

Company Registration No. 2367225

EPSTONE LIMITED

Report and Financial Statements

31 December 2009

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EPSTONE LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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EPSTONE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 419 of the Companies Act 2006

ACTIVITY

The company invests in freehold property

RESULTS AND FUTURE PROSPECTS

The profit on ordinary activities before taxation for the year amounted to £97,087 (2008 - £120,564)

The directors do not recommend the payment of a dividend (2008 – £Nil) After taxation there was a profit of £71,940 (2008 - £87,329) which has been transferred to reserves

The directors expect the company to continue its satisfactory performance in the forthcoming year

The company has sufficient cash reserves to finance its activities for at least the twelve month period from the signing of these accounts. As a result of the significant cash balances held, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing financial statements

DIRECTORS

The Board at 31 December 2009 was constituted as follows

M B Hughes (Chairman)

B F Tinklin

The above directors served throughout the year

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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

EPSTONE LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

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

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



R NICHOLLS

Secretary

Registered Office

Unit 8
Boscomoor Lane Industrial Estate
Penkridge
Staffordshire
ST19 5QY

EPSTONE 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, 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 AUDITORS' REPORT TO THE MEMBERS OF EPSTONE LIMITED

We have audited the financial statements of Epstone Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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 31 December 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.

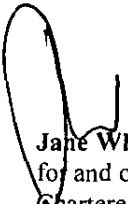
Opinion on other matter prescribed by the Companies Act 2006

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.

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:

- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, or
- 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.



Jane Whitlock (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, UK
4 May 2010

EPSTONE LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2009

	Note	2009 £	2008 £
TURNOVER	1	105,885	105,885
Administration expenses		(11,781)	(14,872)
OPERATING PROFIT		94,104	91,013
Interest receivable and similar income		2,983	29,551
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	97,087	120,564
Tax on profit on ordinary activities	4	(25,147)	(33,235)
RETAINED PROFIT FOR THE FINANCIAL YEAR	10	71,940	87,329

All activities derive from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 December 2009

	2009 £	2008 £
Profit for the financial year	71,940	87,329
Unrealised deficit on revaluation of properties	-	(262,500)
Total recognised gains and losses since the last annual report	71,940	(175,171)

NOTE OF HISTORICAL COST PROFITS AND LOSSES Year ended 31 December 2009

	2009 £	2008 £
Reported profit on ordinary activities before taxation	97,087	120,564
Differences between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	4,720	7,720
Historical cost profit on ordinary activities before taxation	101,807	128,284
Historical cost profit retained for the year after taxation	76,660	95,049

EPSTONE LIMITED

BALANCE SHEET 31 December 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible assets	5		890,500		900,000
CURRENT ASSETS					
Debtors	6	2,036		30,846	
Cash at bank		782,560		697,084	
		784,596		727,930	
CREDITORS: amounts falling due within one year	7	(28,687)		(53,461)	
NET CURRENT ASSETS			755,909		674,469
TOTAL ASSETS LESS CURRENT LIABILITIES			1,646,409		1,574,469
NET ASSETS			1,646,409		1,574,469
CAPITAL AND RESERVES					
Called up share capital	8		100		100
Revaluation reserve	9		575,002		579,722
Profit and loss account	9		1,071,307		994,647
SHAREHOLDERS' FUNDS	10		1,646,409		1,574,469

These financial statements of Epstone Limited, registered number 2367225, were approved and authorised for issue by the Board of Directors on 29 April 2010

Signed on behalf of the Board of Directors



M B HUGHES

Director

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

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold land and building. The company has sufficient cash reserves to finance its activities for at least the next twelve month period from the signing of these accounts. As a result of the significant cash balances held, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing financial statements.

Cash flow statement

The company is a wholly owned subsidiary undertaking of Bushbury Holdings Limited which produces a consolidated cash flow statement in accordance with Financial Reporting Standard No 1. Consequently, the company has taken advantage of the exemption in FRS 1 from preparing a cash flow statement.

Tangible fixed assets

Property, plant and equipment are stated at cost (or revalued amount) less accumulated depreciation and any provision for impairment.

Depreciation is not provided on freehold land. On buildings it is provided on the revalued amount in equal instalments over the estimated useful economic life, being 40 years.

Revaluation of properties

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. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Taxation

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

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current taxes and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods 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.

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

2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no emoluments (2008 – £Nil) for their services to the company and no pension contributions were paid by the company on their behalf. The directors are remunerated by another group company.

The company had no other permanent employees during the year (2008 – Nil).

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009	2008
	£	£
Profit on ordinary activities before taxation is arrived at after charging		
Depreciation – Owned assets	9,500	12,500
Auditors' remuneration		
Fees payable to the company's auditors for the audit of the company's annual accounts	846	805
Non audit services – tax	1,345	1,471
	<u> </u>	<u> </u>

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	£	£
Tax charge for the year comprises		
Current taxation		
United Kingdom corporation tax based on the profit for the year –		
Corporation tax	15,750	-
Group relief	9,397	33,235
	<u> </u>	<u> </u>
Total current tax	25,147	33,235
Deferred taxation		
Origination and reversal of timing differences	-	-
	<u> </u>	<u> </u>
Total deferred tax	-	-
	<u> </u>	<u> </u>
Tax charge on profit on ordinary activities	<u>25,147</u>	<u>33,235</u>

Factors affecting charge for the year

Profit on ordinary activities before tax	<u>97,087</u>	<u>120,564</u>
Tax charge on ordinary activities at standard rate of 21% (2008 – 20.75%)	20,388	25,017
Expenses not deductible for tax purposes	1,995	2,594
Rate differences on group relief	2,764	5,624
	<u> </u>	<u> </u>
Total current tax	<u>25,147</u>	<u>33,235</u>

EPSTONE LIMITED

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

5. TANGIBLE FIXED ASSETS

	Freehold land and buildings £
Valuation	
At 1 January 2009 and 31 December 2009	900,000
Accumulated depreciation	
At 1 January 2009	-
Charge for the year	9,500
At 31 December 2009	9,500
Net book value	
At 31 December 2009	890,500
At 31 December 2008	900,000
 Comparable amounts determined according to the historical cost convention	 £
Cost	406,826
Accumulated depreciation	(91,328)
Net book value	
At 31 December 2009	315,498
At 31 December 2008	320,278

The cost value of freehold land not depreciated is £520,000

The freehold land and buildings were valued as at 31 December 2007 by Messrs Harrisons, Chartered Surveyors, who are independent of the company. In their opinion the open market value for the existing use at that time was £1,175,000. However the Directors considered that the value had fallen during 2008 and having consulted appropriate property indices had concluded that their best estimate of value at 31 December 2008 was £900,000. This valuation was incorporated in the balance sheet at 31 December 2008 and the deficit arising on revaluation taken against revaluation reserve. The same indices indicate that values have stabilised during 2009 and consequently the directors consider that the current valuation remains appropriate.

6. DEBTORS

	2009 £	2008 £
Prepayments	2,036	30,846

EPSTONE LIMITED

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

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owed to parent company	1,084	17,029
Corporation tax	15,750	-
Amounts owed to group undertakings	9,397	33,235
Accruals and deferred income	2,456	3,197
	<u>28,687</u>	<u>53,461</u>

The company is party to a multilateral guarantee securing the bank overdrafts and borrowings of other group companies. Its maximum potential liability under this guarantee at 31 December 2009 was £Nil (2008 - £Nil)

8 SHARE CAPITAL

	2009 £	2008 £
Authorised 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2009	579,722	994,647
Profit for the year	-	71,940
Transfer of amount equivalent to additional depreciation on revalued assets	<u>(4,720)</u>	<u>4,720</u>
At 31 December 2009	<u>575,002</u>	<u>1,071,307</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	71,940	87,329
Deficit on revaluation of land and buildings	-	(262,500)
Opening shareholders' funds	<u>1,574,469</u>	<u>1,749,640</u>
Closing shareholders' funds	<u>1,646,409</u>	<u>1,574,469</u>

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

11. CAPITAL COMMITMENTS

The company had no capital commitments contracted for at 31 December 2009 (2008 - £Nil)

12. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The largest and smallest group in which the results of the company are consolidated is that headed by Bushbury Holdings Limited

The immediate and ultimate parent company is Bushbury Holdings Limited, a company registered in England and Wales. Copies of the group financial statements of Bushbury Holdings Limited are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

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

As the company is a wholly owned subsidiary 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