

Brightwells Limited
ABBREVIATED ACCOUNTS
for the year ended
31 December 2009



Brightwells Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R J Grainger
T C Court
F J A Morgan
M H Rose
T I Parry
N W E Gorst
D C Burgoyne
R J Binnersley

SECRETARY

R J Grainger

REGISTERED OFFICE

Easters Court
Leominster
Herefordshire
HR6 0DE

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Elgar House
Holmer Road
Hereford
HR4 9SF

BANKERS

Barclays Bank Plc
Herefordshire Business Centre
1-3 Broad Street
Hereford
HR4 9BH

Brightwells Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Brightwells Limited for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was as auctioneers and valuers

REVIEW OF THE BUSINESS

The directors are delighted to report another very successful year with both turnover and profits ahead of last year's record levels. Cash flow has improved significantly and the business is well placed to continue to grow despite the likelihood of more difficult trading conditions ahead

FUTURE DEVELOPMENTS

The directors have not undertaken any major capital projects in the last year and are currently only considering projects that can be funded out of existing resources

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £799,090. Particulars of dividends paid are detailed in note 7 to the financial statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Performance over the last year indicates that the director's actions to counter the threats posed by the economic downturn have been effective and indeed the significant reduction in bad debts provision in these very difficult times is a good example of this fact

KEY PERFORMANCE INDICATORS ("KPIs")

The excellent performance of the business is summed up by 2 key indicators. Gross profit as a percentage of Gross Turnover has increased from 50.69% in 2008 to 53.4% in 2009 and pre tax profit as a percentage of gross turnover has risen from 13.61% in 2008 to 14.96% in 2009

DIRECTORS

The directors who served the company during the year were as follows

R J Grainger
T C Court
F J A Morgan
M H Rose
T I Parry
N W E Gorst
D C Burgoyne
R J Binnersley

FIXED ASSETS

The directors are of the opinion that the market value of freehold land and buildings owned by the company is substantially in excess of the historical cost shown in the balance sheet

Brightwells Limited

DIRECTORS' REPORT

DONATIONS

During the year the company made the following contributions

	2009	2008
	£	£
Charitable donations	<u>2,700</u>	<u>20,570</u>

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Registered office
Easters Court
Leominster
Herefordshire
HR6 0DE

By order of the board



R J Grainger

Company Secretary

6/7/10

Brightwells Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the 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 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

AUDITOR'S REPORT TO BRIGHTWELLS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of Brightwells Limited for the year ended 31 December 2009 prepared under section 396 of the Companies Act 2006

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not, in giving this opinion, 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.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



MARK BEVAN (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Elgar House
Holmer Road
Hereford HR4 9SF

22/7/10

BRIGHTWELLS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

		2009	2008
	<i>Notes</i>	£	£
TURNOVER		7,221,680	6,745,946
Cost of sales		(3,367,831)	(3,326,332)
Gross profit		3,853,849	3,419,614
Administrative expenses		(3,587,178)	(3,455,644)
Other operating income		832,276	813,309
OPERATING PROFIT	2	1,098,947	777,279
Profit on disposal of fixed assets		209	1,297
		1,099,156	778,576
Interest receivable and similar income	5	(19,140)	139,603
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,080,016	918,179
Taxation	6	(280,926)	(160,479)
PROFIT FOR THE FINANCIAL YEAR	19	799,090	757,700

The profit for the year arises from the company's continuing operations

BRIGHTWELLS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2009

	2009	2008
	£	£
Profit for the financial year	799,090	757,700
Actuarial gain/(loss) in respect of defined benefit pension scheme	(123,000)	(584,000)
Deferred tax in respect of defined benefit pension scheme	34,440	166,440
Other movements	<u>(46,440)</u>	<u>(31,440)</u>
Total recognised gains and losses since the last financial statements	<u>664,090</u>	<u>308,700</u>

BRIGHTWELLS LIMITED**ABBREVIATED BALANCE SHEET**

31 December 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Intangible assets	8	1	1
Tangible assets	9	3,410,141	3,491,712
Investments	10	6,090	6,090
		<u>3,416,232</u>	<u>3,497,803</u>
CURRENT ASSETS			
Stocks	11	4,915	4,246
Debtors	12	3,248,404	3,262,421
Cash at bank and in hand		<u>3,621,254</u>	<u>2,239,999</u>
		6,874,573	5,506,666
CREDITORS			
Amounts falling due within one year	13	(6,369,414)	(5,407,668)
NET CURRENT ASSETS		<u>505,159</u>	<u>98,998</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,921,391</u>	<u>3,596,801</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>3,921,391</u>	<u>3,596,801</u>
Defined benefit pension scheme liability	14	(597,000)	(612,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>3,324,391</u>	<u>2,984,801</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,475	1,475
Share premium account	18	124,775	124,775
Profit and loss account	19	3,198,141	2,858,551
SHAREHOLDERS' FUNDS	20	<u>3,324,391</u>	<u>2,984,801</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

The abbreviated accounts on pages 6 to 20 were approved by the board of directors and authorised for issue on 15/7/10 and are signed on their behalf by

R J Grainger
Director



BRIGHTWELLS LIMITED

CASH FLOW STATEMENT

for the year ended 31 December 2009

		2009	2008
	<i>Notes</i>	£	£
Net cash flow from operating activities	21	947,186	(1,299,769)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		<u>20,860</u>	<u>122,603</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		20,860	122,603
TAXATION		(221,746)	(92,803)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(27,405)	(1,023,902)
Receipts from sale of fixed assets		<u>3,061</u>	<u>7,400</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(24,344)	(1,016,502)
Equity dividends paid		(324,500)	(295,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>397,456</u>	<u>(2,581,471)</u>
FINANCING			
Net inflow/(outflow) from other short-term creditors		<u>963,790</u>	<u>(311,928)</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		963,790	(311,928)
INCREASE/(DECREASE) IN CASH IN THE PERIOD	21	<u>1,361,246</u>	<u>(2,893,399)</u>

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 31 December 2009

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

The directors consider it appropriate to prepare the financial statements on a going concern basis for the following reasons

The company not only increased its turnover during the year, but also improved profitability through comprehensive cost control and cash flow by actively managing debtor collection and timing of expenditure

The directors will not expose the company to undue risk by approving projects that cannot be funded from existing resources

By strengthening the balance sheet in this way, the directors are confident that the company can withstand the impact of any potential future downturn

TURNOVER

Turnover represents commissions receivable by the company, and is stated net of value added tax. It relates only to commissions received by the company, and does not reflect the gross turnover passing through auctions

AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - 6 years straight line

FIXED ASSETS

All fixed assets are initially recorded at cost

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- 5%, 10%, 20% and 33% straight line
Leasehold Property	- 4% straight line
Motor Vehicles	- 16 7%, 25% and 33% straight line
Fixtures & Fittings	- 10%, 14%, 20% and 33% straight line

There is no depreciation charge for freehold land and buildings as the company's policy of regular repair and refurbishment means that with its expected high residual value, the charge would be immaterial

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 31 December 2009

1 ACCOUNTING POLICIES *(continued)*

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The company operates a defined benefit pension scheme for some of its employees. The assets of the scheme are held separately from those of the company.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using iBoxx Sterling Corporate Bond Index for AA rated stocks of terms greater than 15 years.

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet.

The deferred tax relating to a defined benefit asset/liability is offset against the defined benefit asset/liability and not included with other deferred tax assets or liabilities.

DEFERRED TAXATION

Deferred tax is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are expected to crystallise in the foreseeable future.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

INVESTMENTS

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

BRIGHTWELLS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2009

2 OPERATING PROFIT

Operating profit is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	106,124	102,699
Auditor's remuneration		
- as auditor	8,800	8,800
Operating lease costs		
- Other	<u>333,182</u>	<u>312,761</u>

3 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

	2009	2008
	No	No
Number of administrative staff	14	13
Number of selling staff	<u>62</u>	<u>62</u>
	<u>76</u>	<u>75</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	2,999,356	2,749,937
Social security costs	305,541	271,733
Other pension costs	<u>45,000</u>	<u>46,000</u>
	<u>3,349,897</u>	<u>3,067,670</u>

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income (see note 5) and amounts recognised in the statement of recognised gains and losses

4 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Remuneration receivable	651,078	601,585
Value of company pension contributions to defined benefit schemes	<u>112,322</u>	<u>115,180</u>
	<u>763,400</u>	<u>716,765</u>

Remuneration of highest paid director

	2009	2008
	£	£
Total remuneration (excluding pension contributions)	137,401	113,534
Value of company pension contributions to defined benefit schemes	<u>23,511</u>	<u>23,036</u>
	<u>160,912</u>	<u>136,570</u>

BRIGHTWELLS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2009

4 DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	2009	2008
	No	No
Defined benefit schemes	<u>5</u>	<u>5</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2009	2008
	£	£
Bank interest receivable	20,860	122,603
Net finance income in respect of defined benefit pension schemes	(40,000)	17,000
	<u>(19,140)</u>	<u>139,603</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 - 29%)	281,176	220,211
Over/under provision in prior year	(250)	2,283
Total current tax	280,926	222,494
Deferred tax		
Origination and reversal of timing differences	-	(62,015)
Tax on profit on ordinary activities	<u>280,926</u>	<u>160,479</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 29%), as explained below

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>1,080,016</u>	<u>918,179</u>
Profit on ordinary activities by rate of tax	302,404	261,681
Effects of		
Depreciation for period in excess of capital allowances	15,484	12,290
Expenses not deductible for tax purposes	13,454	12,366
Marginal relief	(8,097)	(13,464)
Adjustments to tax charge in respect of previous periods	(250)	2,283
Sundry tax adjusting items	(42,069)	(52,662)
Total current tax (note 6(a))	<u>280,926</u>	<u>222,494</u>

BRIGHTWELLS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2009

7 DIVIDENDS

Equity dividends

	2009 £	2008 £
Paid during the year		
Dividends on equity shares £11 00 (2008 £10 00)	<u>324,500</u>	<u>295,000</u>

8 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2009 and 31 December 2009	<u>15,000</u>
Amortisation	
At 1 January 2009	<u>14,999</u>
At 31 December 2009	<u>14,999</u>
Net book value	
At 31 December 2009	<u>1</u>
At 31 December 2008	<u>1</u>

9 TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property Improvements £	Motor Vehicles £	Fixtures & Fittings £	Total £
Cost					
At 1 January 2009	2,660,111	963,888	58,531	213,573	3,896,103
Additions	–	–	10,000	17,405	27,405
Disposals	–	–	(7,681)	–	(7,681)
At 31 December 2009	<u>2,660,111</u>	<u>963,888</u>	<u>60,850</u>	<u>230,978</u>	<u>3,915,827</u>
Depreciation					
At 1 January 2009	203,225	38,556	19,673	142,937	404,391
Charge for the year	23,136	38,555	17,301	27,132	106,124
On disposals	–	–	(4,829)	–	(4,829)
At 31 December 2009	<u>226,361</u>	<u>77,111</u>	<u>32,145</u>	<u>170,069</u>	<u>505,686</u>
Net book value					
At 31 December 2009	<u>2,433,750</u>	<u>886,777</u>	<u>28,705</u>	<u>60,909</u>	<u>3,410,141</u>
At 31 December 2008	<u>2,456,886</u>	<u>925,332</u>	<u>38,858</u>	<u>70,636</u>	<u>3,491,712</u>

BRIGHTWELLS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2009

10 INVESTMENTS

	Shares in Group Undertakings £	Shares in Non Group Undertakings £	Total £
Cost			
At 1 January 2009 and 31 December 2009	<u>5,840</u>	<u>250</u>	<u>6,090</u>
Net book value			
At 31 December 2009 and 31 December 2008	<u>5,840</u>	<u>250</u>	<u>6,090</u>

The company owns ordinary shares in the following companies

Name	% Holding	Principal Activity
Hereford Market Auctioneers Limited	42%	Market auctioneers
Brightwells Robinson Leslie Limited	50%	Insurance brokers
Farmers First plc	<10%	Purchase of lambs for slaughter

	2009 £	2008 £
Aggregate capital and reserves		
Hereford Market Auctioneers Limited	207,268	171,692
Brightwells Robinson Leslie Limited	–	(124,968)
Profit and (loss) for the year		
Hereford Market Auctioneers Limited	35,576	12,601
Brightwells Robinson Leslie Limited	–	59,578

No 2009 figures for Brightwells Robinson Leslie Limited are yet available

11 STOCKS

	2009 £	2008 £
Stock	<u>4,915</u>	<u>4,246</u>

12 DEBTORS

	2009 £	2008 £
Trade debtors	2,971,965	2,998,838
Amounts owed by undertakings in which the company has a participating interest	71,083	55,442
Other debtors	99,005	119,433
Pension prepayment	10,569	8,784
Prepayments and accrued income	95,782	79,924
	<u>3,248,404</u>	<u>3,262,421</u>

BRIGHTWELLS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2009

13 CREDITORS Amounts falling due within one year

	2009	2008
	£	£
Bank overdrafts	2,976,538	2,956,529
Trade creditors	–	121,445
Corporation tax	281,176	220,211
Other taxation and social security	364,110	470,571
Other creditors	1,949,148	985,358
Accruals and deferred income	798,442	653,554
	<u>6,369,414</u>	<u>5,407,668</u>

14 PENSIONS AND OTHER POST RETIREMENT BENEFITS

The company operates a defined benefit pension scheme for some of its employees. The assets of the scheme are held separately from those of the company.

The amounts recognised in the profit and loss account are as follows

	2009	2008
	£	£
<i>Amounts charged to operating profit</i>		
Current service cost	45,000	46,000
Total operating charge	<u>45,000</u>	<u>46,000</u>
<i>Amounts included in other finance cost/(income)</i>		
Expected return on scheme assets	(146,000)	(198,000)
Interest on scheme liabilities	186,000	181,000
Other finance cost/(income)	<u>40,000</u>	<u>(17,000)</u>
Total charge to the profit and loss account	<u>85,000</u>	<u>29,000</u>
Actual return on scheme assets	<u>465,000</u>	<u>(549,000)</u>

Other finance income is included in the profit and loss account within interest receivable and similar income.

The amounts recognised in the statement of total recognised gains and losses are as follows

	2009	2008
	£	£
Actual return less expected return on pension scheme assets	319,000	(747,000)
Experience gains and losses arising on scheme liabilities including changes in assumptions underlying the present value of the scheme liabilities	(442,000)	163,000
Actuarial loss	<u>(123,000)</u>	<u>(584,000)</u>

BRIGHTWELLS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2009

14 PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

The amounts recognised in the balance sheet are as follows

	2009 £	2008 £
Present value of funded obligations	(3,759,000)	(3,085,000)
Fair value of scheme assets	<u>2,930,000</u>	<u>2,229,000</u>
	(829,000)	(856,000)
Related deferred tax asset	<u>232,000</u>	<u>244,000</u>
Net pension liability	<u>(597,000)</u>	<u>(612,000)</u>

Changes in the present value of the defined benefit obligation scheme are as follows

	2009 £	2008 £
Opening defined benefit obligation	3,085,000	3,139,000
Current service cost	45,000	46,000
Interest on scheme liabilities	186,000	181,000
Actuarial loss/(gain)	442,000	(163,000)
Contributions by scheme participants	29,000	24,000
Benefits paid	<u>(28,000)</u>	<u>(142,000)</u>
Closing defined benefit obligation	<u>3,759,000</u>	<u>3,085,000</u>

Changes in the fair value of scheme assets are as follows

	2009 £	2008 £
Opening fair value of scheme assets	2,229,000	2,667,000
Expected return on scheme assets	146,000	198,000
Contributions by employer	235,000	229,000
Contributions by scheme participants	29,000	24,000
Actuarial gain/(loss)	319,000	(747,000)
Benefits paid	<u>(28,000)</u>	<u>(142,000)</u>
Closing fair value of scheme assets	<u>2,930,000</u>	<u>2,229,000</u>

The fair value of the major categories of scheme assets are as follows

	2009 £	2008 £
Equities	2,251,000	1,619,000
Bonds	293,000	123,000
Property	2,000	28,000
Cash	113,000	139,000
Gilts	<u>271,000</u>	<u>320,000</u>
Fair value of scheme assets	<u>2,930,000</u>	<u>2,229,000</u>

The principal actuarial assumptions as at the balance sheet date were

	2009 %	2008 %
Discount rate	6.00	6.00
Expected return on scheme assets	6.00	6.00
Rate of increase in salaries	3.00	3.00
Rate of increase in pensions in payment	3.00	3.00
Rate of increase in deferred pensions	3.00	3.00
Inflation	3.00	3.00

BRIGHTWELLS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2009

14 PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

Amounts for the current and previous four periods are as follows

	2009 £	2008 £	2007 £	2006 £	2005 £
Defined benefit obligation	(3,759,000)	(3,085,000)	704,000	(3,843,000)	(6,266,000)
Fair value of scheme assets	<u>2,930,000</u>	<u>2,229,000</u>	<u>(497,000)</u>	<u>3,164,000</u>	<u>4,024,000</u>
(Deficit)/surplus in the scheme	<u>(829,000)</u>	<u>(856,000)</u>	<u>207,000</u>	<u>(679,000)</u>	<u>(2,242,000)</u>
Experience adjustments on scheme liabilities (£)	<u>38,000</u>	<u>491,000</u>	<u>(283,000)</u>	<u>495,000</u>	<u>(47,000)</u>
Experience adjustments on scheme assets (£)	<u>319,000</u>	<u>(747,000)</u>	<u>(31,000)</u>	<u>129,000</u>	<u>517,000</u>

The overall expected return on assets of 7.08% (2008: 6.21%) has been derived as the weighted average return on the total assets

The expected level of company contributions to the scheme for the year beginning 1 January 2010 is £241,000

The expected return on equities for the year beginning 1 January 2010 assumes equities will return on average approximately 3.25% per annum more than gilts

15 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2009 £	2008 £
Operating leases which expire		
Within 1 year	16,000	25,600
Within 2 to 5 years	125,500	89,000
After more than 5 years	<u>5,000</u>	<u>5,000</u>
	<u>146,500</u>	<u>119,600</u>

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 31 December 2009

16 TRANSACTIONS WITH THE DIRECTORS

Directors

All transactions between the company and its directors were made in the ordinary course of business except for the provision of interest free loans totalling £13,780 (2008 £21,367)

	Maximum amount outstanding in year	2009	2008
	£	£	£
R J Grainger	5,000	1,803	3,471
T C Court	5,502	1,494	3,498
F J A Morgan	5,850	3,470	5,510
T I Parry	2,660	2,498	4,166
R J Binnersley	5,000	3,054	4,722
N W E Gorst	1,971	1,461	—

Dividends of the following were paid to the directors in the year

	2009	2008
	£	£
R J Grainger	30,250	27,500
T C Court	30,250	27,500
F J A Morgan	30,250	27,500
T I Parry	25,850	23,500
R J Binnersley	20,350	18,500
N W E Gorst	26,950	24,500
M H Rose	22,000	20,000
D C Burgoyne	30,250	27,500

17 SHARE CAPITAL

	2009	2008
	£	£
Authorised		
60,000 (2008 - 30,000) Ordinary shares of £0.05 each	<u>3,000</u>	<u>1,500</u>

	2009	2008
	£	£
Allotted, called up and fully paid		
29,500 Ordinary shares of £0.05 each	<u>1,475</u>	<u>1,475</u>

18 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

19 PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
At 2009	2,858,551	2,844,851
Profit for the financial year	799,090	757,700
Dividends	(324,500)	(295,000)
Defined pension benefit scheme	(135,000)	(449,000)
At 2009	<u>3,198,141</u>	<u>2,858,551</u>

BRIGHTWELLS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2009

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit for the financial year	799,090	757,700
Dividends	(324,500)	(295,000)
Actuarial gain/(loss) in respect of defined benefit pension scheme	(135,000)	(449,000)
Net addition to shareholders' funds	339,590	13,700
Opening shareholders' funds	2,984,801	2,971,101
Closing shareholders' funds	<u>3,324,391</u>	<u>2,984,801</u>

21 CASH FLOWS

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW)
FROM OPERATING ACTIVITIES**

	2009	2008
	£	£
Operating profit	1,098,947	777,279
Depreciation	106,124	102,699
Increase in stocks	(669)	(1,104)
Decrease/(increase) in debtors	15,802	(1,873,750)
Decrease in creditors	(83,018)	(121,893)
Provision for service cost of defined benefit pension scheme	45,000	46,000
Defined benefit pension scheme contributions paid	(235,000)	(229,000)
Net cash inflow/(outflow) from operating activities	<u>947,186</u>	<u>(1,299,769)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009	2008
	£	£
Increase/(decrease) in cash in the period	1,361,246	(2,893,399)
Net (inflow) from/outflow from other short-term creditors	(963,790)	311,928
Change in net funds	<u>397,456</u>	<u>(2,581,471)</u>
Net debt at 1 January 2009	(1,701,888)	879,583
Net funds at 31 December 2009	<u>(1,304,432)</u>	<u>(1,701,888)</u>

ANALYSIS OF NET FUNDS

	At 1 Jan 2009	Cash flows	At 31 Dec 2009
	£	£	£
Cash in hand and at bank	2,239,999	1,381,255	3,621,254
Overdrafts	(2,956,529)	(20,009)	(2,976,538)
	<u>(716,530)</u>	<u>1,361,246</u>	<u>644,716</u>
Debt due within 1 year	(985,358)	(963,790)	(1,949,148)
Total	<u>(1,701,888)</u>	<u>397,456</u>	<u>(1,304,432)</u>