

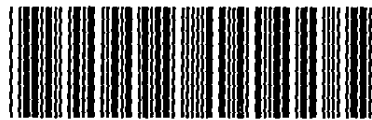
REGISTRAR

Finnveden Powertrain Limited

Report and Financial Statements

31 December 2009

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COMPANIES HOUSE

Finnveden Powertrain Limited

Directors

P C Gnutti
M Gnutti
F Turelli

Auditors

Ernst & Young LLP
P O Box 3
Lowgate House
Lowgate, Hull HU1 1JJ

Registered Office

33 West Street
Alford
Lincolnshire LN13 9DQ

Directors' report

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

Results and dividends

The loss for the year was £3,614,000 before taxation (2008 – profit of £1,636,000) The directors do not recommend the payment of a dividend (2008 – £nil)

Principal activity and review of the business and future prospects

The company is engaged in general engineering principally for the valve actuation heavy duty diesel engine sector

The company's key financial and other performance indicators during the year were as follows

	2009	2008	Change
	£000	£000	%
Turnover	10,087	20,832	(51.6)
Operating Loss	(3,516)	1,899	(307.8)
Loss after tax	(3,614)	1,173	(441.9)

The company operates in an international market place producing and distributing engineered parts for the heavy duty diesel engine industry

2009 saw a significant decrease in turnover and profit due to the downturn in the company's major markets and customers. The company has now established a cost base consistent with the downturn in demand but at the same time has continued to direct resources towards customer development, cost savings and improved sources of supply. The company will return to profitability in future years.

As part of a Group wide review of global manufacturing facilities, the Company announced on 8 September 2009 that its manufacturing operation at Alford will close in February 2010. The company will continue to operate the business with the support of its parent but the closure of the manufacturing operation will result in redundancies at the Alford site and a relocation of the manufacturing part of the business to other group companies. The company does not believe that adjustments to the carrying values of assets at the balance sheet date are required, however exceptional costs of £2,311,000 relating to the restructure are included in the profit and loss account.

Going concern

At the balance sheet date the Company has net liabilities of £3,507,000. The significant loss of the year (£3,503,000) is due for £2,311,000 to exceptional costs related to the undergoing restructuring plan (mainly redundancy see note 3). The Company has also booked a actuarial loss from its pension scheme entirely due to the fall of the discount rates. The company's parent Finnveden Powertrain Holding AB has confirmed that it is able to provide financial support to the company if required. The directors therefore consider that it is appropriate to draw up these accounts on a going basis.

Directors' report

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board are implemented by the company's management.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The board will reconsider the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company retains sufficient cash to ensure it has available funds for operations and capital expenditure. The company also has access to longer term funding from its ultimate parent undertaking if required.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise cash balances, which earn interest at a floating rate. The company has a policy of maintaining debt at fixed rates to ensure certainty of future interest cash flows. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The directors will reconsider the appropriateness of this policy should the company's operations change in size or nature.

Directors

The directors who held office during the year and subsequently are as follows:

P C Gnutti

M Gnutti

F Turelli

S Edwards (resigned on 5 July 2010)

Charitable donations

During the year the company made charitable donations of £25 (2008 – £nil).

Disclosure of information to the auditors

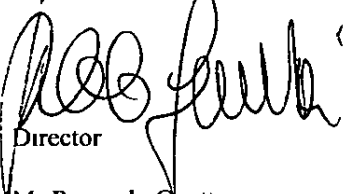
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report

Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting

On behalf of the Board



Director

Mr Piercarlo Gnutti

Date 15/09/2020

Statement of directors' responsibilities in respect of the financial statements

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

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Finnveden Powertrain Limited

We have audited the financial statements of (name of entity) for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Richard Frostick (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Hull

15/9/2010

Profit and loss account

for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Turnover	2	10,087	20,832
Cost of sales		(9,983)	(16,854)
Gross (loss)/profit		104	3,978
Distribution costs		(39)	(640)
Administrative expenses		(1,270)	(1,439)
Exceptional costs	3	(2,311)	-
Operating (loss)/profit	3	(3,516)	1,899
Interest payable and similar charges	6	(131)	(316)
Other finance income	16	33	53
(Loss)/profit on ordinary activities before taxation		(3,614)	1,636
Tax	7	111	(463)
(Loss)/profit for the financial year	17	(3,503)	1,173

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing activities

Statement of total recognised gains and losses

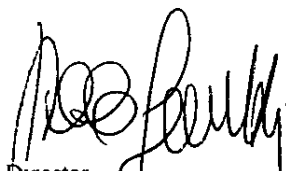
for the year ended 31 December 2009

	2009 £000	2008 £000
(Loss)/profit for the financial year	(3,503)	1,173
Actuarial (loss)/profit on pension scheme	(2,183)	36
Movement on deferred tax relating to pension scheme	-	(10)
Total recognised (loss)/profit relating to the year	(5,686)	1,199

Balance sheet

at 31 December 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Tangible assets	8	2,073	2,829
Investments	9	1	1
		<u>2,074</u>	<u>2,830</u>
Current assets			
Stocks	10	2,813	2,627
Debtors	11	2,316	4,137
Cash at bank and in hand		15	—
		<u>5,144</u>	<u>6,764</u>
Creditors amounts falling due within one year	12	(5,607)	(4,020)
Net current assets		<u>(463)</u>	<u>2,744</u>
Total assets less current liabilities		<u>1,611</u>	<u>5,574</u>
Creditors amounts falling after more than one year	13	(3,284)	(3,284)
Provisions for liabilities	14	-	(111)
Net assets excluding pension liability		<u>(1,673)</u>	<u>2,179</u>
Pension liability	16	(1,834)	—
Net assets including pension liability		<u>(3,507)</u>	<u>2,179</u>
Capital and reserves			
Called up share capital	15	619	619
Share premium account	17	3,281	3,281
Other reserves	17	1,500	1,500
Profit and loss account	17	(8,907)	(3,221)
Total shareholders' (deficit)/funds	18	<u>(3,507)</u>	<u>2,179</u>



Director
Mr Piercarlo Gnutti
Date

15/09/2010

Notes to the financial statements

at 31 December 2009

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are material to the company's financial statements

Fundamental accounting concept

The company's parent Finnveden Powertrain Holding AB has confirmed that it will provide financial support to the company to meet its liabilities as and when they fall due. The directors therefore consider that it is appropriate to draw up these accounts on a going concern basis.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. All revenue is recognised at the date of supply.

Statement of cash flows

The company is a wholly owned subsidiary of a parent whose financial statements are publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a statement of cash flows.

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	–	20 years
Plant and machinery	–	4 to 10 years
Fixtures and fittings	–	3 to 10 years

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed asset investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the first-in first-out method is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements

at 31 December 2009

1 Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease. Leasing and hire purchase agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the commitment is shown as obligations under finance leases and hire purchase agreements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

Pension costs

The company contributes to the individual personal pension schemes of its employees. The cost of these contributions is recognised in the year in which payments are made.

The company operates a defined benefit pension scheme which is now closed to new members and future accruals covering the majority of its employees up to 31 October 2006. The assets of the scheme are held independently of the company.

The regular service cost of providing retirement benefits to employees during the year is charged to operating profit in the year. The full cost of providing amendments to benefits in respect of past service is also charged to operating profit in the year.

Income representing the expected return on assets of the fund during the year is included within other finance income. This is based on the market value of the assets of the fund at the start of the financial year. A cost representing the interest on the liabilities of the fund during the year is also included within other finance income. This arises from the liabilities of the fund being one year closer to payment.

Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the year, together with differences arising from changes in assumptions underlying the present value of scheme liabilities and experience gains and losses arising on scheme liabilities.

Government grants

Capital based government grants are included within deferred income in the balance sheet and credited to the profit and loss account over the estimated economic life of the assets to which they relate.

Notes to the financial statements

at 31 December 2009

2. Turnover

Turnover by destination for the year was as follows

	2009 £000	2008 £000
United Kingdom	3,167	5,117
Other EU	3,645	9,749
Rest of the world	3,275	5,966
	<u>10,087</u>	<u>20,832</u>

3. Operating (loss)/profit

This is stated after charging

	2009 £000	2008 £000
Auditors' remuneration		
Audit work	29	30
Non audit work – tax compliance	4	4
Depreciation of tangible fixed assets – owned assets	737	622
Rentals payable under operating leases	48	59
Exceptional costs	2,311	-
	<u>2,311</u>	<u>-</u>

Exceptional costs comprise the restructure costs, including redundancy costs, arising from the closure of the company's Alford manufacturing site

4. Directors' emoluments

The total amounts for directors' emoluments were as follows

	2009 £000	2008 £000
Aggregate emoluments	110	98
Company contributions to defined contribution pension scheme	8	6
	<u>118</u>	<u>104</u>

Certain directors are remunerated for services to the Finnveden group and this company by the ultimate parent company with no separate charge being made to the company

Notes to the financial statements

at 31 December 2009

5 Staff costs

The aggregate payroll costs of these persons including directors were as follows

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	2,667	4,297
Social security costs	247	422
Other pension costs	117	165
	<u>3,031</u>	<u>4,884</u>
	<i>2009</i>	<i>2008</i>
	<i>No</i>	<i>No</i>
Management and administration	16	22
Production and distribution	108	178
	<u>124</u>	<u>200</u>

6. Interest payable and similar charges

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Interest payable on overdrafts	23	34
Interest payable to group undertaking	108	282
	<u>131</u>	<u>316</u>

Notes to the financial statements

at 31 December 2009

7. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows

	2009 £000	2008 £000
<i>Current tax</i>		
UK corporation tax on (loss)/profit for the year	—	—
Total current tax (note 7(b))	—	—
<i>Deferred tax</i>		
Current year	111	348
Prior year adjustment	—	—
Pension cost relief in excess of pension cost charge	—	115
Total deferred tax	(111)	463
Total tax (credit)/charge	(111)	463

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28 % (2008 – 28.5%) The differences are explained below

	2008 £000	2007 £000
(Loss)/profit on ordinary activities before tax	(3,614)	1,636
(Loss)/profit on ordinary activities before tax at 28 % (2008 – 28.5%)	(1,012)	466
<i>Effects of</i>		
Expenses not deductible for tax purposes	8	4
Excess capital allowances	203	(4)
Movement on short term timing differences	(98)	—
Unrelieved tax losses carried forward	899	(348)
Pension cost relief in excess of pension cost charge	—	(118)
Current year corporation tax (note 7(a))	—	—

Notes to the financial statements

at 31 December 2009

7. Tax (continued)

(c) Factors affecting future years tax charge

There are unprovided deferred tax assets totalling £1,450k on the following timing differences: capital allowances of 89,000, FRS 17 pension of £495,000 and tax losses of £866,000. These have not been recognised due to the uncertainty around whether there will be a suitable taxable profit in the future from which any reversal of the underlying timing differences can be deducted.

The above assets are calculated at 27% which is the corporation tax rate that will come into effect from 1 April 2011 following the enactment of the Finance Act 2010. Further reductions in the corporation tax rate have been announced, but have not been enacted, which may reduce the unprovided amounts above, when they are enacted.

8. Tangible fixed assets

	<i>Freehold land and building £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures and fittings £000</i>	<i>Total £000</i>
Cost				
At 1 January 2009	1,682	10,933	1,259	13,874
Additions	-	22	1	23
Disposals	-	(670)	-	(670)
At 31 December 2009	1,682	10,285	1,260	13,227
Depreciation				
At 1 January 2009	997	8,846	1,202	11,045
Charge for the year	84	629	24	737
Disposals	-	(629)	-	(629)
At 1 January 2009	1,081	8,846	1,226	11,153
Net book value				
At 31 December 2009	685	2,087	57	2,829
At 1 January 2010	601	1,439	34	2,074

9. Investments

	<i>£000</i>
Cost	
At 1 January 2009 and 31 December 2009	1

The company holds a debenture issued by Kennick Park Conference centre

Notes to the financial statements

at 31 December 2009

10. Stocks

	2009 £000	2008 £000
Raw materials and consumables	852	1,043
Work in progress	850	343
Finished goods and goods for resale	1,111	1,241
	<u>2,813</u>	<u>2,627</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

11. Debtors

	2009 £000	2008 £000
Trade debtors	2,095	3,624
Amounts due from group undertakings	-	221
Deferred tax asset (note 14)	-	-
Other debtors	122	128
Prepayments	99	164
	<u>2,316</u>	<u>4,137</u>

12 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Bank overdraft	-	732
Trade creditors	2,397	2,013
Amounts owed to group undertakings	959	617
Taxation and social security	113	153
Other creditors	485	105
Accruals and deferred income	1,653	400
	<u>5,607</u>	<u>4,020</u>

13. Creditors. amounts falling due after more than one year

	2009 £000	2008 £000
Amounts owed to group undertakings	3,284	3,284

Notes to the financial statements

at 31 December 2009

14 Provisions for liabilities

	£000
<i>Deferred taxation</i>	
At 1 January 2009	111
Profit and loss account	(111)
At 31 December 2009	-
<i>Corporation tax deferred by</i>	
Capital allowances	-
Losses	-

15. Issued share capital

	2009 £000	2008 £000
<i>Allotted called up and fully paid</i>		
619,150 Ordinary shares of £1 each	619	619

16. Pension commitments

FRS17 disclosures

The most recent actuarial valuation of the company pension scheme was at 1 July 2007. The scheme closed to new members and future accruals as at 31 October 2006. The valuation of the scheme used the projected unit method and was carried out by independent, professionally qualified actuaries.

An actuarial estimate performed by independent qualified actuaries, based on the last full valuation as at 1 July 2007 updated to 31 December 2009 has been undertaken to provide the information required for FRS 17. The major assumptions used by the actuaries to calculate the Scheme liabilities under FRS17 are as follows:

	2009	2008	2007
Rate of increase in pension payment	3.50%	3.00%	3.25%
Discount rate	5.70%	6.50%	5.75%
Inflation assumption	3.50%	3.00%	3.25%
Expected return on assets	6.60%	6.50%	6.60%
Life Expectancy of a male age 65	22.0	22.0	21.9
Life Expectancy at age 65 of a male aged 45	23.1	23.1	23.0

Notes to the financial statements

at 31 December 2009

FRS17 disclosures (continued)

The assets in the Scheme and the expected rate of return were

	<i>Market related long term rate of return expected at</i>			<i>Finnveden Pension and Life Assurance scheme value at</i>		
	2009	2008	2007	2009	2008	2007
				£000	£000	£000
Equities	8.25%	8.25%	8.25%	3,328	2,838	3,865
Bonds	6.50%	6.50%	5.00%	4,908	4,458	4,096
Other	3.70%	3.70%	5.50%	31	67	159
Total				8,267	7,363	8,120

The following amounts at 31 December 2009 were measured in accordance with the requirements of FRS 17

	<i>Finnveden Pension and Life Assurance Scheme</i>		
	2009	2008	2007
	£000	£000	£000
Total market value of assets	8,267	7,363	8,120
Present value of Scheme liabilities	(10,101)	(7,019)	(8,571)
(Deficit)/surplus in Scheme	(1,834)	344	(451)
Restriction of surplus which can be recognised		(344)	—
Related deferred tax asset	—	—	126
Net pension liability	(1,834)	—	(325)

Analysis of amount (credited)/charged to operating profit.

	2009	2008
	£000	£000
Current service cost	—	—
Total operating (credit)/charge	—	—

Analysis of amount credited to other finance income

Expected return on pension Scheme assets	448	489
Interest on pension Scheme liabilities	(481)	(542)
Net income	33	53

Notes to the financial statements

at 31 December 2009

16 Pension commitments (continued)

FRS17 disclosures (continued)

Analysis of statement of total recognised gains and losses (STRGL)

	2009 £000	2008 £000
Actual return less expected return on pension Scheme assets	351	(1,541)
Experience gains and losses arising on the Scheme liabilities	–	(1)
Changes in assumptions underlying the present value of the Scheme liabilities	(2,878)	1,922
Effect of restriction in surplus which can be recognised	344	(344)
Actuarial (loss)/gain recognised in STRGL	(2,183)	36

Movement in deficit during the year

	2009 £000	2008 £000
Deficit in scheme at beginning of year	–	(451)
Movement in year		
Operating credit/(charge)	–	–
Contributions	316	362
Other finance income	33	53
Actuarial (loss)/gain	(2,183)	36
Surplus/(deficit) in scheme at end of the year	(1,834)	–

History of experience gains and losses

	2009	2008	2007
Difference between the expected and actual return on Scheme assets:			
Amount (£000)	351	(1,541)	88
Percentage of Scheme assets	4.0%	(20.9%)	1.1%
Experience gains and losses on Scheme liabilities:			
Amount (£000)	–	(1)	(499)
Percentage of the present value of the Scheme liabilities	0.0%	0.0%	(5.8%)
Total amount recognised in statement of total recognised gains and losses:			
Amount (£000)	(2,183)	89	(517)
Percentage of the present value of the Scheme liabilities	21%	1.3%	(6.0%)

Notes to the financial statements

at 31 December 2009

16. Pension commitments (continued)

The trustees of the scheme have powers under the trust deed to set the contribution rate payable by the company to the Scheme. They also have powers under certain circumstances to trigger a wind up of the Scheme and to transfer the pension obligations on a buy out basis to an insurer.

17. Share premium and reserves

	<i>Other Reserves £000</i>	<i>Share premium account £000</i>	<i>Profit loss account £000</i>
At 1 January 2009	1,500	3,281	(3,221)
Loss for the year	–	–	(3,503)
Actuarial loss on pension scheme	–	–	(2,183)
At 31 December 2009	1,500	3,281	(8,907)

Other reserves consist of a capital contribution received from Finnveden Powertrain Components AB, the company's immediate parent undertaking.

18. Reconciliation of shareholders' funds

	<i>2009 £000</i>	<i>2008 £000</i>
Opening shareholders' funds	2,179	980
(Loss)/profit for the year	(3,503)	1,173
Actuarial (loss)/gain on pension scheme	(2,183)	36
Movement on deferred tax relating to pension scheme	–	(10)
Closing shareholders' (deficit)/funds	(3,507)	2,179

Notes to the financial statements

at 31 December 2009

19. Commitments

Annual commitments under non-cancellable operating leases are as follows

	2009 £000	2008 £000
Operating leases which expire		
Within one year	18	18
In two to five years	29	28
	<u>47</u>	<u>46</u>

20. Related party transactions

Under FRS 8 the company is exempt from the requirement to disclose details of transactions with its ultimate parent and group companies

During the year, a loan of £54,000 was made to Steven Edwards, the Managing Director. At the year end £48,087 of this loan was still outstanding

21 Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Finnveden Powertrain AB, incorporated in Sweden

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Finnveden Powertrain AB, which is incorporated in Sweden. Copies of the group financial statements are available from Lasarettgatan 3, Box 103, S-331 21 Varnamo, Sweden

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Gnuttì Carlo SPA, a company incorporated in Italy. Copies of the group financial statements are available from Via Artigiani 2 – 25030, Macclodio (BS), Italy