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Registered number: 06542437

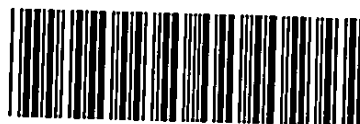
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**BLUE SPARK HOLDINGS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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## **BLUE SPARK HOLDINGS LIMITED**

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### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	Craig Ball Paul Wardleworth Andrew Dunn Mark Bertolini
<b>COMPANY SECRETARY</b>	Craig Ball
<b>COMPANY NUMBER</b>	06542437
<b>REGISTERED OFFICE</b>	Unit 7, Rosewood Park St James's Road Blackburn Lancashire BB1 8ET
<b>ACCOUNTANTS</b>	Crowe Clark Whitehill LLP 6 <sup>th</sup> Floor Arkwright House Parsonage Gardens Manchester M3 2HP

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**BLUE SPARK HOLDINGS LIMITED**

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**CONTENTS**

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	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Assurance report</b>	<b>3 - 4</b>
<b>Consolidated profit and loss account</b>	<b>5</b>
<b>Consolidated balance sheet</b>	<b>6 - 7</b>
<b>Company balance sheet</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9 - 21</b>

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## **BLUE SPARK HOLDINGS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Group is the manufacture of Precision Machined Parts for Aerospace and Defence, Automotive, Chemical, Nuclear and General Engineering industries.

#### **BUSINESS REVIEW**

The directors are pleased with the improved performance of the business during a period of limited recovery in the UK market.

Management have taken steps to improve gross margin and the operating result. Although there remains a degree of uncertainty within the UK economy and the specific markets in which the company is engaged, the directors consider that the business is in a good position to take advantage of future opportunities and potential growth.

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**BLUE SPARK HOLDINGS LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

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**RESULTS**

The consolidated profit for the year, after taxation, amounted to £61,977 (2009 £1,148)

**DIRECTORS**

The directors who served during the period were

Craig Ball  
Paul Wardleworth  
Andrew Dunn  
Mark Bertolini

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 19 April 2011 and signed on its behalf



**Craig Ball**  
Director

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## **BLUE SPARK HOLDINGS LIMITED**

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### **CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT ON THE UNAUDITED FINANCIAL STATEMENTS OF BLUE SPARK HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **TO THE BOARD OF DIRECTORS OF BLUE SPARK HOLDINGS LIMITED ("THE COMPANY")**

We have performed certain procedures in respect of the company's unaudited financial statements for the year ended 31 December 2010 as set out on pages 5 to 21, made enquiries of the company's directors and assessed accounting policies adopted by the directors, in order to gather sufficient evidence for our conclusion in this report

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 22 April 2008. It has been released to the directors on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the directors' own internal purposes or as may be required by law or by a competent regulator) or in part, without our prior written consent. Our work has been undertaken so that we might state to the directors those matters that we have agreed to state to them in this 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 directors, as a body, for our work, for this report or the conclusions we have formed.

#### **RESPECTIVE RESPONSIBILITIES**

You have confirmed that you have met your duty as set out in the Directors' statement on page 1. You consider that the company is exempt from the statutory requirement for an audit for the year. Our responsibility is to form and express an independent conclusion, based on the work carried out, to you on the financial statements.

#### **SCOPE**

We conducted our engagement in accordance with the Institute of Chartered Accountants in England & Wales Interim Technical Release AAF 03/06. Our work was based primarily upon enquiry, analytical procedures and assessing accounting policies in accordance with the Financial Reporting Standard for Smaller Entities. If we considered it to be necessary, we also performed limited examination of evidence relevant to certain balances and disclosures in the financial statements where we became aware of matters that might indicate a risk of material misstatement in the financial statements.

The terms of our engagement exclude any requirement to carry out a comprehensive assessment of the risks of material misstatement, a consideration of fraud, laws, regulations and internal controls, and we have not done so. We are not required to, and we do not, express an audit opinion on these financial statements.

#### **EMPHASIS OF MATTER – GOING CONCERN**

Without qualifying our opinion, we have considered the adequacy of disclosures included in note 1.1 to the financial statements regarding the going concern basis.

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**BLUE SPARK HOLDINGS LIMITED**

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**CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT  
ON THE UNAUDITED FINANCIAL STATEMENTS OF BLUE SPARK HOLDINGS LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**CONCLUSION**

Based on our work, nothing has come to our attention to refute the directors' confirmation that in accordance with the Companies Act 2006 the financial statements give a true and fair view of the state of the Group and company's affairs as at 31 December 2010 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Financial Reporting Standard for Smaller Entities

*Crowe Clark Whitehill LLP.*

**Crowe Clark Whitehill LLP**  
Chartered Accountants

Arkwright House  
Parsonage Gardens  
Manchester  
M3 2HP

26 April 2011

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**BLUE SPARK HOLDINGS LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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	Note	2010	2009 £
<b>TURNOVER</b>	2	<b>2,270,213</b>	2,197,548
Cost of sales		<u>(1,268,460)</u>	<u>(1,324,239)</u>
<b>GROSS PROFIT</b>		<b>1,001,753</b>	873,309
Administrative expenses		<u>(812,771)</u>	<u>(779,235)</u>
<b>OPERATING PROFIT</b>	3	<b>188,982</b>	94,074
Interest payable and similar charges	5	<u>(78,926)</u>	<u>(100,831)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>110,056</b>	(6,757)
Tax on profit/(loss) on ordinary activities	6	<u>(48,079)</u>	<u>7,905</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	15	<u><b>61,977</b></u>	<u>1,148</u>

All amounts relate to continuing operations

There were no recognised gains or losses for 2010 other than those included in the profit and loss account

The notes on pages 9 to 21 form part of these financial statements



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**BLUE SPARK HOLDINGS LIMITED****Registered Number: 06542437**

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**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2010**

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		2010	2009
	Note	£	£
<b>FIXED ASSETS</b>			
Intangible fixed assets	7	1,113,797	1,195,435
Tangible fixed assets	8	<u>519,014</u>	<u>506,252</u>
		1,632,811	1,701,687
<b>CURRENT ASSETS</b>			
Stocks		51,312	18,459
Debtors	10	611,358	499,030
Cash at bank		<u>484</u>	<u>497</u>
		663,154	517,986
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(1,114,197)</u>	<u>(960,197)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(451,043)</u>	<u>(442,211)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,181,768	1,259,476
<b>CREDITORS: amounts falling due after more than one year</b>	12	(735,236)	(874,921)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	13	<u>(58,719)</u>	<u>(58,719)</u>
<b>NET ASSETS</b>		<u>387,813</u>	<u>325,836</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	150,000	150,000
Profit and loss account	15	<u>237,813</u>	<u>175,836</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u>387,813</u>	<u>325,836</u>

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**BLUE SPARK HOLDINGS LIMITED**

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**CONSOLIDATED BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2010**

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The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2010 and of its profit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 April 2011.



**Craig Ball**  
Director

The notes on pages 9 to 21 form part of these financial statements.

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**BLUE SPARK HOLDINGS LIMITED**

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**COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2010**

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	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Fixed asset investments	9	2,194,559	2,194,559
<b>CURRENT ASSETS</b>			
Cash at bank		75	50
<b>CREDITORS</b> , amounts falling due within one year	11	<u>(1,612,877)</u>	<u>(1,335,215)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,612,802)</u>	<u>(1,335,165)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		581,757	859,394
<b>CREDITORS</b> , amounts falling due after more than one year	12	<u>(647,106)</u>	<u>(835,339)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>(65,349)</u>	<u>24,055</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	150,000	150,000
Profit and loss account	15	<u>(215,349)</u>	<u>(125,945)</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u>(65,349)</u>	<u>24,055</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 April 2011

  
**Craig Ball**  
Director

The notes on pages 9 to 21 form part of these financial statements

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## **BLUE SPARK HOLDINGS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The directors have elected to prepare consolidated financial statements. The company and its subsidiary undertaking constitute a small group under the Companies Act 2006.

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### **Going concern**

The group meets its day-to-day working capital requirements through an overdraft facility of £100,000 which is repayable on demand and due for renewal in July 2011. In addition, the period for payment of deferred consideration to the previous business owners has been extended by agreement.

On the basis of forecasts, incorporating all financial commitments of the group extending for a period of 12 months from the approval of these financial statements, and the banking facilities which are expected to be renewed on similar terms, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

##### **1.2 Basis of consolidation**

The financial statements consolidate the accounts of Blue Spark Holdings Limited and its subsidiary undertaking.

The results of subsidiaries acquired are included from the effective date of acquisition.

##### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of value added tax and trade discounts.

##### **1.4 Intangible fixed assets and amortisation**

Goodwill represents the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the consolidated profit and loss account over its estimated economic life of 20 years.

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## BLUE SPARK HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term leasehold property	-	5%	straight line (over lease term)
Plant & machinery	-	10%	straight line
Motor vehicles	-	20%	straight line
Fixtures & fittings	-	14%	straight line

#### 1.6 Investments

##### Company

Investments in subsidiaries are valued at cost less provision for impairment.

#### 1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.8 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 1.9 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Materials are valued at purchase cost. Work in progress is valued on a contract by contract basis, taking account of the stage of completion at the balance sheet date. Cost is determined using contract price less average margin. Spares stocks are valued at selling price less average margin.

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## BLUE SPARK HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

#### 1.11 Pensions

The company operates defined contribution pension schemes and the pension charge represents the amounts payable by the company to the fund in respect of the period

#### 1.12 Cash flow

The financial statements do not include a cash flow statement because the group, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

### 2. TURNOVER

The whole of the turnover is attributable to the provision of mechanical engineering services

All turnover arose within the United Kingdom

### 3. OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Amortisation - intangible fixed assets	81,640	85,846
Depreciation of tangible fixed assets - owned by the group	<u>102,609</u>	<u>90,375</u>

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**4. DIRECTORS' REMUNERATION**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Emoluments	<b><u>227,105</u></b>	<b><u>206,509</u></b>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Interest on bank loans and overdrafts	<b>72,270</b>	93,391
Dividends on preference shares classified as debt (Note 14)	<b>3,150</b>	3,150
Finance charges on finance leases and hire purchase contracts	<b><u>3,506</u></b>	<u>4,290</u>
	<b><u>78,926</u></b>	<b><u>100,831</u></b>

**6. TAXATION**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	<b>34,939</b>	8,079
Adjustment in respect of prior year	<b>13,130</b>	-
<b>Deferred tax (see note 14)</b>		
Origination and reversal of timing differences	<b>-</b>	<b>(15,984)</b>
Tax on profit/(loss) on ordinary activities	<b><u>48,079</u></b>	<b><u>(7,905)</u></b>

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**7. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2010 and at 31 December 2010	<b><u>1,544,976</u></b>
<b>Amortisation</b>	
At 1 January 2010	<b>349,541</b>
Charge for year	<b><u>81,638</u></b>
At 31 December 2010	<b><u>431,179</u></b>
<b>Net book value</b>	
At 31 December 2010	<b><u>1,113,797</u></b>
At 31 December 2009	<b><u>1,195,435</u></b>



**BLUE SPARK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**8. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Short leasehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Furniture, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2010	24,624	818,249	34,482	877,355
Additions	-	115,371	-	115,371
At 31 December 2010	<u>24,624</u>	<u>933,620</u>	<u>34,482</u>	<u>992,726</u>
<b>Depreciation</b>				
At 1 January 2010	4,493	351,197	15,413	371,103
Charge for the period	4,925	92,989	4,695	102,609
At 31 December 2010	<u>9,418</u>	<u>444,186</u>	<u>20,108</u>	<u>473,712</u>
<b>Net book value</b>				
At 31 December 2010	<u>15,206</u>	<u>489,434</u>	<u>14,374</u>	<u>519,014</u>
At 31 December 2009	<u>20,131</u>	<u>467,052</u>	<u>19,069</u>	<u>506,252</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	<b>2010 £</b>	<b>2009 £</b>
<b>Group</b>		
Plant and machinery	<u><b>133,525</b></u>	<u><b>114,643</b></u>

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**9. FIXED ASSET INVESTMENTS**

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1 January 2010 and 31 December 2010	<u><b>2,194,559</b></u>
Details are disclosed in note 18	

**10. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>597,690</b>	482,137	-	-
Prepayments and accrued income	-	-	-	-
Other debtors	<u><b>13,668</b></u>	<u>6,893</u>	<u>-</u>	<u>-</u>
	<u><b>611,358</b></u>	<u><b>499,030</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**11. CREDITORS:  
Amounts falling due within one year**

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	276,367	249,701	267,138	228,905
Deferred consideration	288,000	150,000	288,000	150,000
Net obligations under finance leases and hire purchase contracts	31,500	17,196	-	-
Trade creditors	237,595	178,597	-	-
Amounts owed to group undertakings	-	-	1,033,600	944,171
Corporation tax	41,102	165,267	-	-
Social security and other taxes	114,871	118,023	-	-
Other creditors	100,623	69,274	-	-
Directors current accounts	12,000	-	12,000	-
Accruals and deferred income	<u>12,139</u>	<u>12,139</u>	<u>12,139</u>	<u>12,139</u>
	<u>1,114,197</u>	<u>960,197</u>	<u>1,612,877</u>	<u>1,335,215</u>

Under an agreement negotiated, deferred consideration is currently being paid at £36,000 per annum

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**12. CREDITORS:**  
**Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>602,106</b>	<b>640,339</b>	602,106	640,339
Net obligations under finance leases and hire purchase contracts	<b>88,130</b>	<b>39,582</b>	-	-
Deferred consideration	-	<b>150,000</b>	-	150,000
Share capital classified as debt (Note 15)	<b><u>45,000</u></b>	<b><u>45,000</u></b>	<b><u>45,000</u></b>	<b><u>45,000</u></b>
	<b><u>1,302,374</u></b>	<b><u>874,921</u></b>	<b><u>647,106</u></b>	<b><u>835,339</u></b>

Disclosure of the terms and conditions, including redemption dates, attached to the non-equity shares is made in note 14

Included within the above are amounts falling due as follows

	<b>Group and Company</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Between two and five years</b>		
Bank loans	<b><u>602,206</u></b>	<b><u>640,339</u></b>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Between one and two years</b>	<b><u>88,130</u></b>	<b><u>39,583</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**13. DEFERRED TAXATION**

	<b>2010</b>	<b>Group</b>	<b>2009</b>
	<b>£</b>		<b>£</b>
At beginning of year	<b>58,719</b>		74,703
(Released)/charge in year/period	<b>-</b>		<u>(15,984)</u>
At end of year	<b><u>58,719</u></b>		<u>58,719</u>

The provision for deferred taxation is made up as follows

	<b>2010</b>	<b>Group</b>	<b>2009</b>
	<b>£</b>		<b>£</b>
Accelerated capital allowances	<b><u>58,719</u></b>		<u>58,719</u>

**14. SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Shares classified as capital</b>		
<b>Authorised, allotted, called up and fully paid</b>		
150,000 Ordinary shares of £1 each	<b><u>150,000</u></b>	<u>150,000</u>
<b>Shares classified as debt</b>		
<b>Authorised, allotted, called up and fully paid</b>		
45,000 Redeemable preference shares of £1	<b><u>45,000</u></b>	<u>45,000</u>

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## BLUE SPARK HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 14. SHARE CAPITAL continued

The preference shares are non-voting and are redeemable as follows,

15,000 on 1 May 2011

15,000 on 1 May 2012

15,000 on 1 May 2013

The premium payable on redemption is 10%

Redemption is contingent upon the company having sufficient distributable reserves available at the date of redemption. If this is not the case, dividends would continue to accrue and redemption would occur as soon as there are available reserves.

The redemption premium accrued to 31 December 2010 was £3,133, which has not been provided on the basis that there are insufficient reserves.

The preference shares carry the right to a fixed cumulative preferential dividend at a rate of 7% per annum.

#### 15. RESERVES – PROFIT AND LOSS ACCOUNT

Group	£
At 1 January 2010	175,836
Profit for the year	<u>61,977</u>
At 31 December 2010	<u>237,813</u>
Company	£
At 1 January 2010	(125,945)
Loss for the year	<u>(89,404)</u>
At 31 December 2010	<u>(215,349)</u>

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

<b>Group</b>	<b>2010 £</b>	<b>2009 £</b>
Opening shareholders' funds	<b>325,836</b>	324,688
Profit for the year/period	<b><u>61,977</u></b>	<u>1,148</u>
Closing shareholders' funds	<b><u>387,813</u></b>	<u>325,836</u>
<b>Company</b>	<b>2010 £</b>	<b>2009 £</b>
Opening shareholders' funds	<b>24,055</b>	86,208
Loss for the year/period	<b><u>(89,404)</u></b>	<u>(61,973)</u>
Closing shareholders' funds	<b><u>(65,349)</u></b>	<u>24,055</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss Account

The Group result includes a loss of £89,404 (2009 Loss £61,973) relating to the company

**17. OPERATING LEASE COMMITMENTS**

At 31 December 2010 the Group had annual commitments under non-cancellable operating leases (expiring within 2-5 years) for land and buildings of £32,000 (2009 £32,000)

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**18. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Registered in</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Precision Parts Engineering Limited	England	100	Mechanical engineering

**19. CONTINGENT LIABILITIES**

In relation to bank liabilities, the company has provided unlimited security over its assets and the assets of its subsidiary undertaking

The borrowings secured by this debenture at the balance sheet date amounted to £878,473 (2009 £909,361)