS

at 30 September 2009

### 18 PENSIONS

During the year the company continued to operate money purchase pension schemes with defined contribution levels covering the majority of its employees. Contributions to the schemes are independently administered by insurance companies. In addition, certain senior employees are members of a defined benefit plan ("the Plan") administered by a fellow subsidiary undertaking of the company, James Neill Holdings Limited.

The company is unable to identify its share of the underlying assets and the liabilities of the Plan on a consistent and reasonable basis for the purpose of FRS 17 as it participates in the scheme with other group companies. Each participating employer is exposed to actuarial risks associated with the current and former employees of the other employers who are members of the Plan. The pension cost to the company under FRS 17 is therefore the contributions paid to the scheme by the company in the year.

The pension cost charge of £43,000 (2008 - £50,000) represents contributions payable by the company to the schemes.

### 19 ULTIMATE PARENT UNDERTAKING

The parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is United Pacific Industries Limited ("UPI"), a company registered in Bermuda and listed on the Hong Kong Stock Exchange.