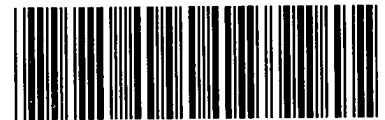


BRS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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Registered in England and Wales 3491731

BRS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

CONTENTS

STRATEGIC REPORT	1 - 2
DIRECTORS' REPORT	3 - 4
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRS LIMITED	5 - 6
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 17

BRS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

Business review and principal activities

The company provides short and long term hire of commercial vehicles. The results for the company show a loss on ordinary activities before taxation of £931,000 (2012: £1,142,000) for the year and turnover of £38,044,000 (2012: £42,275,000). The company has shareholders' funds of £1,484,000 (2012: £2,069,000).

Business environment

The company's business is generated in a market which has intense competitive pressure on rental rates; therefore the company has to control both direct and indirect costs very carefully while maximising vehicle utilisation.

Strategy, Future Outlook and Developments

After another difficult year in 2012 due to very challenging market conditions, further efforts have been made in 2013 to try to improve the profitability of short term rental and other activities although this has proven difficult in a very competitive market. The main focus has been on contract hire which assures a more stable and secure flow of revenue, and this policy will continue in an effort to consolidate the improvements that have been made. Following the relocation of office premises from Dunstable in 2014 in order to share overhead costs with other group companies and the restructuring of its operations to secure significant cost reductions, the company now has a lower cost base.

As the UK economy emerges slowly from the recession, and with the prospect of further improvement through 2014 and 2015, the company has decided to invest in new vehicles using funding from Volvo Treasury and this is reflected in the significant increase in the book value of fixed assets from £37,697,000 to £52,794,000.

Principal risks and uncertainties

The board has a proactive approach to risk management with the aim of protecting its employees and customers and safeguarding the interests of the company and its stakeholders. The company has specific policies to ensure that risks are properly evaluated and managed at appropriate levels in the business. The key risks affecting the company are considered to be competitive pressures regarding rental rates and the global economic downturn affecting demand.

Financial risk management

The company's financial instruments comprise cash and liquid resources, trade debtors and creditors that arise directly from its operations. It has been the policy of the company throughout the year under review that no trading in financial instruments shall be undertaken. There are no significant risks arising directly from the company's financial instruments, and the directors have specifically considered the risks in the following areas:

Liquidity risk:

The company's cash requirements can be met from the UK cash pool that is supported by AB Volvo Treasury, although there is currently a balance in hand.

Credit risk:

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. No specific service users provide a concentration of credit risk to the Company.

Interest rate risk:

The company has interest bearing liabilities under finance lease arrangements with fixed terms.

Price risk:

The company is exposed to movements in market rental rates as a result of its operations. The directors closely monitor the level of the vehicle fleet and current market rental rates to minimise potential losses.

BRS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

Key performance indicators ("KPI"s)

The directors monitor progress on the company's strategy and the individual strategic elements by reference to the following key performance indicators ("KPI"s):

Sales growth (or decline)

Sales decline was 10.0% (2012: growth 13.5%)

Definition, calculation and analysis: Year-on-year percentage growth or decline. Sales increased in 2012 but decreased in 2013 following the impact of vehicle fleet rationalisation.

Gross margin

Gross margin was 8.3% (2012: 8.9%)

Definition, calculation and analysis: Ratio (percentage) of gross profit to turnover. Gross margin fell back in 2013 as the the continued economic problems increased competitive pressures, but the company continues to concentrate on more profitable business.

On behalf of the board



R Ericsson

Director

24 October 2014

BRS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2013. The company is registered in England and Wales and the registered number is 3491731.

Charitable contributions

The total contributions for charitable purposes made by the company amounted to £nil (2012: £nil).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' 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 prepared 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 judgements 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.

Directors

The directors who served during the year and up to the date of signing of the financial statements were:

O Touzé (resigned 27 March 2014)
M Martinez (resigned 23 May 2013)
D Partridge (resigned 25 March 2014)
R Ericsson (appointed 31 March 2014)
R Alins (appointed 31 March 2014)
G Costa (appointed 23 May 2013)

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party provision as defined by section 234 of the Companies Act 2006. The indemnity was in place throughout the past financial year and remains in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and the directors.

BRS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

Employees

The company operates a communication programme to inform and involve employees in the business. The programme typically includes employee briefings on operational performance, product and facility developments and other major issues relating to the business.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Creditor payment policy

The company's current policy covering the payment of its creditors is to:

- (i) settle the terms of payment with suppliers when agreeing the terms of transactions;
- (ii) ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (iii) pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital suppliers of goods and services without exception. The company had 9 days trade creditors outstanding at 31 December 2013 (2012: 10 days) based on the amounts invoiced by suppliers during the year.

Statement of disclosure of information to auditors

In accordance with section 418 of the Companies Act 2006, each director who was a director at the time the report was approved confirms the following:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each has taken all steps that each ought to have taken as a director to make himself aware of any relevant information and to establish that the company's auditors are aware of that information.

Going Concern

The directors consider it appropriate to prepare financial statements on a going concern basis as the company has received written assurances from its parent undertaking that it will continue to provide financial support for at least twelve months after the approval of these financial statements.

Independent auditors

The company has elected to dispense with the obligation to appoint auditors annually. PricewaterhouseCoopers LLP will remain in office until such time as the company shall determine otherwise.

On behalf of the board



R Ericsson

Director

24 October 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRS LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by BRS Limited, comprise:

- the Balance Sheet as at 31 December 2013;
- the Profit and Loss Account for the year ended 31 December 2013; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An

- 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.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (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 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 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures in respect of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BRS LIMITED
(continued)**


Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the of Directors' responsibilities statement set out on page 3, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Stephen Snook (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

28 October 2014

BRS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

Registered number 3491731

	Note	2013 £000	2012 £000
Turnover		38,044	42,275
Cost of sales		<u>(34,897)</u>	<u>(38,504)</u>
Gross profit		3,147	3,771
Administrative expenses		<u>(2,563)</u>	<u>(3,264)</u>
Operating profit	3	584	507
Interest receivable and similar income		8	-
Interest payable and similar charges	2	<u>(1,523)</u>	<u>(1,649)</u>
Loss on ordinary activities before taxation		(931)	(1,142)
Tax credit on loss on ordinary activities	6	<u>346</u>	<u>234</u>
Loss for the financial year	14	<u>(585)</u>	<u>(908)</u>

All of the above relate to continuing operations.

There are no recognised gains and losses other than those included in the profit and loss account, and therefore no separate statement of total unrecognised gains and losses has been presented.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

BRS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2013

Registered number 3491731

		2013		2012	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	7		52,794		37,697
Current assets					
Stocks	8	407		1,078	
Debtors: amounts falling due within one year	9	10,024		8,661	
Debtors: amounts falling due after more than one year	9	1		525	
Cash at bank and in hand		315		490	
		<u>10,747</u>		<u>10,754</u>	
Creditors: amounts falling due within one year	10 (a)	<u>(22,723)</u>		<u>(16,768)</u>	
Net current liabilities			<u>(11,976)</u>		<u>(6,014)</u>
Total assets less current liabilities			<u>40,818</u>		<u>31,683</u>
Creditors: amounts falling due after more than one year	10 (b)		<u>(39,334)</u>		<u>(29,614)</u>
Net assets			<u><u>1,484</u></u>		<u><u>2,069</u></u>
Capital and reserves					
Called up share capital	12		29,400		29,400
Profit and loss account	13		<u>(27,916)</u>		<u>(27,331)</u>
Total shareholders' funds	14		<u><u>1,484</u></u>		<u><u>2,069</u></u>

The financial statements on pages 7 to 17 were approved by the Board on 24 October 2014 and signed on its behalf by:



R Ericsson
Director

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. Principal accounting policies

Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

Going concern

The directors consider it appropriate to prepare financial statements on a going concern basis as the company has received written assurances from its parent undertaking that it will continue to provide financial support for at least twelve months after the approval of these financial statements.

Turnover

Turnover represents invoiced amounts derived from the provision of services and excludes Value Added Tax. All turnover derives from short and long term hire of commercial vehicles within the United Kingdom, arising upon delivery of vehicles or completion of services.

Finance lease obligations

Assets acquired under finance leases are initially recorded in the balance sheet at their fair value and are depreciated over the lease term which is in all cases less than or equal to their estimated useful life. A corresponding liability in respect of the present value of future lease payments is included within creditors. Rentals payable on assets held under finance leases are apportioned between repayment of principal, and the element relating to the finance charge which is allocated to accounting periods using the actuarial method, so as to produce a constant periodic rate of charge on the remaining balance of the obligation outstanding.

Residual values

Specific provisions are made against residual values on an individual asset basis where losses are anticipated. These balances are charged as part of the annual depreciation on operating lease assets and set against the cost of fixed assets within accumulated depreciation to reflect their nature as asset provisions.

Operating leases

Where assets are financed by operating leases, these assets are excluded from fixed assets. The rental expense under operating leases is charged to the profit and loss account. The payments that the company has committed to pay under operating leases are disclosed by way of note (see note 15).

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value. Where necessary provision is made for obsolete, slow moving or defective stock.

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. Principal accounting policies (continued)

Taxation

Current tax is provided for at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation, or a right to pay less taxation in the future. Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the time period when the asset is realised or the liability expected to be settled. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Bad debt provisioning

Identification and calculation of valuation allowances are performed on an individual basis for customers that are expected to be unable to fulfil their contractual obligations. However, judgment is based on relevant factors such as ageing of receivables, financial position of the customer, litigation, value of collaterals, recovery possibilities from bankruptcy etc in order to determine the recoverable value of the receivables.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

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

Rental vehicles	in accordance with lease schedule
Plant, equipment and other vehicles	20-50%

Assets in the course of construction are not depreciated.

Cash flow statement

The company is a wholly owned subsidiary of Volvo Holding Sverige AB (see note 18) and is included in the consolidated financial statements of AB Volvo, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996), "Cash Flow Statements".

Pension scheme arrangements

The Company participates in defined benefit and defined contribution pension schemes (see note 17) operated by Volvo Group UK Limited, a fellow group company. The defined benefit schemes are valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the contributions made by the company for the period.

Volvo Group UK Limited has adopted Financial Reporting Standard 17 "Retirement Benefits" (see note 17) and details are disclosed in its financial statements.

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

2. Interest payable and similar charges	2013	2012
	£000	£000
Finance lease interest	<u>1,523</u>	<u>1,649</u>

3. Operating (loss)/profit	2013	2012
	£000	£000
Operating (loss)/profit is stated after charging:		
Depreciation of rental vehicles under finance lease	7,268	8,972
Depreciation of plant, equipment and other vehicles	59	200
Depreciation of rental vehicles not under finance lease	663	-
Operating lease rentals - hire of vehicles	673	5,256
Operating lease rentals – other	-	94
Services provided by the company's auditor:		
Auditors' remuneration – audit of the financial statements	<u>30</u>	<u>29</u>

4. Directors' emoluments

The directors who served during the year were employees of, and were remunerated by, another group company. These directors did not receive any emoluments from other group companies specifically for their services provided to BRS Limited. It is not possible to make an accurate apportionment of the directors' emoluments received from other group companies in respect of their services to BRS Limited.

5. Employees	2013	2012
	£000	£000
Staff costs, including directors' emoluments were:		
Wages and salaries	4,485	4,785
Social security costs	333	374
Other pension costs (see note 17)	279	560
	<u>5,097</u>	<u>5,719</u>
The average monthly number of persons employed was:	Number	Number
Contract hire and support activities	<u>257</u>	<u>229</u>

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

6. Tax credit on loss on ordinary activities	2013	2012
	£000	£000
Current tax:		
UK Corporation tax on loss for the year	(726)	(215)
Adjustment in respect of prior years	(144)	(60)
Total current tax	(870)	(275)
Deferred tax:		
Origination and reversal of timing differences	502	52
Adjustments in respect of previous years	22	(11)
Total deferred tax (note 11)	524	41
Tax (credit) on loss on ordinary activities	(346)	(234)

The tax credit assessed for the year is higher (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013	2012
	£000	£000
Loss on ordinary activities before tax	(931)	(1,142)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 23.25% (2012: 24.5%)	(216)	(280)
Effects of:		
Expenses not deductible for tax purposes	20	9
Accelerated capital allowances and other timing differences	(530)	56
Adjustments in respect of prior years	(144)	(60)
Current tax credit for the year	(870)	(275)

Legislation was included in the Finance Act 2012 to reduce the main rate of UK corporation tax from 26% to 24%, effective from 1 April 2012 and from 24% to 23% effective from 1 April 2013.

The reductions in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015 were both substantively enacted on 2 July 2013 as part of the Finance Act 2013. The overall effect of these further changes, when applied to the deferred tax balance at the balance sheet date, is to reduce the deferred tax asset provided at the balance sheet date by £3,000.

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

7. Tangible assets

	Rental vehicles	Rental vehicles under finance lease	Plant, equipment and other vehicles	Assets in the course of construct ion	Total
	£000	£000	£000	£000	£000
Cost					
Beginning of year	-	52,706	482	302	53,490
Additions	18,441	4,906	-	1,693	25,040
Disposals	-	(5,043)	-	(302)	(5,345)
At 31 December 2013	18,441	52,569	482	1,693	73,185
Accumulated depreciation					
Beginning of year	-	15,613	180	-	15,793
Charge for the year	663	7,268	59	-	7,990
Disposals	-	(3,392)	-	-	(3,392)
At 31 December 2013	663	19,489	239	-	20,391
Net book amount					
At 31 December 2012	-	37,093	302	-	37,697
At 31 December 2013	17,778	33,080	243	1,693	52,794

The net book value of rental vehicles includes £33,080,000 (2012: £37,093,000) relating to vehicles held under finance leases.

8. Stocks

	2013	2012
	£000	£000
Raw materials and consumables	407	1,078

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

9. Debtors	2013	2012
Amounts falling due within one year	£000	£000
Trade debtors	5,510	6,044
Amounts owed by fellow subsidiaries	13	214
Amounts owed by fellow subsidiaries – group relief	1,045	864
Other debtors	1,923	-
Prepayments and accrued income	1,533	1,539
	<u>10,024</u>	<u>8,661</u>
Amounts falling due after more than one year		
Deferred tax asset (note 11)	1	525
	<u>10,025</u>	<u>9,186</u>

Amounts owed by fellow subsidiaries are unsecured, repayable on demand and interest free.

10 (a) Creditors: amounts falling due within one year	2013	2012
	£000	£000
Trade creditors	904	1,006
Finance lease creditors	9,694	10,137
Advance payments from customers	1,032	816
Amounts owed to fellow subsidiaries	4,467	1,296
Loans owed to fellow subsidiaries	3,148	-
Taxation and social security payable	118	1,079
Accruals and deferred income	3,360	2,434
	<u>22,723</u>	<u>16,768</u>

Amounts owed to fellow subsidiaries are unsecured, repayable on demand and interest free. Loans owed to fellow subsidiaries have an average remaining term of 49 months and carry interest at rates between 2.03% and 2.94%.

The company is a party to a composite cross guarantee arrangement involving other UK group companies in respect of overdraft liabilities under group set off arrangements with the company's bankers, which were £nil at 31 December 2013 (2012: £nil).

10 (b) Creditors: amounts falling due after more than one year	2013	2012
Finance lease creditors due in :	£000	£000
One to two years	9,416	8,880
Two to five years inclusive	15,139	20,734
	<u>24,555</u>	<u>29,614</u>
Loans due to fellow subsidiaries due in :	£000	£000
One to two years	3,148	-
Two to five years inclusive	11,592	-
Over five years	39	-
	<u>14,779</u>	<u>-</u>
	<u>39,334</u>	<u>-</u>

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

11. Deferred tax asset	2013	2012
	£000	£000
At 1 January	525	566
Charged to the profit and loss account	(524)	(41)
At 31 December	<u>1</u>	<u>525</u>

The deferred tax (liability)/asset comprises:	2013	2012
	£000	£000
Accelerated capital allowances	(106)	524
Other timing differences	107	1
	<u>1</u>	<u>525</u>

There is an unrecognised gross deferred tax asset of £148,000 (2011: £148,000) relating to trading losses.

12. Called up share capital	2013	2012
	£000	£000
Allotted and fully paid		
23,400,000 Ordinary shares of £1 each (2012: 23,400,000)	23,400	23,400
6,000,000 Redeemable preference shares of £1 each (2012: 6,000,000)	6,000	6,000
	<u>29,400</u>	<u>29,400</u>

The preference shares carry no rights to a dividend and no voting rights. However no dividend will be paid to ordinary shareholders unless a dividend has been paid to preference shareholders.

The preference shares have priority over ordinary shares to the return of their capital on a reorganisation or winding up of the company and are redeemable at par at the option of the directors.

13. Profit and loss account	2013	2012
	£000	£000
At 1 January	(27,331)	(26,423)
Loss for the financial year	(585)	(908)
At 31 December	<u>(27,916)</u>	<u>(27,331)</u>

14. Reconciliation of movements in total shareholders' funds	2013	2012
	£000	£000
Opening shareholders' funds	2,069	2,977
Loss for the financial year	(585)	(908)
Closing shareholders' funds	<u>1,484</u>	<u>2,069</u>

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

15. Operating lease commitments	2013	2012
	£000	£000

Land and buildings

Annual payments committed to be made under operating leases which expire:

Within one year	-	-
	2013	2012
	£000	£000

Other

Annual payments committed to be made under operating leases which expire:

Within one year	91	707
Second to fifth years inclusive	582	1,021
Above five years	-	71
	673	1,799

16. Related party transactions

As the company is wholly owned by AB Volvo, under the terms of FRS 8 'Related Party Disclosures' the company is not required to disclose transactions with other group undertakings that are fully eliminated on consolidation. There were no other related party transactions.

BRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

17. Pension schemes

The company participates in defined benefit and defined contribution pension schemes operated by Volvo Group UK Limited with various eligibility rules for its employees. Schemes of the defined benefit type are funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. The last actuarial valuation of the schemes was as at 5 April 2010. Particulars of the valuation are shown in the financial statements of Volvo Group UK Limited.

Contributions to the pension schemes for the year were as follows:

	2013	2012
	£000	£000
Defined benefit schemes - regular contributions	17	210
Defined benefit schemes - deficit payment	190	278
Defined contribution schemes	72	72
	<u>279</u>	<u>560</u>

The Financial Reporting Standard 17 "Retirement Benefits" disclosures have been made in the Volvo Group UK Limited financial statements. It is impractical to identify the share of the underlying assets and liabilities attributable to BRS Limited. The defined benefit schemes had a surplus of £4,393,000 (2012: deficit of £7,721,000) representing a funding level of 102% (2012: 98%) and are fully disclosed in the financial statements of Volvo Group UK Limited.

The company is also party to a defined contribution scheme. Company contributions to this scheme are taken to the profit and loss account as they are incurred. The amount outstanding at the end of the year for the defined contribution scheme was £nil (2012: £nil).

18. Ultimate parent undertaking

The directors regard AB Volvo, a company registered in Sweden, as the ultimate parent undertaking and controlling party. The immediate parent company (and parent company of the smallest group to consolidate these financial statements) is Volvo Holding Sverige AB, a company registered in Sweden.

A copy of Volvo Holding Sverige AB financial statements may be obtained from the AB Volvo Publications Department, 7940 Arun S 405 08, Gothenburg, Sweden.

A copy of the ultimate parent undertaking's financial statements may be obtained from AB Volvo Publications Department, 7940 Arun S 405 08, Gothenburg, Sweden.