

WRIGHTBUS LIMITED
REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30th SEPTEMBER 2010

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WRIGHTBUS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2010

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WRIGHTBUS LIMITED

DIRECTORS AND ADVISERS

Executive Directors:

J Wright
M Nodder
L Rock
D McGarry
B Maybin
S McLaren
G Potter
J Poynton
J Nicholl
M Graham
S Francey
P Dykes (appointed 1st February 2010)

Secretary and Registered Office:

Mrs L Macdonald
Galgorm Industrial Estate,
Ballymena,
Co Antrim
BT42 1PY

Registered Auditors:

Stevenson and Wilson,
Chartered Accountants and
Registered Auditors,
22 Broadway Avenue,
Ballymena
BT43 7AA

Bankers:

Bank of Ireland,
Ballymena.
Co Antrim
BT43 6DG

WRIGHTBUS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2010

The Directors present their report and the audited financial statements for the year ended 30th September 2010

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently

- make judgments and estimates that are reasonable and prudent

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information The Directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Principal activities

The principal activities are the design, manufacture and sale of buses and associated products

Post balance sheet events

No events have occurred since the year end which require reporting or disclosing in the financial statements

WRIGHTBUS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2010 (continued)

Review of business and future development

During the year the level of activity in the market in the United Kingdom was significantly reduced and the Company sought to mitigate the impact on the business by securing export orders in Asia, although these were at a lower margin. In order to be in a position to take advantage of the recovery when it occurs, the Company made a very substantial investment in research and development which has been charged to the profit and loss account in the year. The impact of these factors resulted in the loss which is set out on page 8. The Directors believe that the United Kingdom market will recover in the latter half of the incoming year and expect the Company to return to profitability in the year ahead.

The key risks to the business in the future relate to competition from other manufacturers and the demand from bus operators. As indicated above, the Company invests substantial amounts in research and development and the Directors are confident that there will be sufficient demand for the Company's products to maintain profitability at normal levels when the United Kingdom market recovers.

Financial instruments

It is the Company's policy to carry out its transactions in sterling where possible. Where there is significant exposure to fluctuations in the exchange rates of foreign currencies the Company enters appropriate forward contracts to mitigate the risk.

Results and dividends

The profit and loss account for the year is set out on page 8. The loss for the year after tax amounted to £954,854. There were no dividends paid during the year.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 7.

WRIGHTBUS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2010 (continued)

Directors

The Directors of the Company at 30th September 2010 were

J Wright
M Nodder
L Rock
D McGarry
B Maybin
S McLaren
G Potter
J Poynton
J Nicholl
M Graham
S Francey
P Dykes (appointed 1st February 2010)

In accordance with the articles of association, L Rock, M Graham and S Francey retire by rotation and, being eligible, offer themselves for re-election

Directors' interest in shares of the Company

At 30th September 2010 none of the Directors had any beneficial interest in the shares of the Company

The beneficial interests of the Directors in the shares of the ultimate holding company were as follows

| | 30th September 2010 | 30th September 2009 |
|-----------------------------------|----------------------------|----------------------------|
| Ordinary Shares of £1 Each | Number | Number |
| J W Wright | 631,593 | 631,593 |

None of the other Directors had any interest in the shares of the holding company

No Director was materially interested during the period in any contract which was significant in relation to the business of the Company

Insurance of Directors

The Company maintains insurance for the Directors in respect of their duties as Directors of the Company

WRIGHTBUS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2010 (continued)

Employees

Within the bounds of commercial confidentiality, management disseminates information to all levels of staff about matters that affect the progress of the Company and are of interest and concern to them as employees. The Company continues to be committed to increasing the involvement of employees in the drive to improve performance and promote a Total Quality culture within its business.

Employment of disabled people

The Company recognises and accepts its obligations to employ disabled people (including those becoming disabled while employed by the Company) and does what is practicable to fulfil them. Applications for employment from disabled persons are carefully considered and their aptitudes and abilities are taken fully into account. Training and promotional opportunities are made available to disabled employees in the same way as to other employees.

Policy on payment of creditors

It is the Company's policy to agree payment terms with its suppliers in the advance of supply of goods and to adhere to those terms provided that the suppliers comply with their obligations. At 30 September 2010, the amount the Company owed its suppliers represented 63 working days' purchases (2009: 63 days).

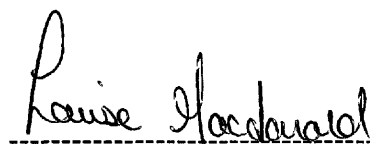
Charitable contributions

Charitable contributions made during the year amounted to £25,050.

Auditors

A resolution for the appointment of auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Louise Macdonald Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WRIGHTBUS LIMITED

We have audited the financial statements of WRIGHTBUS LIMITED for the year ended 30th September 2010, set out on pages 8 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 Sections 495 and 496 of The Companies Act 2006. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30th September 2010 and of its loss 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WRIGHTBUS LIMITED

INDEPENDENT AUDITORS' REPORT (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



R.J. Stevenson
Senior Statutory Auditor

for and on behalf of
Stevenson and Wilson, Statutory Auditor

22-30 Broadway Avenue
Ballymena
BT43 7AA

7th February 2011

WRIGHTBUS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER 2010

| | | 2010 | 2009 |
|---|-------|--------------------|-------------|
| | Notes | £ | £ |
| Turnover | 26 | 117,277,205 | 134,437,622 |
| Cost of sales | | 101,757,542 | 112,234,540 |
| Gross profit | | 15,519,663 | 22,203,082 |
| Other operating expenses | | 17,284,370 | 18,618,060 |
| | | (1,764,707) | 3,585,022 |
| Other operating income | | 280,584 | 304,433 |
| | | (1,484,123) | 3,889,455 |
| Other interest receivable and similar income | | 8,096 | 19,326 |
| Operating (loss)/profit | 2 | (1,476,027) | 3,908,781 |
| Interest payable and similar charges | 5 | 57,559 | 138,977 |
| (Loss)/profit on ordinary activities before taxation | | (1,533,586) | 3,769,804 |
| Taxation (credit)/charge | 6 | (578,732) | 942,374 |
| (Loss)/profit for the financial year | 19 | (954,854) | 2,827,430 |

A separate statement of total recognised gains and losses is not presented as the only gains and losses arising are fully disclosed in the profit and loss account

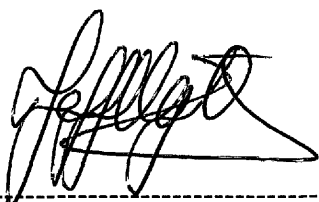
All turnover derives from continuing operations

There is no difference between the reported loss and the historical cost equivalents

WRIGHTBUS LIMITED

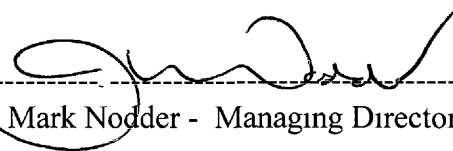
BALANCE SHEET AS AT 30th SEPTEMBER 2010

| | | 2010 | 2009 |
|---|-------|-------------------|-------------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Tangible assets | 7 | 10,742,104 | 11,262,076 |
| Intangible assets | 8 | 36,666 | 44,666 |
| Investments | 9 | 1,490 | 1,490 |
| | | <u>10,780,260</u> | <u>11,308,232</u> |
| Current assets | | | |
| Stocks | 10 | 17,869,470 | 22,181,891 |
| Debtors | 11 | 19,419,045 | 17,045,371 |
| Cash at bank and in hand | | 138,719 | 584,333 |
| | | <u>37,427,234</u> | <u>39,811,595</u> |
| Creditors (due within one year) | | | |
| Bank loan and overdraft | 12 | 3,774,327 | 2,099,138 |
| Trade creditors | 13 | 17,575,848 | 18,458,987 |
| Other creditors | 14 | 9,134,364 | 10,644,433 |
| | | <u>30,484,539</u> | <u>31,202,558</u> |
| Net current assets | | <u>6,942,695</u> | <u>8,609,037</u> |
| Total assets less current liabilities | | <u>17,722,955</u> | <u>19,917,269</u> |
| Creditors (due after more than one year) | 15 | (4,446,615) | (5,461,308) |
| Deferred income | 16 | (1,303,341) | (1,528,108) |
| Net assets | | <u>11,972,999</u> | <u>12,927,853</u> |
| Capital and reserves | | | |
| Called-up share capital | 17 | 1,450,000 | 1,450,000 |
| Capital redemption reserve | 18 | 100,000 | 100,000 |
| Profit and loss account | 19 | 10,422,999 | 11,377,853 |
| Shareholder's funds | 20 | <u>11,972,999</u> | <u>12,927,853</u> |



Jeffrey W Wright - Chairman

Approved by the Board on 7th February 2011



John Mark Nodder - Managing Director

The notes on pages 11 to 22 form part of these accounts

WRIGHTBUS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30th SEPTEMBER 2010

| | | 2010 | 2009 |
|---|-------|--------------------|--------------------|
| | Notes | £ | £ |
| Net cash outflow from operating activities | 21 | (867,597) | (1,634,951) |
| Returns on investments and servicing of finance: | | | |
| Interest received and similar income | | 8,096 | 19,326 |
| Interest paid | | (57,559) | (138,977) |
| Net cash outflow from returns on investments and servicing of finance | | (49,463) | (119,651) |
| Taxation | | | |
| Corporation tax and group relief paid | | (765,000) | (1,179,678) |
| Corporation tax refund received | | 311,430 | 0 |
| Net cash outflow from taxation | | (453,570) | (1,179,678) |
| Capital expenditure and financial investment | | | |
| Payments to acquire tangible fixed assets | | (788,896) | (1,375,398) |
| Receipts from sales of tangible fixed assets | | 24,700 | 67,489 |
| Net cash outflow from capital expenditure | | (764,196) | (1,307,909) |
| Equity dividends paid | | 0 | (250,000) |
| Financing | | | |
| Increase/(decrease) in Group undertakings | | 117,833 | (525,201) |
| Net (payment)/receipt of bank loans | | (2,093,797) | 2,208,301 |
| Repayment of capital under hire purchase and finance leases | | (8,012) | (9,512) |
| Net cash (outflow)/inflow from financing | | (1,983,976) | 1,673,588 |
| Decrease in cash for the year | 22 | (4,118,802) | (2,818,601) |

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2010

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Government grants

Capital grants that relate to specific capital expenditure are treated as deferred income and credited to the profit and loss account on a straight line basis over the related assets' useful economic life. Revenue grants are credited to the profit and loss account in the period in which the related expenditure is incurred.

Pension scheme

The Company operates a defined contribution pension scheme for certain Directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund, and contributions are charged to profit and loss account as incurred.

Research and development costs

Expenditure on research and development activities undertaken with the prospect of gaining new technical knowledge and understanding is charged to the profit and loss account in the period in which it is incurred. Research and development expenditure in connection with a specific contract is deferred and released to profit and loss account in line with the income recognition on that contract.

Tangible fixed assets

Depreciation is calculated so as to write off the cost, or valuation of tangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

| | % |
|--------------------------|-------------|
| Long leasehold buildings | 4 |
| Plant and machinery | 15, 20 & 25 |
| Motor vehicles | 25 |

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Principal accounting policies (continued)

Intangible fixed assets

Expenditure on intellectual property is capitalised and amortised over the period expected to benefit. An amortisation rate of 10% on a straight line basis has been used for this purpose.

Deferred taxation

Deferred tax is accounted for on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets have not been recognised on the grounds that future reversal and recoverability is uncertain.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct overheads, labour and material costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Long-term contracts

The amount of long-term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in work in progress and stock as long-term balances. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long-term contracts. Payments in excess of recorded turnover and long-term contract balances are included in creditors as payments received on account.

Provision for costs under warranties

Estimated costs related to product warranties are accrued at the time the vehicles are supplied. Estimates are established using the best judgment of the Directors on the likely future costs to be incurred, using historical information where available, and measured against reported product defects at the time the financial statements are prepared.

Extended service plans

Income received in respect of extended service plans is credited to the profit and loss in the period in which the profit on each contract can be ascertained.

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Principal accounting policies (continued)

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date or at a contracted rate if applicable and any exchange differences arising are taken to the profit and loss account

| 2. Operating (loss)/profit | 2010 | 2009 |
|---|------------------|------------------|
| Operating (loss)/profit is stated after crediting: | £ | £ |
| Amortisation of government capital grants | 115,152 | 128,917 |
| Profit on disposal of fixed assets | 7,342 | 0 |
| and after charging: | | |
| Loss on disposal of fixed assets | 0 | 17,354 |
| Auditors remuneration - audit fees | 50,000 | 56,850 |
| - non-audit services | 2,500 | 2,100 |
| Depreciation of tangible fixed assets | 1,291,510 | 1,377,245 |
| Research and development costs (net of depreciation) | 3,473,238 | 2,905,136 |
| Amortisation of intangible fixed assets | 8,000 | 10,891 |
| Operating lease rentals - motor vehicles | 105,076 | 74,854 |
| 3. Directors emoluments | 2010 | 2009 |
| The remuneration receivable by the Directors was | £ | £ |
| Aggregate emoluments (including benefits in kind) | 997,558 | 973,059 |
| Pension contributions | 113,145 | 97,952 |
| | ----- | ----- |
| | 1,110,703 | 1,071,011 |
| | ===== | ===== |

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Employee information

The average weekly number of persons (including executive Directors) employed during the year was 858 (2009 913) as follows

| | 2010 | 2009 |
|--------------------------|------|------|
| Production | 800 | 854 |
| Selling and distribution | 12 | 13 |
| Administration | 46 | 46 |
| | ---- | ---- |
| | 858 | 913 |
| | ==== | ==== |

| Staff costs (for the above persons) | £ | £ |
|-------------------------------------|------------|------------|
| Wages and salaries | 21,193,099 | 20,319,733 |
| Social security costs | 2,093,966 | 1,924,876 |
| Other pension costs | 282,798 | 217,854 |
| | ----- | ----- |
| | 23,569,863 | 22,462,463 |
| | ===== | ===== |

5. Interest payable and similar charges

| | 2010 | 2009 |
|------------------------------|--------|---------|
| | £ | £ |
| On bank loans and overdrafts | 34,060 | 137,636 |
| Other interest payable | 23,499 | 1,341 |
| | ----- | ----- |
| | 57,559 | 138,977 |
| | ===== | ===== |

6. Taxation

| | 2010 | 2009 |
|--------------------------------------|------------------|----------------|
| | £ | £ |
| UK current tax | (559,952) | 1,254,589 |
| Adjustment in respect of prior years | (18,780) | (312,215) |
| | ----- | ----- |
| Tax (credit)/charge | (578,732) | 942,374 |
| | ===== | ===== |

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 6. Taxation (continued) | 2010 | 2009 |
|--|-----------|-----------|
| | £ | £ |
| Reconciliation of effective tax charge | | |
| Tax on (loss)/profit at standard rate of UK tax (28%) | (429,404) | 1,055,545 |
| Effects of | | |
| expenses not deductible for tax purposes | 25,399 | 26,886 |
| release of deferred grant not chargeable to tax | (32,243) | (36,097) |
| (decrease)/increase in deferred tax asset not recognised | (88,315) | 341,748 |
| industrial buildings allowance | (35,389) | (58,493) |
| enhanced revenue expenditure allowance | 0 | (75,000) |
| | ----- | ----- |
| UK current tax | (559,952) | 1,254,589 |
| | ===== | ===== |

7. Tangible assets

| | Long leasehold land and buildings | Plant and machinery | Motor vehicles | Total |
|--|--------------------------------------|------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Cost at 1st October 2009 | 12,631,274 | 8,458,952 | 333,612 | 21,423,838 |
| Additions | 122,916 | 576,770 | 89,210 | 788,896 |
| Disposals | 0 | (360,509) | (95,730) | (456,239) |
| | ----- | ----- | ----- | ----- |
| Cost at 30th September 2010 | 12,754,190 | 8,675,213 | 327,092 | 21,756,495 |
| | ----- | ----- | ----- | ----- |
| Depreciation at 1st October 2009 | 3,405,944 | 6,570,864 | 184,954 | 10,161,762 |
| Charge for the year | 489,723 | 733,409 | 68,378 | 1,291,510 |
| Disposals | 0 | (360,509) | (78,372) | (438,881) |
| | ----- | ----- | ----- | ----- |
| Depreciation at 30th September 2010 | 3,895,667 | 6,943,764 | 174,960 | 11,014,391 |
| | ----- | ----- | ----- | ----- |
| Net book value at 30th September 2010 | 8,858,523 | 1,731,449 | 152,132 | 10,742,104 |
| | ===== | ===== | ===== | ===== |
| Net book value at 30th September 2009 | 9,225,330 | 1,888,088 | 148,658 | 11,262,076 |
| | ===== | ===== | ===== | ===== |

Included in long leasehold land and buildings is the amount of £448,911 (2009 £448,911) relating to land which is not considered depreciable

The net book value of motor vehicles includes £18,528 (2009 £25,939) of assets acquired under finance leases

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 8. Intangible fixed assets - Intellectual Property | 2010 | 2009 |
|---|----------------|-------------|
| | £ | £ |
| Cost at 1st October 2009 | 115,000 | 115,000 |
| Cost at 30th September 2010 | 115,000 | 115,000 |
| Amortisation at 1st October 2009 | 70,334 | 59,443 |
| Charge for the year | 8,000 | 10,891 |
| Amortisation at 30th September 2010 | 78,334 | 70,334 |
| Net book value at 30th September 2010 | 36,666 | 44,666 |

| 9. Investments | 2010 | 2009 |
|-------------------------|--------------|-------------|
| | £ | £ |
| Quoted shares - at cost | 1,490 | 1,490 |

There is no material difference between market value and cost

| 10. Stocks | 2010 | 2009 |
|-------------------------------|-------------------|-------------|
| | £ | £ |
| Raw materials and consumables | 6,769,166 | 4,539,913 |
| Stock of chasses | 1,551,825 | 3,942,039 |
| Work in progress | 5,751,971 | 10,101,761 |
| Finished goods | 290,898 | 190,313 |
| Long term contract balances | 3,505,610 | 3,407,865 |
| | 17,869,470 | 22,181,891 |

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 11. Debtors | 2010 | 2009 |
|---|-------------------|--------------|
| | £ | £ |
| Trade debtors | 13,870,928 | 7,826,313 |
| Amounts recoverable on contracts due within one year | 2,051,236 | 8,680,122 |
| Amounts recoverable on contracts due after more than one year | 1,851,500 | 0 |
| Prepayments and accrued income | 824,045 | 340,043 |
| Due from Group Undertakings | 20,043 | 157,764 |
| Other debtors | 11,795 | 41,129 |
| Corporation tax recoverable | 789,498 | 0 |
| | ----- | ----- |
| | 19,419,045 | 17,045,371 |
| | ===== | ===== |

Trade debtors includes amounts due from the associated company, Wright Expotech Limited £30,198 (2009 £12,951) and a fellow subsidiary company, Wright Composites Limited £44,045 (2009 £22,751)

12. Bank loan and overdraft

The advances made by the Bank of Ireland to the Company are secured by the following

- (a) Debenture over Company assets including fixed charge on book debts and specific charge on plant and machinery
- (b) First legal charge over the factory premises

13. Trade creditors

Substantially all of the amounts due to trade creditors have been incurred under conditions of sale which include terms relating to the reservation of title of goods supplied until payment is made

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 14. Other creditors (due within one year) | 2010 | 2009 |
|--|------------------|-------------------|
| | £ | £ |
| Other taxation and social security | 923,357 | 1,993,277 |
| Accruals and deferred income | 2,603,305 | 3,726,805 |
| Payments received on account | 1,576,293 | 630,233 |
| Pensions and similar obligations | 48,561 | 47,107 |
| Corporation tax | 0 | 242,804 |
| Group undertakings | 3,974,107 | 3,993,995 |
| Obligations under hire purchase and finance leases | 8,741 | 10,212 |
| | <u>9,134,364</u> | <u>10,644,433</u> |
| | ===== | ===== |

| 15. Creditors (due after more than one year) | 2010 | 2009 |
|---|------------------|------------------|
| | £ | £ |
| Bank loan (note 12) | 689,651 | 785,449 |
| Warranty provision | 3,752,594 | 4,664,948 |
| Obligations under hire purchase and finance leases | 4,370 | 10,911 |
| | <u>4,446,615</u> | <u>5,461,308</u> |
| | ===== | ===== |

These amounts are estimated to be payable as follows

| | | |
|-------------------|------------------|------------------|
| 1-2 years | 1,164,910 | 1,919,974 |
| 2-5 years | 3,004,093 | 3,341,334 |
| more than 5 years | 277,612 | 200,000 |
| | <u>4,446,615</u> | <u>5,461,308</u> |
| | ===== | ===== |

| 16. Deferred income | 2010 | 2009 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Capital grants | 1,096,248 | 1,211,400 |
| Extended service plans | 207,093 | 316,708 |
| | <u>1,303,341</u> | <u>1,528,108</u> |
| | ===== | ===== |

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | | |
|--|-------------------|-------------------|
| 17. Called-up share capital | 2010 | 2009 |
| Allotted, called-up and fully paid: | £ | £ |
| 1,450,000 Ordinary shares of £1 each | 1,450,000 | 1,450,000 |
| | <u>=====</u> | <u>=====</u> |
| 18. Capital redemption reserve | 2010 | 2009 |
| | £ | £ |
| Balance at 30th September 2010 | 100,000 | 100,000 |
| | <u>=====</u> | <u>=====</u> |
| 19. Profit and loss account | 2010 | 2009 |
| | £ | £ |
| At 1st October 2009 | 11,377,853 | 8,800,423 |
| (Loss)/profit for the financial year | (954,854) | 2,827,430 |
| Dividends paid | 0 | (250,000) |
| At 30th September 2010 | 10,422,999 | 11,377,853 |
| | <u>=====</u> | <u>=====</u> |
| 20. Reconciliation of movement in shareholders' funds | 2010 | 2009 |
| | £ | £ |
| At 1st October 2009 | 12,927,853 | 10,350,423 |
| (Loss)/profit for the financial year | (954,854) | 2,827,430 |
| Dividends paid | 0 | (250,000) |
| At 30th September 2010 | 11,972,999 | 12,927,853 |
| | <u>=====</u> | <u>=====</u> |

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Reconciliation of operating (loss)/profit to net cash outflow from operating activities

| | 2010 | 2009 |
|---|------------------|--------------------|
| | £ | £ |
| Operating (loss)/profit before interest | (1,484,123) | 3,889,455 |
| Depreciation and amortisation | 1,299,510 | 1,388,136 |
| Amortisation of capital grants | (115,152) | (128,917) |
| (Profit)/loss on disposal of fixed assets | (7,342) | 17,354 |
| Decrease/(increase) in stocks | 4,312,421 | (2,392,509) |
| Increase in debtors | (1,721,897) | (1,102,677) |
| Decrease in creditors | (3,151,014) | (3,305,793) |
| | ----- | ----- |
| Net cash outflow from operating activities | (867,597) | (1,634,951) |
| | ===== | ===== |

22. Analysis of changes in cash and cash equivalents during the year

| | 2010 | 2009 |
|---------------------------------------|--------------------|----------------|
| | £ | £ |
| Balance at 1st October 2009 | 584,333 | 3,402,934 |
| Net decrease in cash | (4,118,802) | (2,818,601) |
| | ----- | ----- |
| Balance at 30th September 2010 | (3,534,469) | 584,333 |
| | ===== | ===== |

23. Analysis of net debt

| | Cash at bank | Bank overdrafts | Finance leases | Bank loans | Net debt |
|------------------------|-----------------|--------------------|-------------------|------------------|--------------------|
| | £ | £ | £ | £ | £ |
| Opening balance | 584,333 | 0 | (21,123) | (2,884,587) | (2,321,377) |
| Cash flow | (445,614) | (3,673,188) | 8,012 | 2,093,797 | (2,016,993) |
| | ----- | ----- | ----- | ----- | ----- |
| Closing balance | 138,719 | (3,673,188) | (13,111) | (790,790) | (4,338,370) |
| | ===== | ===== | ===== | ===== | ===== |

WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Pensions

The Company operates a defined contribution pension scheme for its Directors and certain senior management staff. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge for the year amounted to £282,798 (2009 £217,854).

25. Capital commitments

There were no capital commitments at the balance sheet date (2009 none).

26. Turnover

The turnover and profit before tax attributable to different classes of business and markets has not been shown in these accounts, as in the opinion of the Directors, disclosure of this information would be seriously prejudicial to the interest of the Company.

27. Operating leases

At 30th September 2010 the Company had annual commitments under operating leases for motor vehicles as detailed below:

| | 2010 | 2009 |
|--------------------|---------|--------|
| | £ | £ |
| Lease expiring | | |
| within one year | 36,696 | 20,115 |
| within 2 - 5 years | 84,472 | 53,052 |
| | ----- | ----- |
| | 121,168 | 73,167 |
| | ===== | ===== |

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WRIGHTBUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Derivative financial instruments

To mitigate the risk of exposure to foreign currency fluctuations the company enters into forward exchange contracts. The principle amounts and the fair value of such contracts at the year end were as follows

| | 2010 |
|------------------|-----------|
| | £ |
| US Dollar | |
| Principle | 1,935,168 |
| Fair value | 85,824 |
| Euro | |
| Principle | 306,012 |
| Fair value | 11,660 |

29. Related party transactions

The Company has taken advantage of the exemption provision of FRS 8 "Related party transactions" not to disclose related party transactions with entities that are part of the group or investees of the group qualifying as related parties. The Company is a 100% subsidiary of a parent company, the consolidated financial statements of which are publicly available.

During the year the company paid The Washbasin Limited £20,000 for the provision of family care services to company employees. The Washbasin Limited is a related entity by virtue of common control.

30. Ultimate controlling party

The Company is a 100% subsidiary of Wrights Group Limited and its ultimate parent company is The Cornerstone Group Limited. Mr J W Wright is considered to be the ultimate controlling party.